

AB 133: California's Healthcare Budget Trailer Bill for FY 2021-22

September 21, 2021

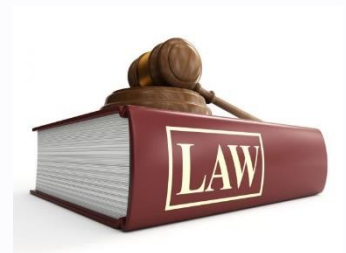


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Background Information

- **AB 133** is a healthcare budget trailer bill signed by Governor Newsom on July 27, 2021.
- A **budget trailer bill** is “legislation that implements specific changes to the law in order to enact the State Budget” (*California State Legislature*, “Glossary of Legislative Terms”).
 - Typically, a separate “trailer bill” is needed for each major area of budget appropriation (e.g., healthcare).
 - They are usually negotiated as part of the entire budget package each fiscal year.
 - These “trailer bills” have become vehicles to enact policies without going through the usual legislative process.



Healthcare Coverage and Access

- Expands full-scope Medi-Cal to low-income adults 50 years of age or older regardless of immigration status
 - First state in the nation to do so
 - Affects ~235,000 low-income undocumented Californians age 50 and older
- Extends Medi-Cal postpartum care period from 60 days to 12 months without requiring a mental health diagnosis
- Extends until December 31, 2022, telehealth flexibilities in the Medi-Cal program established during the COVID-19 pandemic



Behavioral Health

- Establishes the Children and Youth Behavioral Health Initiative
 - All Californians age 25 and younger are to be supported and routinely screened for emerging and existing behavioral health needs
 - The initiative consists of 9 components and includes creation of a statewide portal to connect young people with telehealth visits
- Creates the Behavioral Health Continuum Infrastructure Program at DHCS to expand treatment and housing options for all Californians, including people experiencing homelessness who struggle with the most acute behavioral health needs
- Makes dyadic (family- and caregiver-focused model of care) behavioral health visits a covered benefit under Medi-Cal starting no earlier than July 1, 2022



CalAIM

- AB 133 advances the state's California Advancing and Innovating Medi-Cal (CalAIM) initiative
- CalAIM: A major transformation of Medi-Cal delivery to better manage risk and improve outcomes through whole person care approaches that address social determinants of health
 - Background impetus: Medi-Cal has grown significantly in the past 10 years with now 1 in 3 Californians enrolled in Medi-Cal
 - Released by DHCS on October 29, 2019
 - Implementation originally scheduled to begin in January 2021 but delayed due to the COVID-19 public health emergency
 - New CalAIM start date: January 1, 2022



CaAIM

- **Three Primary Goals of CaAIM**
 1. Identify and manage member risk and need through whole person care approaches and addressing Social Determinants of Health
 2. Move Medi-Cal to 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



CaAIM

- **Population Health Management**
 - DHCS to implement a statewide population health management strategy starting January 1, 2023
 - Each managed care plan has to develop a plan on how it will keep all members healthy through preventive and wellness services, mitigate social determinants of health, reduce health disparities, manage outcomes, etc.
 - DHCS to implement in a manner that expands access to medical, behavioral, and social services data and provides access to authorized entities



CalAIM

- **Enhanced Care Management**
 - Builds on the Health Homes Program (HHP) and Whole Person Care (WPC) Pilots
 - Addresses both the clinical and non-clinical aspects of high need Medi-Cal beneficiaries through systematic coordination of services
 - Proposed target populations include children or youth with complex needs, homeless individuals, high utilizers, etc.
 - Will be implemented in a phased approach with a goal of full implementation for all target populations in all counties by January 1, 2023



CalAIM

- **In Lieu of Services**

- Flexible, wrap-around services that serve as medically appropriate and cost effective alternatives to services covered under the state plan (e.g., short term post-hospitalization housing, medically tailored meals, etc.)
- Managed care plans can *choose* to cover in lieu of services or settings approved by DHCS starting January 1, 2022
- Only available to Medi-Cal beneficiaries enrolled in a Medi-Cal managed care plan
- Per AB 133, DHCS shall conduct an independent evaluation of the effectiveness of in lieu of services by January 1, 2024



CalAIM

- **Managed Care Reforms**

- Standardize managed care enrollment statewide (by 1/1/22 for non-duals and by 1/1/23 for dual-eligibles)
- Standardize managed care benefits statewide by 2023
- Transition to statewide managed long-term services and supports
- Require Medi-Cal managed care plans be National Committee for Quality Assurance (NCQA) accredited by 2026
- Implement regional rates for Medi-Cal managed care plans: move from a county-based model to a regional rate model (full implementation statewide no sooner than CY 2024)



Conclusion

- A lot of changes occurring for Medi-Cal with CalAIM implementation
- Many other changes in the healthcare space with AB 133
- California is moving forward to mark its place in history for expanding healthcare access for vulnerable populations and incorporating whole person care
- Stay tuned!



Thank You!



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