

# State of California HEALTH AND HUMAN SERVICES AGENCY



DIANA S. DOOLEY  
SECRETARY

October 2, 2012

The Honorable John A. Pérez  
Speaker of the House  
State Capitol, Room 219  
Sacramento, CA 95814

The Honorable Darrell Steinberg  
President Pro Tempore  
State Capitol, Room 205  
Sacramento, CA 95814

The Honorable Bob Blumenfield  
Chair, Assembly Budget Committee  
State Capitol, Room 6026  
Sacramento, CA 95814

The Honorable Mark Leno  
Chair, Senate Budget & Fiscal Review  
State Capitol, Room 5100  
Sacramento, CA 95814

The Honorable Ed Hernandez  
Chair, Senate Health Committee  
State Capitol, Room 4085  
Sacramento, CA 95814

The Honorable Richard Pan, MD  
Chair, Assembly Health Committee  
State Capitol, Room 4164  
Sacramento, CA 95814

Dear Members of the Legislature,

Pursuant to Assembly Bill (AB) 1494, Chapter 28, Statutes of 2012, the California Health and Human Services Agency (CHHS) is submitting the Healthy Families Transition to Medi-Cal Strategic Plan (Strategic Plan). Since July, we have worked closely with the Department of Health Care Services (DHCS), the Managed Risk Medical Insurance Board (MRMIB), the Department of Managed Health Care (DMHC), and a diverse array of stakeholders to develop this Strategic Plan and to prepare for the transition of the over 863,000 Healthy Families Program children to Medi-Cal beginning January 1, 2013.

In addition to the Strategic Plan, AB 1494 requires an Implementation Plan for Phase 1. Since there would be significant content overlap between the Strategic Plan and a Phase 1 Implementation Plan, this document will also serve as the Phase 1 Implementation Plan. DHCS will update it to further address Phase 1 readiness based upon the Phase 1 Network Adequacy Assessment due to the Legislature on November 1, 2012.

The Strategic Plan addresses legislative requirements; the operational steps, timelines, and key milestones necessary for a successful transition; methods and processes for stakeholder engagement; state, county, and local administrative components; changes to the health care and dental delivery systems; and, the process for obtaining federal approval.

Aging

Alcohol and  
Drug Programs

Child Support  
Services

Community Services  
and Development

Developmental  
Services

Emergency Medical  
Services Authority

Health Care Services

Managed Health Care

Managed Risk  
Medical Insurance Board

Mental Health

Public Health

Rehabilitation

Social Services

Statewide Health  
Planning and  
Development

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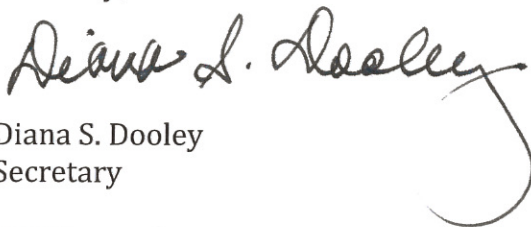
We have received significant input from stakeholders as we prepare for this transition. In response to their feedback, we propose to separate Phase 1 into two distinct sub-phases. The first group of children would transition to Medi-Cal effective January 2, 2013, given the New Year holiday, and the second group would transition on March 1, 2013. We will work collaboratively with our partner Medi-Cal managed care plans and DMHC to assess plan readiness and network adequacy in order to determine which plans are most ready to proceed with the transition. The sub-phasing approach will allow time and flexibility for DHCS, MRMIB, and DMHC to adjust processes in the event issues arise.

A second area of stakeholder concern has been network adequacy and the ongoing monitoring of the transition. We are committed to working with our plans and DMHC to ensure that children receive timely and appropriate care throughout the transition and to continuously monitor access to care post-transition.

Throughout the transition, CHHS, DHCS, MRMIB, and DMHC will continue to collaborate with each other and with our federal partners at the Centers for Medicare & Medicaid Services to facilitate a smooth transition, ensure minimum disruption in services, maintain existing eligibility gateways, and ensure access to and continuity of care.

We look forward to and welcome your ongoing engagement with us in ensuring a successful transition process.

Sincerely,

A handwritten signature in cursive script that reads "Diana S. Dooley". The signature is written in black ink and is positioned above the typed name and title.

Diana S. Dooley  
Secretary

DSD/KJ/mcv