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Jennifer Kent, Director
Department of Health Care Services
1500 Capitol Avenue
Sacramento, California 95814

RE: Value Based Payment (VBP) Program, Developmental Screening, and Trauma Screening Proposals in the Governor's Budget

Dear Director Kent:

On behalf of Redwood Coast Medical Services, Inc. (RCMS). I am writing to submit comments on proposals in the Governor's budget relating to the Value Based Payment (VBP) program, developmental screening and trauma screening. We appreciate the opportunity to work with the Department of Health Care Services (DHCS) in this important effort and offer comments on the state's various proposals.

Value of Community Health Centers (CHCs)

CHCs are on the frontline of providing care to the most indigent, vulnerable populations in the state. Today, 1,330 CHCs provide care to more than 6.9 million patients, the vast majority of which live at or below the poverty line, and a substantial number are enrolled in Medi-Cal. Additionally, CHCs have continued to serve as the only source of medical and wellness care for middle- and working-class families in rural areas, as well as homeless and migrant farmworker populations.

CHCs strive to provide cost-effective, high quality, patient-centered care for all of our patients. More importantly, CHCs offer a different type of health care environment than private practices, offering quality care in a place where patients can find a variety of services under one roof. RCMS offers our diverse patient base urgent care, behavioral health, medical, dental and hospice services.

Despite CHCs' commitment to building healthier communities and improving the lives of our patients, limiting reimbursement policies for preventive services, chronic disease management, and behavioral health integration continue to challenge CHCs from better serving the Medi-Cal eligible population or coordinating care with the rest of the delivery system. It is our goal to partner with managed care organizations (MCOs) and other Medi-Cal providers including public hospitals and specialists to increase communication throughout the delivery system and align incentives around whole person, coordinated care. Voters approved Proposition 56 because they want to see better access to high quality care for all Medi-Cal patients. As CHCs are delivering care to more than 4 million Medi-Cal patients, we are a critical provider to be targeted by these incentives.

VBP Program Proposal

Incentive programs are a common tool used in Medi-Cal managed care. The majority of MCOs already seek to incentivize providers to move toward the provision of higher quality care through incentive programs that reward improved quality, increased preventive care, chronic disease management and wellness, improved patient experience, and reduced unnecessary utilization. The goal of these incentive programs is to reward providers, who put in extra effort to improve the overall health of the enrolled population with a goal of reducing immediate or long-term costs. Managed care plans and their enrollees benefit from such provider actions, making these sort of “value-based” contracting arrangements a desired element of managed care provider agreements.

We understand that the overall goals of the VBP are to improve quality and lower costs – all aims which we support. As CHCs are serving over 4 million Medi-Cal beneficiaries, CHCs are a valuable group of providers to participate in this program, but unfortunately, in discussions with DHCS, the state is not allowing CHCs to participate in this specific program, arguing that these dollars come from Prop 56 monies that were intended to target non-FQHC providers.

Excluding FQHC Medi-Cal beneficiaries, which constitute one-third of Medi-Cal population, from this program immediately undermines the effectiveness and opportunity of the state’s investment. Excluding CHCs that are legally allowed to participate in incentive arrangements does not serve the larger goals of the Administration or the Medi-Cal program, which are to improve quality and lower costs. For these reasons, RCMS **recommends that all Medi-Cal providers, including CHCs, to be eligible providers for the VBP program** so that all eligible Medi-Cal beneficiaries can benefit from the added services and supports.

Developmental Screening and Trauma Screening Proposals

RCMS wholly supports the budget proposal to include \$105 million (\$53 million from Prop 56) to expand developmental screenings for children and trauma screenings for children and adults. The added payments for the screenings will incentivize providers in Medi-Cal to be focused on these important areas, and we appreciate the Department’s understanding that these screenings require new workflows and operations in order to fully operationalize and sustain their implementation. Screenings are the first element to a much larger body of work that the entire system must fully embrace – addressing the social determinants of health (SDOH). **We fully support CHCs being included as a provider type eligible to receive these added payments, and that these payments will not be included in the reconciliation process.** From an array of SDOH screenings CHCs have utilized we are aware that a large percentage of CHC patients experience a myriad of past and present challenges. We are supportive of this important first step to fully address the challenges and begin to understand how to help patients through them.

Thank you again for the opportunity to comment on the proposals. RCMS looks forward to working with the Department and others to successfully implement these proposals in California. If you have any questions, please do not hesitate to contact Gary Collins, CEO at 707.884.4050 or cfo@rcms-healthcare.org

Sincerely,

Gary Collins
RCMS CEO/CFO