

March 22, 2019

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 CaliforniaHealth+ Advocates, the advocacy affiliate of the California Primary Care Association, 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.

*Values of Community Health Centers*

FQHCs are on the frontline of providing care to the most indigent, vulnerable populations in the state. Today, 1,330 FQHCs 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. Moreover, FQHCs 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.

FQHCs are committed to building healthier communities and improving the lives of their patients, and desire to provide a fuller array of preventive services, chronic disease management, and behavioral health integration. It is our goal to partner with Medi-Cal 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 FQHCs are delivering care to more than 4 million Medi-Cal patients, they are a critical provider to be incented to go even further in their care delivery and coordination.

*Financial Incentives, P4P Payments and VBP Payments*

Financial incentives, P4P payments and VBP payments are similar in their stated intentions to drive providers toward the provision of higher quality care. Generally, these tactics reward

providers who provide additional services, streamline efficiencies, increase coordination, reduce redundancies, and improve the quality of care to an enrolled population and ideally reduce immediate or long-term costs. Managed care plans and their enrollees benefit from such provider actions, making these “value-based” contracting arrangements a necessary tool for all managed care networks.

Health centers have long engaged with payers in various incentive arrangements. Federal law and policy allows FQHCs to participate in incentive arrangements and keep the additional resources earned, outside of base payment. Recently, DHCS requested CPCA’s comment on a draft *FQHC and RHC Financial Incentive and Pay-for-Performance Payment Policy*. We appreciate the Department’s draft policy that allows for and clarifies how FQHCs can participate in incentive programs with MCOs in California and that such incentives are excluded from the reconciliation process. We were particularly appreciative of the timing of this policy in relation to the newly proposed VBP program in the 2019-20 State Budget.

The overall goals of the VBP program, to improve quality and lower costs, specifically targeted at behavioral health integration, chronic disease management, and prenatal and postpartum care is a tremendous addition to the Medi-Cal program. We applaud the state’s understanding and use of the tool of incentive payments and we are supportive of the areas of focus. Incenting providers in Medi-Cal to integrate behavioral health care is a tall order and providing additional resources for objectives achieved will help to move the needle in this important area. Chronic disease management requires a tremendous amount of coordination with plans, specialists, and wrap around supports. The focus on pre- and post- natal is also vitally important as many vulnerable pregnant women need additional outreach and support post-delivery. Health centers are focused in all three of these areas and the 4 million Medi-Cal patients would all benefit from additional supports that the VBP program would afford.

CPCA disagrees with the initial position the Department has articulated that FQHCs will not be allowed to participate in VBP program arguing that these dollars come from Prop 56 monies that were intended to target non-FQHC providers. From our research and review, there is no specific prohibition regarding which providers can participate in programs available through Prop 56. Moreover, DHCS indicated that FQHCs are eligible to participate in other incentive programs funded by Prop 56 including the developmental screening and trauma screening programs. Allowing FQHCs participate in the VBP program should be consistent with current law and DHCS’ policies.

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. It is also counter to the recently drafted FQHC Pay-for-Performance Policy that expressly allows FQHCs to participate in incentive programs. For these reasons, **we recommend that all Medi-Cal providers, including FQHCs, 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

CPCA 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 FQHCs 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 FQHCs have utilized we are aware that a large percentage of FQHC 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. CPCA 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 Andie Martinez Patterson at [andie@healthplusadvocates.org](mailto:andie@healthplusadvocates.org).

Sincerely,

Andie Martinez Patterson  
Director of Government Affairs  
CaliforniaHealth+Advocates