



California Association of  
Public Hospitals and Health Systems



May 8, 2015

Andy Slavitt, Acting Administrator  
Centers for Medicare & Medicaid Services (CMS)  
Department of Health and Human Services  
Room 445-G, Hubert H. Humphrey Building  
200 Independence Avenue SW  
Washington, D.C. 20201

**Subject: Medi-Cal 2020 Waiver Renewal: Whole Person Care Pilot – SUPPORT**

Dear Administrator Slavitt,

The California State Association of Counties (CSAC), the California Association of Public Hospitals and Health Systems (CAPH), the Corporation for Supportive Housing (CSH), the Service Employees International Union (SEIU), the County Welfare Directors Association (CWDA), the County Behavioral Health Directors Association (CBHDA), and County Health Executives Association of California (CHEAC) write in support of the inclusion of the Regional Integrated Whole Person Care Pilots (Whole Person Care Pilots) in California's Medi-Cal 2020 Waiver Renewal.

The recent expansion of health care coverage to low-income Californians through the Affordable Care Act has provided unprecedented opportunities both for access to coverage and for enhanced collaboration among providers of historically siloed services to Medi-Cal eligible clients. At the same time, many California counties are taking on increased responsibility for the provision of services that touch many of our most vulnerable Medi-Cal eligible residents, including those needing behavioral health and social services supports and those involved with the criminal justice system. This context provides a new opportunity to advance local efforts to improve the health outcomes of some of our most vulnerable populations, to use resources more effectively through a coordinated and more holistic approach across sectors, and to better align services for low-income populations.

Our organizations have worked together over the last several months to develop a framework for a Whole Person Care Pilot for the Medicaid Section 1115 Waiver renewal that targets the needs of high utilizers who rely on services from multiple, but historically siloed, systems of care. Our organizations believe the Whole Person Care Pilot offers the opportunity to improve care coordination and health outcomes for some of California's most vulnerable and high-cost Medi-Cal members by stimulating data-driven collaboration among plans, providers, and local agencies that often serve the same patients but do not now have deeply integrated structures to allow them to collaborate in a manner that could endure long after the end of the waiver. By recognizing the "whole person" and addressing a broad set of factors that impact health outcomes – including food, housing, criminal justice involvement – as well as direct health needs like access to medication or a doctor's appointment – these pilots seek to reduce inappropriate health care costs and improve patient health.

California has engaged in efforts to care for high users in the past, but funding challenges have made it difficult to sustain these projects. From 2003-2007, for instance, several California counties participated in the Frequent Users of Health Services Initiative, a program that addressed both the medical and non-medical needs of frequent users of health care services. The evaluation of the program found that the "ability to connect clients to support services and care in lower-cost, community-based settings resulted in significant hospital utilization reductions. The interventions in the pilot programs led to a 61 percent decrease in emergency department visits and a 62 percent decrease in inpatient days over two years of client participation."<sup>1</sup> This and other local projects have both decreased emergency room use and also improved overall health of the population. However, these earlier efforts were limited by structural and financial issues that did not permit enduring change. Whole Person Care Pilots offer the opportunity to institutionalize relationships across a variety of public and private settings that are necessary for the long-term success of the Medi-Cal program, creating a strong foundation for health improvements beyond 2020.

The Pilots seek to support those patients who are the most frequent users of medical and other public services by focusing attention on the social determinants of health and offering robust

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<sup>1</sup> Frequent Users of Health Services Initiative, "Summary Report of Evaluation Findings: A Dollars and Sense Strategy to Reducing Frequent Use of Hospital Services," October 2008. Available at <http://www.chcf.org/~media/MEDIA%20LIBRARY%20Files/PDF/F/PDF%20FUHSIEvaluationReportSummary.pdf>.

care coordination. CMS is well aware of the impact of enhanced coordination and access to non-health interventions can have on health; it noted in its July 24, 2013 memo on “Super-Utilizers” that “[t]hese patients may continue to generate high utilization because they receive fragmented care in more expensive acute care settings while lacking access to coordinated care in lower-cost primary care settings. In addition, they may have behavioral health conditions, including mental illness and substance use disorders, or face social barriers such as homelessness, which exacerbate their chronic medical illnesses.”<sup>2</sup>

Pilot sites will engage in a data-driven effort to identify common Medicaid patients across multiple local systems who are the most intensive and costly users of emergency and inpatient services, and will provide additional assistance to these individuals, including: (1) enhanced care coordination and case management, (2) additional services and social supports that may not routinely be covered by Medi-Cal, but that help lower Medi-Cal costs by reducing the use of inpatient and emergency services, and (3) housing assistance. For some individuals, whose eligibility may overlap with the separate Housing proposal, these additional services are critical to the long-term success in improving health outcomes.

Housing supports are a critical component of Whole Person Care Pilots. A study of homeless individuals in Los Angeles County has shown that homelessness costs health care systems an average of almost \$2,000 per month, per person.<sup>3</sup> The 10 percent most expensive homeless people incur an average of almost \$5,000 per month in health care costs.<sup>4</sup> In fact, at least half of beneficiaries who frequently use emergency departments for avoidable reasons are homeless, and homelessness is a strong predictor of hospital readmissions.<sup>5</sup> Pre-tenancy and other supportive services – like support with housing applications and accessing community-based social services programs – improve health outcomes and decrease costs, reducing emergency department visits by 24 to 65 percent and hospital inpatient days by 29 percent to over 72 percent.<sup>6</sup>

DHCS is concurrently working on establishing regional plan-provider strategies for a much broader Medi-Cal population. Whole-Person Care Pilots fit within this structure as a subset of the population with which plans would be engaging. These Pilots could test the concepts that would eventually be broadened to a shared savings and flexibility structure for the broader Medi-Cal managed care population, and build capacity for partnership and collaboration across

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<sup>2</sup> CMCS Informational Bulletin, “Targeting Medicaid Super-Utilizers to Decrease Costs and Improve Quality,” July 24, 2013. Available at <http://medicaid.gov/federal-policy-guidance/downloads/cib-07-24-2013.pdf>.

<sup>3</sup> D. Flaming, P. Burns & M. Matsunga. “Where We Sleep: Costs When Homeless & housed in Los Angles.” *Economic Roundtable*. 2009.

<sup>4</sup> D. Flaming, S.Lee, P. Burns, G. Sumner, “Getting Home: Outcomes from Housing High-Cost Homeless Hospital Patients.” *Economic Roundtable*. 2013.

<sup>5</sup> M. Raven J. Billings, M. Gourevitch. “Medicaid Patients at High Risk for Frequent Hospital Admission: Real Time Identification & Remediable Risks. *J. Urban Health*, Mar. 2009. 86 (2); 230-241.

<sup>6</sup> D. Buchanon, R. Kee. “The Health Impact of Supportive Housing for HIV-Positive Homeless Patients: A Randomized Controlled Trial.” *Journal American Medical Association* (June 2009) 99; 6; D. Buchanan, R. Kee, L. Sadowski, et. al. “Effect of a Housing & Case Management Program on Emergency Department Visits and Hospitalizations Among Chronically Ill Homeless Adults: A Randomized Controlled Trial.” *American Journal Public Health* (May 2009) 201; 17; D. Flaming, S.Lee, P. Burns, G. Sumner, “Getting Home: Outcomes from Housing High-Cost Homeless Hospital Patients.” *Economic Roundtable*. 2013.

the broad local delivery system in a way that addresses the specialized needs of high-use, high-cost patients. This collaboration would build the local infrastructure required to improve the health of vulnerable populations beyond 2020.

For the reasons detailed above, our organizations support the inclusion of the Whole Person Care Pilots as a key component of California's Medi-Cal 2020 Waiver Renewal. We look forward to continuing to work collaboratively with federal and state partners on refining the proposal as negotiations on the Medi-Cal 2020 Waiver renewal proceed.

Sincerely,



Matthew L. Cate  
Executive Director  
CSAC



Erica Murray  
President and CEO  
CAPH



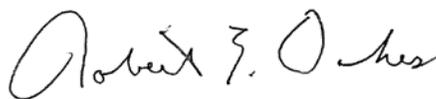
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cc: Diana Dooley, Secretary, Health and Human Services Agency  
Jennifer Kent, Director, Department of Health Care Services