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**HEALTHPLAN**  
of CALIFORNIA

**DMC-ODS Regional Model with Partnership HealthPlan:  
Proposed Fiscal Structure**

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**PARTNERSHIP**  
**HEALTHPLAN**  
of CALIFORNIA

## About Us


**Mission:**  
*To help our members, and the communities we serve, be healthy.*

**Vision:**  
*To be the most highly regarded managed care plan in California.*

REGIONAL OFFICES

- Eureka
- Fairfield
- Redding
- Santa Rosa


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## By the Numbers

- 14 county service area
- 4 regional offices
- Staff of 730
- 572,000 Medi-Cal members
  - 164,000 members due to the ACA (Adult Expansion)
- \$2.5 billion annual budget

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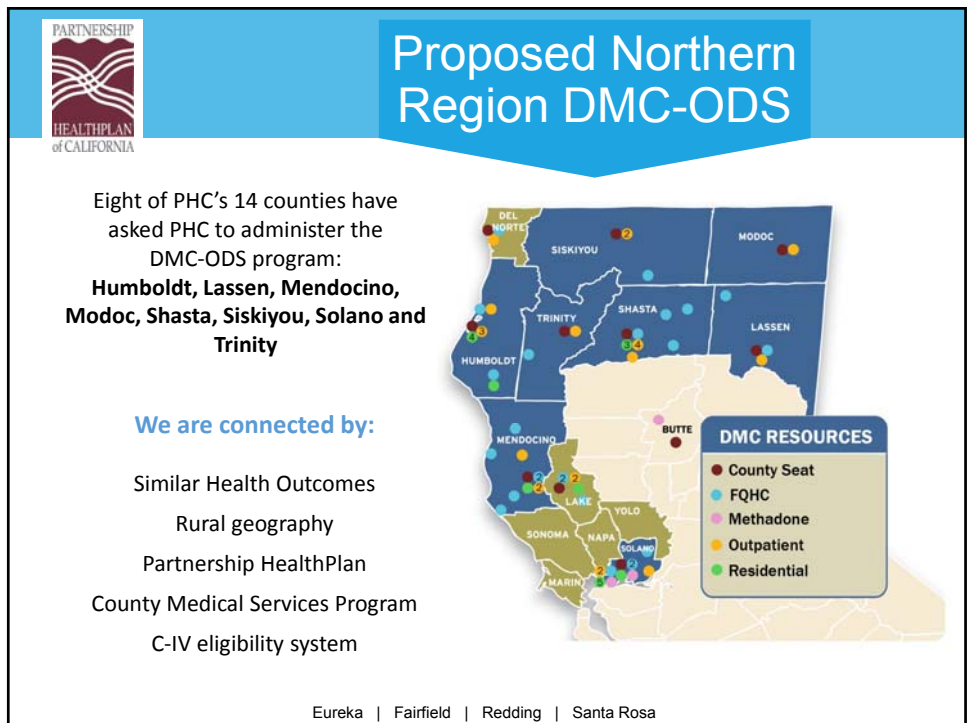
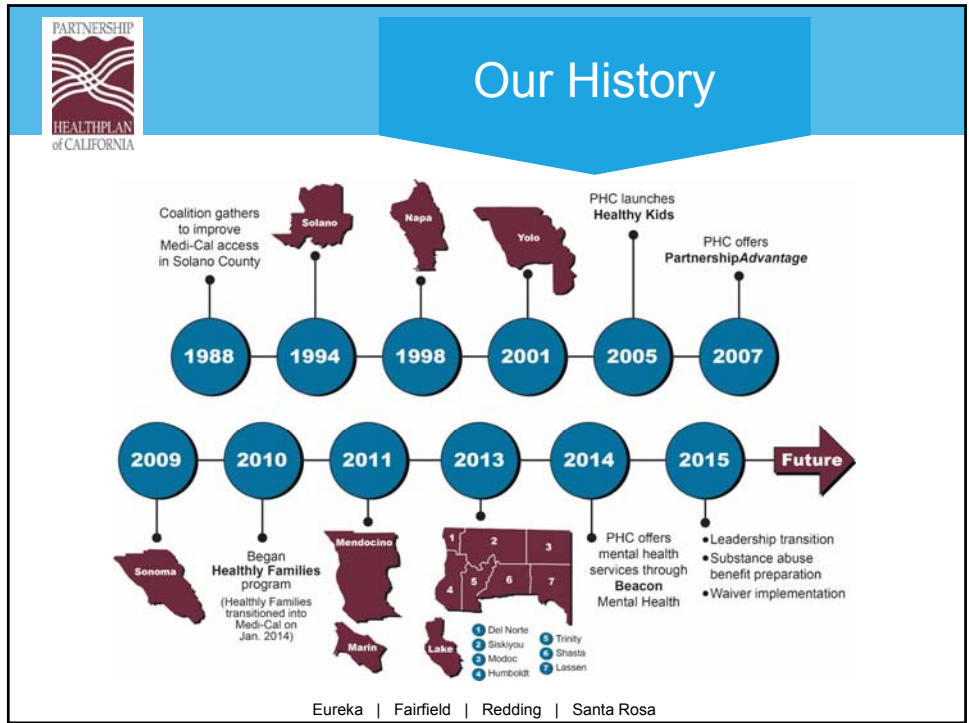
## We Are


### COHS Plan

A County Organized Health System

- Non-Profit Public Plan
  - Allocate as much money as possible towards Medi-Cal services and provider reimbursement
- Local Control and Autonomy
  - A local governance that is sensitive and responsive to the area's healthcare needs
- Community Involvement
  - Advisory boards that participate in collective decision making regarding the direction of the plan

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## Proposed Fiscal Structure

### Overall Fiscal Model

- Each participating county will contract with and pay PHC a **Per-Utilizer Per-Month (PUPM) rate** – also known as a capitation rate – in exchange for providing mandated DMC-ODS services.
- The risk for the actual costs of care will be borne by PHC; i.e., if the costs exceed estimates, PHC will absorb the loss.
- PHC will contract and negotiate rates with DMC providers on a fee-for-service basis.

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## Proposed Fiscal Structure

### Mechanism for State and Federal Reimbursement

- In lieu of regular DMC annual reconciliation and cost settlement with the state, counties will submit to the state the capitation payments made to PHC for related state and federal reimbursements.
  - Capitation rate paid serves as both the “interim” and final rate.
  - Payments made serve as the Certified Public Expenditure (CPE).
- PHC will work with the state to establish appropriate sharing ratios to apply to the capitation rate to account for DMC-ODS services and populations.

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## Proposed Fiscal Structure

### Ongoing County Capitation Rate Development

- Due to high level uncertainty about program utilization and cost, PHC proposes to update capitation rates every six months for the first two years of the pilot program, subject to state and federal approvals.
- As PHC and counties gain experience providing the DMC-ODS Regional Model program, actual claims and encounter data reflecting full program operations will be available to better inform future rate development.

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## Our Next Steps

- Submission of implementation plan for state approval, mid-June 2017.
- Submission of fiscal plan and rate structure for state approval, July 2017.
- Various readiness activities including outreach, network development, trainings, and provider contracting over next several months.
- Expected implementation **July 2018.**

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# Contact Us

PHC Drug Medi-Cal Website:  
<http://www.partnershiphp.org/Providers/HealthServices/Pages/Drug%20Medi-Cal/Drug-Medi-Cal-Benefit.aspx>

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# Questions?

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