



# Local Plan Strategies for CalAIM Incentive Payment Program

## *Spotlight on Community-Centered Approaches*

### **About LHPC**

**Local Health Plans of California (LHPC)** is a statewide trade association that represents all 16 of the community-based, not-for-profit health plans that provide access to critical and comprehensive healthcare services for low-income populations enrolled in California's Medicaid program, "Medi-Cal," in 36 out of 58 counties in the state. With over 9.3 million enrollees, our plans serve approximately 70 percent of all Medi-Cal managed care beneficiaries. LHPC member plans cover more lives than 49 other states' entire Medicaid programs.

Last year, the California Department of Health Care Services (DHCS) launched California Advancing and Innovating Medi-Cal, known as **CalAIM**, a multi-year plan to transform the state's Medi-Cal program. In the initial year of implementation, Medi-Cal managed care plans began providing CalAIM's foundational services: **Enhanced Care Management (ECM)**, a new Medi-Cal benefit focused on addressing clinical and non-clinical needs of the highest-need enrollees, and **Community Supports (CS)**, new services focused on meeting enrollees' social needs, including services like medically tailored meals and housing navigation.

To support the long-term success of CalAIM, the State dedicated substantial funding through the CalAIM **Incentive Payment Program (IPP)**. IPP is a Medi-Cal managed care incentive program designed to develop CalAIM infrastructure and capacity by paying managed care plans for meeting metrics and milestones. In 2022, DHCS distributed \$300 million in incentive funds to Medi-Cal managed care plans and up to \$600 million may be earned by plans in the second and third year of the program. DHCS also launched an additional source of funding known as Providing Access and Transforming Health that providers can apply for directly.

With support from the California Health Care Foundation, **Local Health Plans of California (LHPC)** presents two issue briefs focused on local plans' community-centered strategies for awarding IPP grants within their service areas. LHPC represents all 16 local, not-for-profit health plans that provide access to critical and comprehensive healthcare services for low-income populations enrolled in Medi-Cal in 36 out of 58 counties in the state. Currently, LHPC serves 9.3 million enrollees, over 70% of all Medi-Cal managed care beneficiaries.

With information gathered through interview and survey responses from LHPC's member plans, the two issue briefs examine how the plans are using IPP funds to enhance their internal systems and expanded ECM and CS services to support the state's most vulnerable communities.

This issue brief spotlights 4 local plans and their IPP funding implementation strategies. The second issue brief, which should be published in the coming months, will present a global perspective on how local plans are utilizing IPP funding to support CalAIM implementation.

# Key Themes

*The four local plans featured in this first brief have created customized, community-centered approaches to building ECM and CS provider capacity to meet the unique needs of their service areas. We offer these three observations from this more intensive spotlight:*

1

## REDUCING RISK FOR PROVIDERS

Across the board, plan staff indicated that the IPP funds provided an entrée for providers to take the risk to participate in a Medi-Cal initiative. While some organizations were previously hesitant about compliance and reporting requirements associated with the state program, the IPP funds and resulting support provided the safety net for them to build their capacity and serve their community's Medi-Cal population. The structure and operations of the IPP support ranged widely, from some plans focusing resources on direct service delivery and taking on the administrative responsibility for providers, to others helping to subsidize and train community ECM and CS staff to build their operational skills and capacity.

2

## SUPPORTING TRANSITION FROM PRIOR PROGRAMS

Plans with experience with Whole Person Care (WPC) pilots and the Health Homes Program (HHP) – both of which were sunset with the launch of CalAIM – have been able to use their existing relationships with community providers and structures in those areas. In most cases, plans have used IPP funding to help provider partners increase capacity and administer additional benefits and services. IPP has provided a critical pathway for plans to continue strengthening their partnerships with providers and counties.

3

## DEVELOPING NEW PARTNERSHIPS WITH ORGANIZATIONS ALREADY SERVING THE POPULATIONS OF FOCUS

Plans have utilized IPP funding to grow their provider network by partnering with organizations connected to populations of focus of ECM and CS for services not previously provided by the plans themselves. With IPP funding, plans are also able to work with new organizations and entities that can provide services in more rural or remote areas, where access to care has been a challenge.



## Overall Strategy

Inland Empire Health Plan (IEHP) has allocated its initial IPP funding to support the ECM and CS community provider infrastructure, including investments for providers to increase technological capabilities and enhance electronic data sharing, capital improvements, build staffing capacity, and support ongoing training. In focusing the funding directly on the provider infrastructure, IEHP developed a 3-phased approach for IPP funding:

- 1. Support existing network in navigating transition to CalAIM:** For both ECM and CS, IEHP has benefitted from having strong, existing relationships with community providers developed through initiatives such as Whole Person Care Health and Health Homes. IPP funds have been used to support the transition to the new CalAIM programs.
- 2. Grow network to include county providers:** IPP funding has helped IEHP build a stronger relationship with Riverside and San Bernardino Counties by fostering collaboration, especially through building up the CS provider network to help with the high volume of patient referrals. Funding has also supported the development of new ECM service teams focused on the serious mental illness (SMI) population.
- 3. Target disparities:** Given IEHP's vast geographic service area, IPP funding has helped the plan focus on delivering CS services where they are most needed.

## Measuring Success

To ensure the plan is meeting its goals, IEHP has established performance milestones for its partner counties and its non-county provider partners. IEHP is also selective in identifying participating providers, thoroughly vetting each organization to guarantee they can deliver high quality and equitable services to beneficiaries.

## Future Allocations

Looking forward, experience from the first year of implementation will allow IEHP to plan strategically for future IPP funding allocations.

## PLAN SPOTLIGHT



**Counties Served**  
San Bernardino,  
Riverside



**Land Area in Sq. Miles**  
(U.S. Census Bureau)  
**27,277.28**



**Total Covered Lives**  
(as of Feb. 2023)  
**1,648,863**



**IEHP participated in**  
**Health Homes**  
**Program**



**Both counties**  
**participated in**  
**Whole Person**  
**Care Pilot**

## IPP FUNDING

**\$52M** **Total Allocated**  
**to Date**

- 41% for ECM and CS community provider infrastructure support
- 35% for ECM capacity increase
- 24% for CS capacity increase

**34** **Community Entities**  
**Funded Across Both**  
**Counties**

- Housing providers
- County clinics and BH departments
- FQHCs
- Private medical care providers
- Hospitals
- Food providers
- CBOs for outreach and other services



## Helping CBOs Expand & Share Data

Kern Health Systems (KHS), also known as Kern Family Health Care, has utilized its initial IPP allocation for ECM and CS services, including support for the CS community provider infrastructure and capacity building. Based on its assessment of priority service areas, KHS has focused on growing their provider network, and IPP funding has gone to help their partners in various ways, including:

- Adding resources to assist with implementing data exchange and other IT items and enhancing document sharing abilities;
- Hiring new staff; and
- Renovating existing facilities.

KHS has continued to work closely with its community-based organization (CBO) partners, using IPP funding to increase capacity and provide additional benefits, such as expanding capacity for additional recuperative care and short-term hospitalization beds. KHS has also been able to add 2 new CBO provider partners to its network that will expand new CS benefits, including one CBO provider for housing services. Given its geographic area, KHS has also used IPP funding to expand its ECM providers to reach rural areas such as East Kern, West Kern and North Kern, and provide better access to care and services.

## Measuring Success

Through requiring monthly progress reports and quarterly reimbursement requests, KHS will ensure its partner providers and CBOs are meeting program goals and milestones, and that the IPP funding fulfills needs gaps.

## Future Allocations

KHS hopes to utilize future IPP funds to develop its provider network for new populations of focus, including youth and pediatrics, and pregnant and post-partum individuals, and to address medical and social drivers of health needs. KHS plans to provide all 14 Community Support benefits in Kern County by next year and will continue developing new ECM sites and CS programs with future IPP allocations.

## PLAN SPOTLIGHT



Counties Served  
**Kern**



Land Area in Sq. Miles  
(U.S. Census Bureau)  
**8,134.65**



Total Covered Lives  
(as of Nov. 2022)  
**345,893**



KHS participated in  
**Health Homes Program**



Kern County participated in  
**Whole Person Care Pilot**

## IPP FUNDING

**\$14.2M** Total Allocated to Date

- **88% new & expanded ECM and CS services**
  - 10% for ECM and CS community provider infrastructure
  - 50% ECM capacity building
  - 40% CS capacity building
- 12% plan operational support

**20** Community Entities Funded Across the County

- Housing providers
- Medical Care providers
- Hospitals
- CBOs providing various services
- County clinics and departments



## Building Out Network in Areas Without Existing Pilots and Shoring Up Internal Capacity to Better Support Providers

Partnership HealthPlan of California (PHC) has focused on distributing IPP funding to its provider partners quickly and equitably. PHC evaluated previous investments with local organizations, in particular which areas were already being funded with existing grants and how those communities serviced complex patients. In the 9 counties without existing Whole Person Care (WPC) services, IPP funding made it possible for some providers and smaller community-based organizations (CBOs) to work with PHC to establish CS and ECM programs. Given PHC’s largely rural service area, CalAIM and IPP have provided nontraditional funding pathways that have brought new service providers to these more remote communities.

PHC has also utilized IPP funding to develop the healthcare workforce at all levels, including data analysts and administrative support, as well as shoring up PHC’s IT infrastructure. Through taking on more of the administrative burden, PHC is ensuring their provider partners are focused on delivering care and services in their communities.

### Measuring Success

PHC plans to evaluate the impacts of the first round of IPP funding and will be engaging with an independent third-party administrator to ensure future funding continues to be distributed equitably.

### Future Allocations

In looking ahead, PHC will continue to take on more of the administrative burden in implementing new initiatives in order for their providers to dedicate resources primarily towards services and care.

## PLAN SPOTLIGHT



### Counties Served

Marin, Mendocino, Napa, Solano, Sonoma, Yolo, Del Norte, Humboldt, Lake, Lassen, Modoc, Shasta, Siskiyou, Trinity



### Land Area in Sq. Miles (U.S. Census Bureau)

**35,741.81**



### Total Covered Lives (as of Nov. 2022)

**673,362**



### Partnership HealthPlan of California did not participate in

**Health Homes Program**



### Marin, Mendocino, Napa, Shasta, and Sonoma counties participated in

**Whole Person Care Pilot**

## IPP FUNDING

**\$19.5M** Total Allocated to Date

- 95% to support ECM and CS
  - 37% for ECM and CS community provider infrastructure
  - 41% ECM capacity building
  - 22% CS capacity building

**46** Community Entities Funded Across the Multiple Counties

- Housing providers
- Meal providers
- County departments and services
- CBOs doing care management and other services
- FQHCs
- Hospitals
- Other medical care providers



## Transitioning Pilot Programs and Sourcing Partners Already Working with Key Populations

Central California Alliance for Health (CCAH) has distributed IPP funding to both existing and new provider partners to support ECM and CS services. For some established areas of care, including medically tailored meals, recuperative care and short-term post-hospitalization housing, the health plan worked with their existing partners to transition CCAH grant-funded pilot programs to CS services. IPP funding has also supported smaller CBOs to expand or provide new services, such as sobering centers and housing services.

CCAH has also implemented a network development strategy, first finding partner organizations that are already servicing the three populations of focus and expanding their services.

CCAH has also used IPP funds to support their partners' administrative needs, such as staffing, IT, training and other technical support.

Overall, IPP funding has brought increased collaboration in all three counties and allowed the Alliance to work with their partners to develop ways to better deliver social support services.

## Measuring Success

To ensure they align their capacity building with the needs of their communities, CCAH will continue to follow its network development strategy of identifying organizations that already service the populations of focus and evaluating where to expand capacity, including through local or statewide organizations. In addition, CCAH has also leveraged IPP funding to contract with training teams to provide technical support and training to ensure partners are meeting administrative requirements and using best practices for service delivery.

## Future Allocations

In general, CCAH is initially infusing resources available to expand capacity for local organizations, then will expand to statewide vendors, if necessary. Areas of emphasis for future IPP allocations include developing new relationships with organizations that provide services to people transitioning out of incarceration, as well as organizations that address youth and perinatal healthcare needs.

## PLAN SPOTLIGHT



**Counties Served**  
Merced, Monterey,  
Santa Cruz



**Land Area in Sq. Miles**  
(U.S. Census Bureau)

**5,664.83**



**Total Covered Lives**  
(as of Nov. 2022)

**414,909**



**The Alliance did not participate in Health Homes Program**



**Santa Cruz and Monterey counties participated in**

**Whole Person Care Pilot**

## IPP FUNDING

**\$11M** Total Allocated to Date

- 86% into community
  - 16% for ECM and CS community provider infrastructure support
  - 64% for ECM capacity building
  - 20% for CS capacity building
- 14% plan operational support (mostly IT)

**21** Community Entities Funded Across the Three Counties

- County departments
- FQHCs
- Housing providers
- Medical care providers
- Meal providers