

# State of California HEALTH AND HUMAN SERVICES AGENCY



DIANA S. DOOLEY  
SECRETARY

May 31, 2013

Pursuant to Chapter 28, Statutes of 2012 (AB 1494), we submit the Healthy Families Program Transition to Medi-Cal Phase 4 Implementation Plan and Network Adequacy Assessment Report. Phase 4 is scheduled to begin on September 1, 2013.

The Department of Health Care Services (DHCS) and the Department of Managed Health Care (DMHC) jointly conducted the network adequacy assessment. The Phase 4 transition was originally specific to children who are currently enrolled in a Healthy Families Program managed care plan and reside in a county that does not offer Medi-Cal managed care; thus, the enrollees would have transitioned from a Healthy Families Program managed care plan to the Medi-Cal fee-for-service system. However, DHCS plans to transition the Phase 4 counties from fee-for-service to Medi-Cal managed care on September 1, 2013. As a result, the intent is for all children in Phase 4 to transition into a Medi-Cal managed care plan.

Depending on the county that the member lives in, California Health and Wellness Plan (CHWP), Anthem Blue Cross (Anthem), and Partnership Health Plan (Partnership) are the managed care plans that will be available. Due to the fact that CHWP is a new health plan and Anthem Blue Cross and Partnership are expanding into new geographic regions, the Phase 4 plans are still in the process of securing adequate networks and executing contracts with DHCS to provide Medi-Cal managed care in those counties. As described in the Phase 4 Network Adequacy Assessment Report, the plans all appear to have appropriate strategies for creating their networks and facilitating continuity of care. They have engaged in various efforts to build their networks in the Phase 4 counties, including identifying existing Healthy Families Program primary care and specialty care providers for inclusion in the network and exploring telehealth opportunities. DHCS and DMHC will continue to communicate with plans about their networks as Phase 4 approaches and plan to release an updated Network Adequacy Assessment Report around July 15, 2013.

Children will not transition from Healthy Families Program to Medi-Cal until the plans have adequate networks. If the networks are not ready in time for a September 1, 2013, transition, DHCS will delay the transition of these children until the networks are adequate, similar to how DHCS broke Phase 1 into parts A, B, and C.

We are focused on making this process as smooth as possible for children and their families and we welcome and appreciate feedback from you, your staff, and stakeholders.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Wilkening".

Michael Wilkening  
Undersecretary

MW/kj

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Cc:

The Honorable Darrell Steinberg, President Pro Tempore, California State Senate  
The Honorable Bob Huff, Senate Republican Leader, California State Senate  
The Honorable John Perez, Speaker, California State Assembly  
The Honorable Connie Conway, Assembly Republican Leader, California State Assembly  
The Honorable Ed Hernandez, Chair, Senate Health Committee  
The Honorable Richard Pan, Chair Assembly Health Committee  
The Honorable Mark Leno, Chair, Senate Budget and Fiscal Review Committee  
The Honorable Bill Emmerson, Vice-Chair, Senate Budget and Fiscal Review Committee  
The Honorable Robert Blumenfeld, Chair, Assembly Budget Committee  
The Honorable Jeff Gorell, Vice-Chair, Assembly Budget Committee  
The Honorable Kevin De Leon, Chair, Senate Appropriations Committee  
The Honorable Mimi Walters, Vice-Chair, Senate Appropriations Committee  
The Honorable Mike Gatto, Chair, Assembly Appropriations Committee  
The Honorable Diane Harkey, Vice-Chair, Assembly Appropriations Committee  
Diane Van Maren, Consultant, Senate President Pro Tempore  
Agnes Lee, Consultant, Speaker of the Assembly  
Scott Bain, Consultant, Senate Health Committee  
Joe Parra, Consultant, Senate Republican Caucus  
Michelle Baass, Consultant, Senate Budget and Fiscal Review Committee  
Kirk Feely, Consultant, Senate Republican Caucus  
Marjorie Swartz, Consultant, Assembly Health Committee  
Peter Anderson, Consultant, Assembly Republican Caucus  
Andrea Margolis, Consultant, Assembly Budget Committee  
Michelle Baca, Consultant, Assembly Republican Fiscal Office  
Brendan McCarthy, Consultant, Senate Appropriations Committee  
Lisa Murawski, Consultant, Assembly Appropriations Committee