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August 22, 2025

Director Michelle Baass
Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Dear Director Baass,

On behalf of BluePath Health, thank you for the opportunity to provide comment on the *Continuing the Transformation of Medi-Cal: Concept Paper*. We are pleased to see DHCS take this step to continue and strengthen the efforts of CalAIM and look forward to ongoing partnership with the state to support providers and Medi-Cal members in achieving the goals outlined in this Concept Paper.

BluePath Health is proud to serve as the facilitator of the Alameda and Tri Counties CalAIM PATH Collaboratives, provide services as a vendor on the Technical Assistance Marketplace, and support San Luis Obispo and Fresno counties with PATH Justice-Involved Capacity Building Program. We are a health care consulting firm based in the Bay Area, leading numerous Enhanced Care Management (ECM) and Community Supports providers' CalAIM implementation efforts.

CalAIM has enabled community-based organizations to serve Medi-Cal members in new ways while building their own technical and administrative capacity. We have seen health and social services organizations build new partnerships and referral pathways to provide wraparound care to the most vulnerable Medi-Cal members. While the changes to the health and social services landscape through CalAIM thus far have been transformative, further implementation is still needed to see the full extent of the positive impacts. Providers have leveraged resources, including PATH, during CalAIM to stand up ECM and Community Supports, and many are just beginning to see the return on investment and increased client volumes. The next waiver program, as described in this Concept Paper, will enable these providers to sustainably grow their programs while continuing to provide client-centered care to Medi-Cal members.

In support of this goal, below we have enumerated several considerations for DHCS in preparation for writing the next waiver application:

<u>Enhanced Care Management (ECM) and Community Supports</u>
Given the success of ECM and Community Supports, DHCS should move forward with seeking waiver approval to continue offering all services, while pursuing further strategies to expand their impact.
We applaud DHCS for its commitment to continuing Recuperative Care and Short-Term Post Hospitalization. We have heard directly from providers that these services are essential for ensuring that

members are not discharged from acute care into homelessness. We urge DHCS to seek all available routes for continuing to offer these services, including options outside of waiver authority in the case that CMS does not approve the request. We request clarification from DHCS on the details of the alternate option to cover all components except room and board under an alternate authority, as recuperative care and short-term post hospitalization housing without room and board will not serve our most vulnerable Medi-Cal members facing housing insecurity.

We thank DHCS for the proactive analysis of the cost effectiveness of Community Supports. While not surprising, it is encouraging to see that the twelve Community Supports analyzed are cost effective or on track to become cost effective. The results align with the success stories we have heard directly from providers about the ability of Community Supports to directly divert Medi-Cal members from higher cost services while improving their overall health and connectedness with service providers in their community. It is important for the analysis to take into account cost effectiveness for providers of offering these services. We know from firsthand engagement with Community Supports providers that significant investment is required to establish a functioning Community Supports program and many providers have found that reimbursement for these services does not fully cover the costs to offer them. As DHCS moves forward with evaluation strategies for the next waiver, we request community and provider input on cost effectiveness evaluation of Community Supports to ensure a holistic evaluation process that takes into account member and provider experience.

Lastly, due to the ongoing success of Community Supports and ECM and the demonstrated need for these services, we recommend DHCS further develop strategies to expand ECM and Community Supports to more Medi-Cal members. In particular, a greater focus is needed on Children and Youth, as their enrollment in ECM and Community Supports lags far behind the state estimate of 3-5% eligibility for CalAIM amongst Medi-Cal members. In the next waiver period, we encourage DHCS to invest in children and youth-specific strategies and evaluation to ensure that ECM and Community Supports are meeting the need of California's most vulnerable children and youth.

Providing Access and Transforming Health (PATH)

DHCS should consider alternative options for financial support for community-based providers offering ECM and Community Supports as PATH funding concludes in 2026. Throughout the CalAIM waiver period, CITED, the TA Marketplace and the JI Capacity Building grants, in addition to IPP, have been essential funding sources for community-based organizations to build their capacity to begin contracting with MCPs to provide CalAIM services. PATH has driven the growth of ECM and Community Supports provider networks statewide with investments to markedly boost capacity. Many organizations would not have been able to stand up CalAIM services if not for these programs.

We request DHCS to consider other opportunities for continuing funding to support new and growing community-based CalAIM providers in offering ECM and Community Supports. While leveraging DSHP funds may not be possible with the next waiver, there may be opportunities to direct incentive funding via MCPs to providers, such as Community Reinvestment or Quality Strategy dollars. Given the alignment between CalAIM and the goals outlined in the 2025 Draft Comprehensive Quality Strategy,

DHCS may consider directing value-based payments or incentives via plans to continue supporting ECM and Community Supports providers beyond 2026. Through such an approach, DHCS could encourage MCPs to offer supplemental payments to their network of ECM and Community Supports providers to enable them to continue offering these services.

Sustaining CPI Progress Through Cohort Learning

The Collaborative Planning and Implementation (CPI) Initiative has fostered strong local networks of provider collaboration and shared learning. We encourage DHCS to explore options to continue "Communities of Practice" or other cohort models among ECM and Community Supports providers that advance local partnerships and scalable learning frameworks. For example, the recently launched Health and Homelessness Community of Practice is convening Continuums of Care, Managed Care Plans, and providers to address the ongoing data sharing challenges that have prevented individuals experiencing homelessness from being enrolled in ECM and Community Supports. DHCS support for the co-creation of and dissemination of best practices among providers and partners is critical to the ongoing success of ECM and Community Supports.

Data Sharing and Exchange

DHCS should continue commitments to data sharing and care coordination, including through MCP participation in local health planning processes while ensuring greater integration between Medi-Cal Connect and the statewide Data Exchange Framework to maximize efficiency and reduce administrative burden.

We applaud DHCS for including "Increasing Data Sharing" as one of six strategic goals for the upcoming waiver renewal, recognizing that improved data exchange is fundamental to achieving coordinated, whole-person care for Medi-Cal members. As outlined in the Concept Paper, effective data sharing enables better care coordination, data-informed care, and member experience across the complex Medi-Cal delivery system.

The present and continued success of CalAIM relies upon data sharing and care coordination across multiple entities, with particular emphasis on managed care plans. CalAIM initiatives such as Enhanced Care Management and Community Supports require effective data exchange between CalAIM providers, plans, and health care providers to reach their full potential.

DHCS can further its commitment to "building infrastructure and capacity to improve health outcomes, address whole person care, and drive system transformation" through CalAIM by continuing and expanding current initiatives, including:

1. The Concept Paper notes the importance of MCP participation in Local Health Jurisdiction (LHJ) Community Health Assessments (CHA) and Community Health Improvement Plans (CHIP). MCP participation with LHJs and other entities allows for a collaborative approach that brings together complementary data sources to create a holistic view of community health needs. **We**

strongly support continued and expanded MCP participation in these critical local planning processes.

2. The Population Health Management Program and Medi-Cal Connect platform represent new opportunities to further effective data sharing and care coordination in the Medi-Cal program. **We recommend that DHCS further integrate Medi-Cal Connect with the statewide Data Exchange Framework (DxF) to maximize efficiency and avoid duplication of data collection and sharing functions.** Greater coordination between these complementary data initiatives would strengthen California's overall health information infrastructure while reducing administrative burden on providers and plans who must navigate multiple data sharing requirements.
3. **DHCS should align the upcoming federal funding opportunity from the Rural Health Transformation Fund with CalAIM and its data sharing goals**, leveraging grants from the program to support capacity building and for care coordination, data exchange, and data sharing for population health management in rural areas.

Effective data sharing is essential for improving health outcomes, care coordination, and Medi-Cal member access to quality care. We look forward to working with DHCS to advance these data sharing initiatives throughout the waiver renewal process.

Stakeholder feedback

DHCS should continue its processes for stakeholder feedback, including during the public comment and notice period before final submission to CMS. We appreciate DHCS's release of the Concept Paper and the opportunity for stakeholders to provide feedback at the beginning of the waiver renewal process. We look forward to participating in the stakeholder engagement meetings DHCS plans to convene this summer.

We thank DHCS in advance for incorporating Medi-Cal member and stakeholder feedback received during this comment period into the state's final application to CMS. We appreciate DHCS's commitment to robust stakeholder engagement, as demonstrated by the two public hearings held to solicit stakeholder comments in advance of the last waiver application submission in 2021. We anticipate participating in the formal 30-day public notice and comment period in advance of submission.

Eligibility and Enrollment

DHCS should further detail its plans for Improving Eligibility and Enrollment with Medi-Cal members and stakeholders, given upcoming federal changes that threaten Medi-Cal coverage and the program's continued goal of maintaining coverage for eligible Californians. As the Concept Paper notes, the Medi-Cal program faces dramatic reductions in federal funding that could result in up to 3.4 million Medi-Cal members losing coverage due to legislative and administrative changes at the federal level. These changes include major revisions to eligibility and enrollment processes, such as work requirements and more frequent redeterminations. Medi-Cal members, providers, and stakeholders share strong concerns about how these federal policy changes will impact the program and interact with the next five-year 1115 waiver.

We are encouraged to see DHCS include "Improving Eligibility and Enrollment" as one of six strategic goals for the next waiver period. We strongly support the stated goal to "help eligible Californians get and keep Medi-Cal coverage through application and eligibility processes that are efficient, accurate, and respectful," and urge DHCS to prioritize maintaining health coverage for as many Californians as possible under the Medi-Cal program. Especially during this time of change, DHCS should ensure Managed Care Plans are educating members on the availability of CalAIM programs and increasing overall awareness and uptake of benefits among members.

Justice-Involved Reentry Initiative

The Justice-Involved Reentry Initiative has already shown great progress since launch, and DHCS should seek an extension of waiver authority for this important program while continuing technical assistance and funding for counties. We commend DHCS for its leadership in developing and implementing the groundbreaking Justice-Involved Reentry Initiative, the first program approved in the nation to provide services up to 90 days prior to release from incarceration. As noted in the Concept Paper, the initiative has already achieved impressive progress toward addressing the unique health care needs of justice-involved populations, who experience disproportionately high rates of chronic conditions, mental health issues, and substance use disorders, demonstrating the critical importance of continuing this initiative.

The initiative has grown rapidly from its initial launch of pre-release services in October 2024, with all California counties mandated to go-live by October 1, 2026. Counties and facilities across the state have worked diligently with DHCS to prepare for implementation of the initiative. Technical assistance and funding from the PATH Justice-Involved (JI) Capacity Building Program have been critical to supporting this effort and will be essential to ensuring successful implementation statewide. Many correctional agencies are experiencing challenges with billing implementation and sustainability planning, which further highlights the need for DHCS's continued guidance and funding to reduce administrative burden and support long-term viability of the initiative.

Given the documented progress of the initiative and the significant unmet need among justice-involved individuals, we strongly support DHCS seeking continued authority for this vital initiative through the upcoming waiver renewal and finding ongoing opportunities to support counties through technical assistance and new funding opportunities.

Conclusion

BluePath Health appreciates the opportunity to provide these comments and recommendations and looks forward to continued partnership with DHCS throughout the waiver renewal process to ensure the continued success of CalAIM initiatives. For any questions regarding our comments, please do not hesitate to reach out to Stephanie Thornton, Policy Director, at stephanie.thornton@bluepathhealth.com.

Sincerely,

BluePath Health