

California Advancing and Innovating Medi-Cal (CalAIM) Waiver Applications Approved by CMS

On December 29, 2021, the Department of Health Care Services (DHCS) received approval of the CalAIM Section 1115 demonstration waiver, CalAIM Section 1915(b) waiver, and Medi-Cal State Plan Amendments from the federal Centers for Medicare & Medicaid Services (CMS). This approval provides the authority to launch [California Advancing and Innovating Medi-Cal or CalAIM](#), a long-term commitment to transform and strengthen Medi-Cal – the cornerstone of California’s health care system.

CalAIM shifts Medi-Cal to a population health approach, prioritizing prevention, addressing social drivers of health, and transforming services for communities who historically have been under-resourced and faced structural racism in the health care system. CalAIM is a bold transformation, putting people’s needs at the center of care and setting the pace for transformation of the entire health care sector.

Background

California is using several federal authorities that provide the state more flexibility to carry out CalAIM initiatives with the goal of scaling innovations statewide and aligning how care is provided across delivery systems. These waivers and key authorities launch the implementation of CalAIM and pave the way for Medi-Cal to be more equitable, coordinated, and person-centered to help people maximize their health and life trajectory.

CalAIM, and the waivers and pilots that preceded it, are the result of extensive outreach to stakeholders. Since 2019, DHCS has engaged stakeholders in developing the proposed CalAIM initiatives, and in spring 2021, solicited feedback through a formal 30-day public comment period that included three public hearings, one specifically for Tribal organizations and stakeholders. Written comments are available on the [CalAIM 1115 Demonstration & 1915\(b\) Waiver webpage](#).

A Better Medi-Cal

The CalAIM Section 1115 demonstration waiver amends and renews the prior Medi-Cal 2020 Section 1115 demonstration and is approved through December 31, 2026. The CalAIM Section 1915(b) waiver is also approved January 1, 2022 through December 31, 2026. Together, the CalAIM Section 1115 and the 1915(b) waivers, along with State Plan Amendments approved by CMS, move tested initiatives from prior federal waivers to statewide rollout, benefiting all Medi-Cal enrollees. Key provisions include:

- **Delivery System Transformation and Alignment** shifts California's managed care delivery systems – Medi-Cal Managed Care, Dental Managed Care, Specialty Mental Health Services, and Drug Medi-Cal Organized Delivery System – to one coordinating authority to simplify and align the programs, enhance oversight, and standardize benefits and enrollment into Medi-Cal. The waiver strengthens the state's commitment to ensuring enrollees have access to critical services in managed care through independent assessments of access to Specialty Mental Health Services, Drug Medi-Cal Organized Delivery System, and Dental Managed Care services and care, as well as an independent assessment comparing Medi-Cal managed care plans' network adequacy across Medi-Cal Managed Care, Medicare Advantage, and the private market (*1915(b) waiver*).
- **Enhanced Care Management** addresses clinical and non-clinical needs of the highest-need Medi-Cal enrollees through intensive coordination of health and health-related services. It will meet enrollees primarily through in-person engagement where they live, seek care, and choose to access services – on the street, in a shelter, in their doctor's office, or at home (*1915(b) waiver*).
- **Community Supports** provides new statewide services covered by Medi-Cal managed care plans as medically appropriate alternatives to traditional medical services or settings, including assistance with housing supports, caregiver respite, food insecurity, and transitioning from nursing home care to the community (*1115 & 1915(b) waivers*).
- **Providing Access and Transforming Health (PATH) Supports** provides funding to community-based organizations, counties, and other local providers to support capacity building as they begin to implement and scale Enhanced Care Management and Community Supports, in particular increasing resources available to populations and communities that have been historically under-resourced and under-served. In addition, PATH will support justice-involved adults and youth by sustaining the pre-release and post-release services (*1115 waiver*).
- **Substance Use Disorder Services and Initiatives** advances treatment for individuals with substance use disorder, including:
 - Reauthorization of California's groundbreaking Medi-Cal 2020 waiver to permit the **Drug Medi-Cal Organized Delivery System** services to be

delivered for short-term residential treatment stays (*State Plan Amendment, 1115 & 1915(b) waivers*).

- Beginning in July 2022, new authorization of **Contingency Management** as a Drug Medi-Cal Organized Delivery System (DMC-ODS) benefit to offer evidence-based, cost-effective treatment for stimulant use disorder that combines motivational incentives with behavioral health treatments. California's approval of this evidence-based contingency management pilot represents the first time it has been formally approved as a benefit in the Medicaid program (*1115 waiver*).

- Also beginning in July 2022, **Peer Support Specialists** will offer culturally competent services that promote recovery, engagement, socialization, self-sufficiency, self-advocacy, development of natural supports, and identification of strengths. Using a combination of federal authorities, peer support specialist services will be implemented at the option of individual counties (*State Plan Amendment, 1115 & 1915(b) waivers*).

- **Coordination and Integration for Dual Eligibles** better coordinates coverage programs for the complex health care needs of individuals eligible for both Medi-Cal and Medicare ("dual eligibles"). CalAIM provides a special kind of managed care plan that coordinates all benefits in one plan for eligible enrollees, building an infrastructure to integrate managed long-term services and supports for all Medi-Cal enrollees who qualify (*1115 waiver*).

- **New Dental Benefits** expands key dental benefits statewide, including a tool to identify risk factors of dental decay for all Medi-Cal children, and silver diamine fluoride for children and certain high-risk populations. Statewide pay-for-performance initiatives will reward dental providers for focusing on preventive services and continuity of care (*State Plan Amendment*).

- **Chiropractic Services for Indian Health Service and Tribal Facilities** continues authority to pay Tribal providers for the chiropractic services which were eliminated as a Medi-Cal covered benefit in 2009 (*1115 waiver*).

- **Global Payment Program (GPP)** renews California's statewide pool of funding for care provided to California's remaining uninsured population. This includes streamlining funding sources for California's uninsured population

served by California's public hospitals, with a renewed focus on addressing social needs and responding to the impacts of systemic racism and inequities (*1115 waiver*).

In alignment with the waiver approvals, CMS has also authorized a number of statewide benefits via Medi-Cal State Plan Amendments, including the statewide expansion of coverage for low-income pregnant women and substance use treatment services. For additional information, visit the [DHCS State Plan Amendment webpage](#).

Additionally, DHCS and CMS continue to work toward additional approvals for equity-oriented CalAIM initiatives that provide services and supports for justice-involved adults and youth and reimbursement for American Indian / Alaska Native Traditional Healers and Natural Helpers services as a covered DMC-ODS benefit. CMS approval of these waivers is anticipated in early 2022.

Accessing Materials

CalAIM waiver materials are currently accessible on [CMS' website](#) and will be accessible on the [CalAIM 1115 Demonstration & 1915\(b\) Waiver DHCS webpage](#) in the coming days. For more information about CalAIM, visit www.dhcs.ca.gov/CalAIM and follow on [Twitter](#) and [Facebook](#).

Thank you,

Department of Health Care Services
www.dhcs.ca.gov

