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DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

January 27, 2022

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ACCEPTANCE OF THE CALIFORNIA ADVANCING AND INNOVATING MEDI-CAL
(CALAIM) DEMONSTRATION SPECIAL TERMS AND CONDITIONS, WAIVER
AUTHORITY, AND EXPENDITURE AUTHORITY

Dear Ms. Cash, Ms. Ross, and Mr. Taylor:

On December 29, 2021, the California Department of Health Care Services (DHCS) received approval from the Centers for Medicare & Medicaid Services (CMS) to amend and extend California's Section 1115(a) Demonstration (Project Number 11-W-00193/9). The new five-year extension demonstration titled, "California Advancing and Innovating Medi-Cal" (CalAIM), is effective from January 1, 2022, through December 31, 2026. The approval of the CalAIM Section 1115 demonstration is part of the state's larger CalAIM initiative, which includes the transition of the Medi-Cal managed care to the Section 1915(b) waiver authority from the previous Medi-Cal 2020 Section 1115 demonstration.

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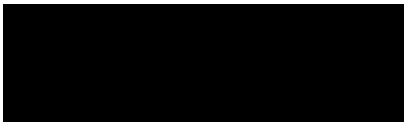
January 27, 2022

As set forth in the approval letter, this letter serves as California's official acceptance of the Special Terms and Conditions (STCs), waiver authority, and expenditure authority, subject to forthcoming technical corrections, as discussed with CMS. DHCS will be submitting the technical corrections under a separate cover for CMS' consideration and approval.

DHCS looks forward to continuing to work with you to secure approval of several important pending requests, which are key components of the state's CalAIM strategy to improve equitable access and outcomes for individuals enrolled in Medi-Cal. First, we appreciate the support you have shown for California's proposal to provide services and supports for justice-involved adults and youth to stabilize health pre-release, ensure continuity of coverage through Medi-Cal pre-release enrollment strategies, and support re-entry into the community, including the additional Providing Access to Transforming Health (PATH) funding to support the implementation of the justice package. We also look forward to continuing to discuss the state's proposal to authorize substance use disorders (SUD) services provided by Traditional Healers and Natural Helpers, in support of the state's goal of addressing disparities in the reduction of SUD in the American Indians and Alaska Native community. We are also eager to continue discussions regarding our request to renew federal funding of Designated State Health Program (DSHPs) to support the non-federal share funding for the PATH program. Lastly, we are enthused to continue our discussions to finalize a suitable budget neutrality framework for the two Community Supports authorized under the demonstration.

We are pleased to implement this new demonstration and the opportunities it presents for California. We thank the entire CMS team for your work with us on this demonstration renewal to improve health outcomes and reduce health disparities for Medi-Cal beneficiaries. If you or your staff have any questions or need additional information, please contact Amanda Font at Amanda.Font@dhcs.ca.gov.

Sincerely,



Jacey Cooper
State Medicaid Director
Chief Deputy Director Health Care Programs
Department of Health Care Services

cc: See Next Page

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