CALIFORNIA HEALTH POLICY STRATEGIES, L.L.C.

Policy Brief

May 2016

Medi-Cal Managed Care and Foster Care Issues in Los Angeles County

Executive Summary:

In Los Angeles County, almost 21,000 children are in foster care, which is about one-third of the statewide total. Foster care children rely on the State's Medi-Cal program to obtain health care services, but they are generally not mandatorily enrolled in a Medi-Cal managed care plan, except for dependents in County Organized Health Service (COHS) counties. In Los Angeles county, foster care children have the option of being placed in either a Medi-Cal Managed Care plan or in Medi-Cal fee-for-service (FFS)

This policy brief, with resources provided by L.A. Care, looks at how these health care decisions are made, and by whom.

To gather information on this question, CalHPS conducted interviews with county staff and advocates in March 2016. Our key findings include:

- The Los Angeles County Department of Children and Family Service (LA DCFS) generally has a policy of placing children in FFS Medi-Cal unless the foster parent has existing coverage in a Medi-Cal managed care plan or has a preference. Advocates suggested that the decision should be made on a case-by-case basis, informed by additional information about both systems of care, but also indicated a preference for FFS.

- The County uses its network of eight health hub centers to provide health care for foster care children. As fewer providers accept Medi-Cal FFS patients, the county health hubs are the primary source of care for both initial evaluations, and on-going primary and specialty care services. Both county staff and advocates observed that the hubs appear to fill need.

- Both county staff and advocates acknowledged a desire to learn more about the advantages of managed care for foster care children that would address the following concerns:

    - Enrollment & Disenrollment Streamlining
    - Mobility & Continuity of Care
    - Care Coordination with County Staff
    - Access to Medical Records
    - Coordination with Mental Health Services
    - Alignment of FFS and Managed Care Provider Networks

Recommendations:

There is a perception and strongly held shared belief among county staff and some advocates that Medi-Cal managed care is unable to address the unique needs of foster care children. For this reason, CalHPS does not recommend a policy change to mandatorily enroll all foster care children into managed care. However, the deficiencies of FFS, resulting from inadequate funding, must also be recognized. In the past fifteen years, both FFS and Medi-Cal managed care plans have changed significantly. We suggest a new collaboration with county staff and advocates to consider how LA provider network, capacity for coordination of medical records, and infrastructure can be leveraged to improve the quality of health care services for foster care children.

CalHPS recommends that an ad-hoc work group composed of county staff and advocates to do the following:

1. Explore how additional information about managed care could be provided to county staff and advocates;

2. Develop options that address county and advocate concerns about Medi-Cal managed care and identify alternatives that would improve access to care and coordination of services;

3. Consider developing a Memorandum of Understanding between LA Care and the county that would incorporate policy changes that could improve the quality of health care services to foster care children;

4. Request the Local Health Plans of California (LHPC) to engage with statewide foster care stakeholders, including the Statewide Taskforce for Accessing Health Care for California's Children in Foster Care, to share information and discuss options for actions to improve health care for foster care children.

Background:

In 2013-14, there were about 21,000 children in foster care in Los Angeles, which is about 1/3 of the state's total. A 2005 national study examining children entering child welfare found that nearly 90 percent had physical health problems, with more than 55 percent having two or more chronic conditions.[1] An assessment of children entering foster care found that an estimated 25 percent have three or more chronic conditions.[2] Common problems include asthma, vision and hearing problems, malnutrition, skin abnormalities, anemia, failure to thrive, dental caries, and manifestations of abuse.[3]

California's most recent, comprehensive attempt to address the unique health issues of foster care children occurred in the late 1990s through the establishment of the California Foster Children's Health Task Force composed of county staff, advocates, and policy experts. (Barbara Friedman, LA Care's Director of Public Policy at the time, also participated). The Task Force's 1998 report, entitled "Code Blue: Health Services for Children in Foster Care," identified an array of unique health care needs for foster youth (see Appendix B).

Children in foster care are not required to enroll in a Medi-Cal managed care health plan unless they reside in a county with a County Organized Health System (COHS), where enrollment in a Medi-Cal managed care health plan is mandatory. A decision to enroll in a managed care plan is voluntary and must be made by the county foster care agency, in consultation with the child's caregiver, if it is in the best interest of the child.[4] Former foster youth, up to age 26, also have the option of choosing fee for service coverage instead of Medi-Cal managed care[5]

In 2013-14, the majority of foster care children statewide (58%) received their Medi-Cal health care services through the fee-for-service (FFS) payment model. In Los Angeles County, 77% of the foster care children were in FFS as compared to 23% who were enrolled in a Medi-Cal managed care plan. The decision by county case workers, in consultation with the foster caregiver, has significant implications for access to providers, coordination, and health care outcomes.

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[1] L. K. Leslie, J. N. Gordon, L. Meneken, K. Premji, K. L. Michelmore, and W. Ganger. "The Physical, Developmental, and Mental Health Needs of Young Children in Child Welfare by Initial Placement Type." Journal of Developmental & Behavioral Pediatrics, June 2005, v26 i3 p177

[2] L. K. Leslie, M. S. Hurlburt, J. Landsverk, K. Kelleher et al. "Comprehensive Assessments for Children Entering Foster Care: A National Perspective." Pediatrics, July 2003.

[3] Kamala Allen, Medicaid Managed Care for Children in Child Welfare, Center for Health Care Strategies, Inc April 2008.

[4] Section 14093.09 of the Welfare & Institutions Code.

[5] Children Now FAQ http://coveredtil26.childrennow.org/faq.

In California, Medi-Cal FFS rates are among the lowest in the country. In a 2014 state-by-state analysis comparing Medicaid rates with Medicare rates, the Kaiser Family Foundation found that in 2014 Medi-Cal FFS was paying only 52% of Medicare rates for all services, and 42% of Medicare for primary care physician services.[6] Overall, California ranked 48th among all states in that comparison.

Some advocates for foster care youth have raised concerns about the quality of health care services that are being provided in the FFS system. These concerns relate to the difficulties in accessing health care providers and in coordinating medical records. To better assess whether delivery system improvements could be made to address these concerns, it is necessary to first understand how the decision is made as to whether a foster care child is placed in Medi-Cal FFS or managed care. LA Care provided CalHPS with the funding to investigate this process in Los Angeles County.

Methodology:

To gather the information for this report, CalHPS conducted interviews in March 2016 with both L.A. County staff and key foster care advocates. L.A. County Department of Children and Family Services Director Phil Browning graciously supported our request to meet with the appropriate county staff. His staff facilitated a discussion that included the participation of staff from the Departments of Public Health, Health Services, Mental Health and Children and Children and Family Services.

In addition, CalHPS interviewed advocates with the National Youth Law Center, National Health Law Program, the Los Angeles based Alliance for Children's Rights, and the Accessing Health Care for California's Children in Foster Care Task Force. (See Appendix A).

Interviews conducted examined the decision-making process employed by county case workers and caregivers regarding whether foster children in Los Angeles County receive their Medi-Cal health care services through a FFS payment model or a managed care plan. Questions were also asked about the perceived pros and cons of each choice, and what managed care plans could do to better meet the unique needs of foster care children.

[6] Kaiser Family Foundation Medicaid-to-Medicare State Indicator http://kff.org/medicaid/state-indicator/medicaid-to-medicare-fee-index/

Findings:

The following are our key findings:

- **How Decisions are Made & By Whom?**

  As previously noted, a decision to enroll in a managed care plan is voluntary and must be made by the county foster care agency, in consultation with the child's caregiver, if it is in the best interest of the child. In Los Angeles, the Department of Children and Family Services (DCFS) has a policy of enrolling foster children in the FFS payment model, and relying on the county hubs for health delivery. Exceptions from the policy are generally made on the request of parents who may have commercial coverage (e.g., Kaiser) or past experience with a managed care plan. One county staff member mentioned that he felt that the only children in the foster care system who were enrolled in a managed care plan were ones that had entered the system that way.

- **What is the Rationale for the DFCS Policy?**

  The DFCS policy is based on a perception that FFS offers greater choice of providers, and access for foster youth, who are often highly mobile or who may be placed out-of-county.

  This view was articulated in the 1998 "Code Blue" report. In describing Medi-Cal managed care for health services for foster children, the report found that "there is a major flaw that limits access" because of the transitory circumstances of many foster youth. The report continues:

  "Medi-Cal managed care is typically organized to serve children and families who stay in one place and see one provider. In contrast, children in foster care are highly mobile, frequently moving in and out of the system or among relatives, group homes and foster families. Many children (25 percent) move as many as three to four times a year, and county providers throughout the state depend on out-of-county placement to secure homes for 30 percent of the state's children in foster care (although some counties report higher figures). In short, the frequent mobility of foster children among counties makes it difficult for them to access health care when placed outside their county of origin."

  One advocate commented: "We argue for FFS, but really don't know why. The 'buzz' is FFS is superior." However, much has changed in the past 18 years in both FFS and Medi-Cal managed care. In our interviews, both county staff and

advocates expressed a willingness to learn more about the potential benefits of Medi-Cal managed care versus FFS.

- **How do Decision-makers Perceive the Benefits and Disadvantages of the FFS and Medi-Cal Managed Care**?

  Interviewees commented that they felt providers and services available in the FFS model were more available, timelier, and afforded foster children more evidence based practices. The overall perception was that the FFS payment model was more flexible and easier to work with. Conversely, the prevailing perception was that caregivers have to be very creative to obtain care from a managed care plan, and that it is very difficult to succeed in getting providers to ramp up services when the needs of the foster children escalate. Additionally, case workers spoke of frustrations with eligibility and enrollment in the managed care plans – specifically that the process of dis-enrolling and re-enrolling when children change placements often creates delays in care. In general, the individuals we interviewed acknowledged a lack of knowledge about managed care, and were willing to learn more.

- **How Do Foster Care Children in FFS Receive their Care?**

  Newly detained foster children are required to be seen at one of the 8 regional medical hubs, which have been set up as a partnership between the Department of Health Services, the Department of Mental Health (DMH), and DCFS. The medical hubs provide services for DCFS-served newly detained children, or in need of a forensic evaluation to determine abuse and/or neglect or with special medication conditions (i.e. diabetes, hemophilia, etc.).[7] However, case workers and advocates speak of continued general follow-up care at the hubs because "other providers are not proficient in meeting the needs of traumatized kids."

  With the recent push towards avoiding detention, combined with more children remaining in the home, the children entering the foster care system have considerable higher needs than 10 years ago. As a result, a more robust array of services is needed to accommodate them. Additionally, approximately 300 children are medically fragile and receive care through the California Children's Services program.

- **How Can Medi-Cal Managed Care Provide Better Services to Meet the Unique Needs of Foster Care Children?** Interviewees compiled a list of ways that Medi-Cal managed care could better serve the foster children of Los Angeles County.

[7] http://policy.dcfs.lacounty.gov/content/Utilization_of_Medical_H.htm

- **Enrollment & Disenrollment**: There were several anecdotes about delays in service due to confusion about eligibility, and multiple case workers mentioned that there was "no clear pathway for who goes where." There is some frequency, for example, of foster care children who are in FFS, but "somehow" became subsequently enrolled in managed care, and then have to be disenrolled from managed care in order to receive services from the county hub. IT issues related to eligibility records also appeared to be a source of confusion and frustration. *To the extent county hub services are part of the managed care network, ping-ponging eligibility systems could be averted*.

- **Mobility & Continuity of Care.** The foster care population is a very fluid one, with 22% of the children in foster care in Los Angeles County having 3 or more placement changes in a 12 month period.[8] One county staff member stated "the engine of good care is care coordination and the weakest point is transition." Social workers commented on the difficulties involved in un-enrolling and re-enrolling foster children when they moved placements and the delays in service that those difficulties caused. *How can managed care address mobility and continuity of care issues?*

- **Care Coordination with County Staff.** County staff now are responsible for coordinating health care services for foster care children in FFS. *C*ounty staff repeatedly mentioned that they had tried to reach out to managed care plans, but the responses had too much "red tape" and were "too bureaucratic." *If these children were in managed care, what role would county staff have in managing or coordinating the care of these cases? Would a managed care plan establish a liaison to assure communication with the county staff?*

- **Access to Medical Records.** Currently, care received in a county medical hub is documented in the E-mHub electronic record. E-mHub is a web-based system used by the DHS Medical Hubs to track the health status of children in the child welfare system and facilitate the provision of quality medical care. It is a joint effort between DHS and DCFS. It accepts the electronic transmission of the DCFS Medical Hub Referral Form and returns appointment status alerts and completed examination forms to DCFS via an email notification. This not only allows providers to remain up-to-date on a child's care, but it allows social workers the ability to see if

[8] Source: CWS/CMS 2015 Quarter 2 Extract

appointments are being missed or increased care is needed. With the fluid nature of the foster care population, county staff interviewed felt this was crucial to continuity of care. *How would managed care allow for a shared medical record that could be accessed by all providers, including county staff?*

- **Coordination with Mental Health and Substance Use Disorder Services**. Medi-Cal managed care benefits now include treatment for mild and moderate mental health issues. This has added another layer of confusion for foster care children who are in managed care. Given that almost all foster care children have serious and persistent mental health issues, it was suggested that all mental health services should be provided through the county specialty mental health providers. *How would managed care coordinate mental and behavioral health care with the county?*

- **Alignment of FFS and Managed Care Networks**. County staff and advocates expressed satisfaction with the quality of care now being provided through the county hub system. It was noted that the providers are highly sensitive and responsive to the unique needs of foster youth. But there was also uncertainty if these providers could be accessed through a Medi-Cal managed care network. *To what extent are FFS providers – including the County Hub – now included in the network for Medi-Cal managed care?*

Recommendations:

Given strong beliefs from county staff and advocates about the ability of Medi-Cal managed care to address the unique needs of foster care children, CalHPS does not recommend a policy change to mandatorily enroll all foster care children into managed care. However, the deficiencies of FFS, resulting from inadequate funding, must also be recognized. In the past fifteen years, both FFS and Medi-Cal managed care plans have changed significantly. We suggest a new collaboration with county staff and advocates to consider how the LA Care provider network, capacity for coordination of medical records, and infrastructure can be leveraged to improve the quality of health care services for foster care children.

CalHPS recommends that an ad-hoc work group composed of county staff and advocates be created to:

1. Explore how additional information about Medi-Cal managed care services can be provided to county staff and advocates.

2. Develop options that address county and advocate concerns about Medi-Cal managed care and identify alternatives that would improve access to care and coordination of services.

3. Consider developing a MOU between LA Care and the county that would incorporate policy changes that could improve the quality of health care services to foster care children. We note that the Inland Empire Health Plan (IEHP) has developed MOU's with both Riverside and San Bernardino County Departments of Public Social Services (DPSS) to clarify roles and responsibilities for managing the health care of foster care children.[9] CalHPS interviewed IEHP Executive Director Brad Gilbert and staff to learn more about the unique aspects of the IEHP's approach to foster care children. A summary is included in Appendix D.

4. Request the Local Health Plans of California (LHPC) to engage with statewide foster care stakeholders, including the Statewide Taskforce for Accessing Health Care for California's Children in Foster Care, to share information about how to improve health care for foster care children. Such a discussion could also include the identification of metrics to help measure quality care within managed care.

   The chart in Appendix C displays the percentage of foster care children in managed care by county.

[9] http://hs.sbcounty.gov/pddhandbooks/Handbook%20PDFs/MOUAP.pdf & http://rivcocob.org/agenda/2013/06_25_13/03-28.pdf

Appendix A

Why Foster Children Don't Get Adequate Health Care

Findings of "Code Blue: Health Services for Children in Foster Care" Institute for Research on Women & Families, 1998

- Constant mobility of foster children impedes continuity of care.
- Medi-Cal cards are not always available immediately to children who require urgent services and are not universally accepted by physicians.
- • Thorough screening and assessment does not always occur.
- Comprehensive care for this special needs population is not always available.
- Many physicians do not accept Medi-Cal patients, including foster children, because of red tape and low reimbursement rates.
- Foster care providers do not typically receive training on how to gain access to complex county-based health systems.
- Many health providers have not been trained to deal with the complex physical, mental, and developmental health issues faced by foster children.
- Social workers are typically overburdened with high case loads and lack medical training.
- Lack of adequate medical records often results in over-immunization and under-treatment of chronic conditions.
- Insufficient coordination among health care providers and agencies can limit access to and quality of services.

Appendix B

Foster Children in FFS vs Managed Care by County 2013-2014

COUNTY	Total Unique Number of FCC In Medi_Cal MC 0-17 Years Old*	Total Unique Number of FCC In Medi_Cal FFS 0-17 Years Old*	Foster care kids in county (CWS/CMS)	% in Managed Care
Los Angeles	4,703	15,824	20,845	23%
San Diego	705	2,674	3,345	21%
San Bernardino	3,548	1,422	5,675	63%
Sacramento	1,768	1,249	2,865	62%
Kern		2,641	1,830	0%
San Joaquin		1,260	1,564	0%
Fresno		1,845	2,139	0%
Riverside	3,252	1,352	4,445	73%
Alameda	653	922	1,676	39%
Santa Clara	720	756	1,320	55%
Tulare	686	466	1,094	63%
Shasta		537	511	0%
Contra Costa	617	480	1,143	54%
San Francisco	492	565	954	52%
Imperial		366	399	0%
Butte		423	602	0%
Stanislaus		424	765	0%
El Dorado		300	283	0%
Humboldt		269	392	0%
Orange	2,084	535	2,221	94%
Total	22,959	34,310	54,068	42%
Grouped Counties Total	3,674	3,532	8,650	42%
Total all counties	26,633	37842	62,718	42%
Total population of this data set	64,475		62,718	

Source: DHCS data released to the National Youth Law Center

Appendix C

Inland Empire Health Plan: Foster Care Policy

IEHP began its innovative approach to the health care management of foster care children about ten years ago in response to an inquiry from a member of the Riverside Board of Supervisors. The program began in Riverside County and later expanded to San Bernardino. In Riverside County, about 3,300 foster kids or about 73% of the Riverside County foster care caseload in enrolled in IEHP; in San Bernardino County about 3,500 kids or 63% of the caseload is enrolled.
The following are the key elements of the program:

- **Open Access**. IEHP created a special fee-for-service network of providers for foster kids. The Open Access network addressed the mobility of foster kids, who often move multiple times during the year. The open access network allows foster parents and caseworkers to go to any provider in the network, instead of being assigned to a provider by the plan. The network is tailored to the needs of foster kids, and includes pediatricians who have experience with, and are sensitive to the special needs of the population. Foster parents and caseworkers are encouraged to choose a pediatrician who is close by and try to maintain continuity by keeping the same provider to the extent possible. In practice, it is a fee-for-service network with care coordination by the plan.

- **Behavioral Health.** IEHP does not contract out for behavioral health care services. Instead, these services are provided in-house through a direct network. However, mental health services for foster kids who have serious and persistent mental health issues are the responsibility of the county and are "carved out." IEHP coordinates care with the county specialty mental health providers. Most foster kids are in the county system.

- **Dedicated Unit.** IEHP maintain special unit composed of four staff people (two nurses and two care coordinators). The dedicated staff unit is responsible for coordinating care with providers, caseworkers and foster parents. they hold quarterly interdisciplinary meetings with the county and providers to go over and resolve issues.

- **Medical Information.** All members – including foster kids – are part of the IEHP electronic medical record system. All providers, county caseworkers, and foster parents can access these records for the foster children they are servicing.

About the Authors

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About California Health Policy Strategies (CalHPS), L.L.C.

- *CalHPS is a mission-driven health policy consulting group based in Sacramento. For more information, visit www.calhps.com.*