

August 11, 2021

Medi-Cal COVID-19 Vaccination Incentive Program

Executive Summary

As of July 18, 2021, 45.6% of Medi-Cal beneficiaries age 12 years and older compared with 70.5% of all Californians age 12 years and older had received at least one dose of a COVID-19 vaccine. The Department of Health Care Services (DHCS) is requesting a transfer of \$175 million General Fund and \$175 million in increased federal funds (\$350 million total funds) to incentivize COVID-19 vaccination ("vaccination") efforts in the Medi-Cal managed care delivery system for the service period of September 1, 2021 through February 2022 ("incentive performance period"). The requested funding will allow Medi-Cal managed care plans (MCPs) to earn incentive payments for activities that are designed to close vaccination gaps with their enrolled members. Participating MCPs will develop Vaccination Response Plans to improve vaccine access and to develop the infrastructure to support this work in the long term. DHCS would seek Centers for Medicare and Medicaid Services (CMS) approval on such incentive payments but proposes to go live, no later than end of August, even if CMS approval is pending.

Rationale

Over the past 6 months California has learned a great deal about increasing vaccine rates in a diverse range of communities. For our Healthy Places Index (HPI) Q1 and Q2 communities, many of which have a significant number of Medi-Cal beneficiaries, engagement with trusted individuals around vaccines, especially around the importance and safety of vaccines, has proven effective. For many individuals in HPI Q1 and Q2 communities, a trusted voice is an established clinic or provider that has been with the patient and family for some time, and is the key to achieving vaccine acceptance and getting that person or that family vaccinated. By working with MCPs and requiring MCPs to work with their respective provider networks, vaccination rates among Medi-Cal beneficiaries could be improved. This new effort to support local, community-based providers through MCPs can be well coupled to the current CalVax program that works to support and resource community based clinical providers/practices to build up their vaccine infrastructure.

This plan will require MCPs to develop Vaccination Response Plans by September 1, 2021 and to implement these plans by September 21, 2021. This timing will help ensure increases in vaccination rates among Medi-Cal beneficiaries occur early in the school year and as we prepare for increases in other respiratory infections like influenza across the state.

Background and Purpose

Medi-Cal covers about 14 million people, more than 1 in 3 Californians, and will cover close to 14.5 million people by the end of 2021. Enrollment includes members from diverse racial and ethnic groups, those with complex care needs, people with disabilities, those who live in rural/frontier communities, people experiencing homelessness, refugee and immigrant communities, individuals who are dually-eligible for Medi-Cal and Medicare, and other individuals who may be harder to reach or face health disparities.

MCPs are responsible for managing care for the vast majority of Medi-Cal members. As part of their contractual obligations with the state, the MCPs provide case and care management services for members and are well positioned to provide enhanced coordination services, partner with primary care providers, and conduct outreach for vaccine distribution to their members. This proposal outlines recommendations to utilize and support MCPs to improve vaccination rates among all Medi-Cal managed care members.

MCP Eligibility and Participation

MCP participation in this incentive program is voluntary. MCPs that elect to participate must adhere to program and applicable federal and State requirements in order to earn incentive payments. All MCPs, including Cal MediConnect (CMC) demonstration plans, are eligible to participate, except the following:

- Family Mosaic Project;
- Programs of All-Inclusive Care for the Elderly;
- Rady Children's Hospital San Diego (California Children's Services pilot program); and
- MCPs that are not primarily responsible for physical health care, such as county Behavioral Health Plans and Dental Managed Care plans.

Impacted and Targeted Populations

This incentive program covers all Medi-Cal enrollees of eligible MCPs who receive medically necessary vaccinations during the program's incentive performance period. This includes members who received the first dose of a multi-dose vaccine prior to September 1, 2021 but receive the second dose during the incentive performance period.

The Department has identified some targeted populations served by MCPs that have been disproportionately challenged in the initial phases of vaccine distribution. These members are:

- Homebound and unable to travel to vaccination sites;
- Members 50-64 years of age with multiple chronic diseases;
- Members who self-identify as persons of color; and
- With the return to school, youth 12-25 years old (NOTE: if additional ages are FDA approved, would add as focus population).

As information and strategies evolve, additional populations of focus may be identified by DHCS.

Incentive Program Structure

The Department proposes adopting new vaccination performance measures for the MCPs that include both process and outcome measures. A \$250 million pool of funds will be available for MCP incentive payments. The maximum incentive amount that each individual MCP is eligible to earn will be established in proportion to the MCP's enrolled membership relative to total Medi-Cal managed care enrollment. Additionally, there will be a \$100 million pool of funds available for MCPs to utilize for direct member incentives (e.g. \$50 gift card to grocery store).

Managed Care Plan Incentives

To fully meet the vaccine needs of members, MCPs will need to increase outreach efforts among underserved communities, build and monitor data systems and coordinate with regional partners to ensure all members have equitable access to vaccines, regardless of demographic factors such as people with disabilities, race and/or ethnicity. MCPs may earn incentive payments through the following MCP incentive structure.

- Process Measure (20%) \$50 million
 - MCPs may earn 20% of their maximum incentive amount for development and submission of a Vaccination Response Plan that addresses all of the components listed below and is deemed acceptable by the Department.
 - MCPs would submit their Vaccination Response Plan to DHCS by September 1, 2021 and all plans would have a start or implementation date no later than September 21, 2021.
 - Payment will be made upon submission and approval of a Vaccination Response Plan.
- Outcome Measure (80%) up to \$200 million
 - MCPs may earn 80% of their maximum incentive amount for **achievement of pre-identified outcomes measures**, including but not limited to the following areas:
 - Gap closer on number of vaccinated Medi-Cal beneficiaries
 - Vaccination rate parity between Medi-Cal and Non-Medi-Cal populations within a given plan's different business lines
 - Vaccination rate parity among race/ethnicity groups
 - Vaccination rate parity among critical age groups
 - Payment will be made on a pre-determined schedule, defined by DHCS (e.g. bi-monthly or quarterly). MCPs will only receive payment for measures where they meet the pre-identified outcome measure target as stipulated in their Plan.

Incentive payments earned by MCPs under this program, as well as expenses directly associated with a MCP's participation in this program including but not limited to administrative costs and costs of direct member incentives, shall be excluded from all applicable risk mitigation calculations. In addition, these incentive payments shall be independent of, and shall not interact with, the application of savings percentages and quality withholds to capitation rates for CMC demonstration plans.

Vaccination Response Plan

Participating MCPs will be required to develop a Vaccination Response Plan that will be reviewed and is subject to the Department's approval. These plans would be due to the Department by September 1, 2021. This plan will be broad reaching but shall consider the outcome measures and prioritize members of communities of color, members 50-64 with multiple chronic diseases, homebound populations and youth 12-25. The MCPs will be asked to specifically identify strategies to support and incentivize providers, especially primary care providers, to vaccinate that provider's patients and communities.

We know some smaller, community based providers have only recently begun providing vaccines and others are still getting set up to vaccinate. By incentivizing these providers we are more likely to see the patients of these practices vaccinated. Strategies might include grants to set up vaccine clinics, to outreach to patients within the practice to receive onsite vaccines, or efforts to attach vaccination to other health care maintenance or chronic disease care activities. MCPs might also collaborate with and support community-based organizations (CBOs) and other trusted local partners using community health workers, promotoras, as well as faith-based partnerships in their plans to increase vaccine uptake success. The MCPs will be asked to ensure homebound members are contacted, that opportunities to receive the vaccine are identified and coordination activities to receive the vaccine are implemented. The MCPs will report to the Department on the results of outreach efforts on a monthly basis. Components of the Vaccination Response Plan must include:

- Administrative oversight of the coordination activities (including controls to ensure no duplicative member incentives) and reports to the Department on a monthly basis;
- Provide evidence-based information about the COVID vaccine to members to encourage vaccine uptake from all members;
- Provide information on where to get the vaccine within the member's community;
- Collaboration with primary care providers and pharmacies to do direct outreach to unvaccinated members assigned to that clinic/doctor's office or when picking up medications;
- Collaboration to serve the homebound population;
- School and College based collaborations to target youth 12-25;
- Strategies for supporting vaccination pop up clinics and other vaccination sites, especially in communities of color;
- Strategies for reaching individuals that are still vaccine hesitant;
- Strategies that can be used to make getting a vaccination the most convenient, and easily accessible as possible;
- Partnerships with trusted community organizations (e.g., faith-based, advocacy groups, food banks, race/ethnic based organizations) that will also assist with outreach, communication content and messaging, identifying strategies as defined above and can mobilize to also target Medi-Cal Fee-For-Service beneficiaries;

- Collaboration with local public health agencies to coordinate with vaccine response plans and learn best practices, including what has and has not worked;
- Efforts that bring vaccinations to members, such as mobile units or home vaccinations;
- Intentional efforts to avoid negative unintended consequences, including but not limited to vaccine coercion;
- If direct member incentives are used, to demonstrate how they will meet DHCS guidelines for member incentives and verify member incentives shall not exceed \$50 per member (single or multi-dose);
- Efforts to build additional capacity to address member vaccination needs in future years (identification, education and follow-up); and
- Provide information and support for members with access barriers, especially transportation, navigating system appointment systems, and language needs.

Direct Member Vaccine Incentives

In addition, there will be a \$100 million pool of funds available for MCPs to utilize for direct member incentives (e.g. \$50 gift card to grocery store). In order to draw funds from the direct member incentive pool, plans would need to attest to the following requirements being met and include their direct member incentive strategy in their Vaccination Response Plan:

- Institute controls to ensure member incentives are only available for medically necessary vaccinations (i.e. MCPs have controls in place to track vaccinated members to ensure no duplicative member incentives).
- Ensure that the value of member incentives is reasonable for "in-kind" incentives (i.e. non cash or cash-equivalent).
- Verify member incentives shall not exceed \$50 per member (single or multi-dose).
- The value of member incentives must be uniform and standardized.
- Member incentives must be provider agnostic, and on equal terms for all vaccinations administered by all participating Medi-Cal-enrolled providers, regardless of their Network Provider status or relationship with the MCP.
- Ensure member incentives are issued by the MCP directly, and not through Subcontractors, delegated entities, Network Providers or non-contracted providers, unless the Department grants prior approval for an exception from this requirement. MCPs may use a vendor for member incentives with prior approval from the Department.
- Demonstrate that 100% of applicable MCP incentive payments for direct member incentives has been expended on direct incentives to members.