

State Medi-Cal Cuts: Alliance Board Advocacy

In February, the legislature and Governor passed into law a 10% cut to Medi-Cal provider payments effective July 1, 2008. An equivalent cut is expected to the Alliance's Medi-Cal revenue. In response, the Alliance's board sent a letter in March to State legislators and State officials stating concerns and offering constructive ideas for Medi-Cal budget savings. This letter is excerpted below, for your information. The Alliance still expects a significant Medi-Cal revenue cut and its board is developing policy intended to sustain both access and solvency during the State's budget crisis.

Dear Assemblymember:

As Chair of the Central Coast Alliance for Health's ("the Alliance's") governing board I am writing to share our board's recommendations and concerns regarding State budget issues related to Medi-Cal. The Alliance, a public non-profit County Organized Health System (COHS), serves 84,000 Medi-Cal members in Santa Cruz and Monterey counties, including 21,000 elderly and disabled members. Our health plan saves the taxpayer over \$40M per year compared to the State's Medi-Cal program by reducing hospital and ER use, providing award-winning preventive services, and arranging timely and appropriate medical care for those in need.

Since 1996 our board has been dedicated to improving the health of our region's low-income and medically vulnerable populations. We are now deeply concerned about the potential impact of some of the budget balancing solutions under consideration. Accordingly, we offer recommendations for your consideration, which are described below. While our proposals alone cannot resolve the State's budget deficit, we believe they are an important part of a constructive and robust response to the fiscal challenges facing the Medi-Cal program.

Increase State Savings by Supporting COHS Expansion

Medi-Cal managed care saves the State money

compared to the unmanaged fee-for-service (FFS) system. The COHS model in particular, with its mandatory enrollment of elderly and disabled Medi-Cal recipients, has a proven track record of improving appropriate access and quality of care, preventing unnecessary illness, and thereby reducing costs in ways that have earned the support of members, advocates and taxpayers alike. The State can increase Medi-Cal savings by supporting COHS' expansions of membership and geographic service areas.

Membership Expansion of COHS

The Alliance recently submitted a proposal to DHCS to add Medi-Cal beneficiaries to our plan's membership within our current service area. This proposal would transfer Medi-Cal benefit cost responsibility from the State to the plan, with guaranteed savings for the State. This would be, in effect, a material Medi-Cal managed care expansion within our region, with the possibility that other COHS may pursue this option if we can successfully implement our project.

Geographic Service Area Expansion of COHS

The Alliance is currently working with stakeholders in Merced County to explore the possibility of expanding our service area. This would provide the State with savings compared to the Medi-Cal fee-for-service program, while improving access to quality health care services for Medi-Cal beneficiaries in these counties. With the DHCS' support, the Alliance could add Medi-Cal beneficiaries to COHS managed care, including elderly and disabled recipients, and transfer Medi-Cal benefit cost responsibility to the plan, with guaranteed savings to the State. Other COHS have recently expanded, or have planned expansions into five other counties.

The Alliance board proposes that its proposed expansion of membership and geographic service area be supported by the State to achieve guaranteed General Fund savings, and improve appropriate access and quality of care. These projects by the Alliance and other COHS offer a long lasting solution to the challenges of the Medi-Cal program,

and provide an alternative to Medi-Cal payment cuts that may cause a shift to more expensive forms of care.

Beneficiary Participation in Budget Solutions

The Alliance board is opposed to Medi-Cal benefit cuts that may cause individuals to delay or forgo needed care, and to eligibility barriers that may increase the “hidden tax” of the uninsured. However, the Alliance supports beneficiary participation in Medi-Cal budget solutions that encourage appropriate, responsible and cost-effective access to care.

Co-payments: Emergency Services, Pharmacy Benefits, and Missed Appointments

The Alliance supports implementation of beneficiary co-payments for emergency services in order to encourage appropriate use of cost-effective primary care. This copay would be waived in the event of an inpatient admission, but would otherwise apply and encourage prudent use of emergency services, and greater reliance on primary care for routine medical needs. The Alliance also supports co-payments for pharmacy benefits, with a tiered structure that would encourage use of lower cost, equally effective generic drugs. Finally, the Alliance supports the establishment of a policy of allowing physician offices to charge beneficiaries a fee for missed doctor appointments that are not cancelled by the patient in advance. The amount of beneficiary cost-sharing would be set at modest but meaningful amounts to create incentives for cost-effective use of Medi-Cal benefits.

The Alliance board proposes implementation of Medi-Cal co-payments to provide some offset to benefit costs, but more importantly to encourage appropriate and cost-effective access to care that would provide greater savings.

Cost Effective Health Care Solutions vs. Across the Board Reductions

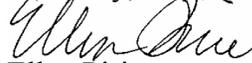
The Alliance strongly believes that the cost effectiveness of any proposed solution or reduction must be carefully considered, since some reductions may save money in the immediate term while actually increasing overall costs. The Alliance believes that such proposals should be rejected, and particularly cuts to Medi-Cal payments to physicians.

Physician Medi-Cal reimbursement has not increased in years while practice costs have continued to rise. Currently, Medi-Cal reimbursement for physicians is among the lowest in the nation. Further reducing payments will affect physician participation in Medi-Cal and member access to care. Delayed access to physician care results in more costly care for members who postpone care until their needs are more acute, or access care in more costly settings such as Emergency Departments.

The Alliance board concurs with the Legislative Analyst’s (LAO) findings and recommendations regarding Medi-Cal payment reductions and agrees that physician fee reductions are not cost effective, and that consideration should be given to reducing payments of other providers who have received more recent increases.

In conclusion, the Alliance board supports efforts to address the current State budget crisis. Our proposal is that cost-effective, long-term structural health care solutions such as our COHS model of Medi-Cal managed care should be sustained and expanded. We appreciate the opportunity to share the comments and recommendations of the governing board of Central Coast Alliance for Health.

Sincerely,



Ellen Pirie

Chair, Governing Board

Central Coast Alliance for Health

ATTENTION!

Change in Non-Emergency Transportation Benefit for Members with Dialysis

The Alliance historically provided transportation to dialysis treatments for members who requested a ride. In doing so, the Alliance exceeded the Medi-Cal benefit as outlined in Title 22, Section 51323, and was out of step with the standard practice of other COHS. Therefore, effective May 2, 2008, the Alliance reverted to Title 22 criteria.

The new qualifying conditions include:

- ❖ The member’s medical and physical condition is such that transport by ordinary means of public or private transportation is contraindicated and transportation is required for the purpose of obtaining needed medical care; **and**

- ❖ The member is physically unable to sit and must be transported on a litter; **or**
- ❖ The member requires wheelchair van transportation in which the member must be transported in the chair and cannot self-propel or self-transfer.

We are encouraging our members to seek other means of transport including family, friends and paratransit services.

If your patients have additional questions please refer them to Member Services at (831) 430-5505.

If you have additional questions regarding this change please contact your Provider Services Representative.

Formulary Changes: June 2008

1. Felodipine (Plendil) is no longer formulary. Current treatment with felodipine will be asked to be switched to other formulary alternatives such as amlodipine (Norvasc). The equivalent dose for amlodipine is the same as felodipine. Felodipine costs have increased and are three times the cost of amlodipine.
2. A Treatment Authorization Request (TAR) will be required for all brand nasal steroids except for children under 4 years old.
3. Symbicort (budesonide/formoterol) inhaler and OTC Zyrtec (cetirizine) are now formulary.

Alliance Specialty Pharmacy Program

Effective April 1, 2008, the Alliance implemented a new Specialty Pharmacy Program. This program will cover specialty pharmaceuticals that are patient self-administered such as high cost injectable medications used to treat chronic diseases. The Alliance's PBM Express Scripts' specialty pharmacy, Curascript, will be managing the specialty-drug benefit.

Medications for the following conditions or therapeutic classes are the most common examples of the drugs that will be covered under the Specialty Pharmacy Program:

- ESA's: Aranesp, Epogen & Procrit
- Oral chemo such as Temodar and Xeloda
- Injectable anticoagulants such as Lovenox
- Rheumatoid Arthritis
- Hepatitis C
- Multiple Sclerosis

Prior to initiating treatment with an Alliance member for these specialty pharmaceuticals a TAR will still need to be submitted to the Alliance. Once the specialty drug has been authorized the TAR will be returned to the prescribing physician along with an enrollment form that must be completed and forwarded to Curascript. Curascript will contact the member to arrange for delivery of the drug.

For any questions regarding the new program please contact our Pharmacy Dept. at (831) 430-5577.

Referrals to Providers outside of Santa Cruz and Monterey Counties

The Alliance instituted a revised policy and procedure for Alliance member referrals to providers outside of Santa Cruz and Monterey counties, effective June 1, 2008, and applicable to all lines of business.

New Policy as of June 1, 2008:

If a member requires medical services that are not available within Santa Cruz or Monterey counties, a TAR must be signed and submitted by the referring physician to the Alliance for review and approval prior to making the referral. This TAR replaces the Referral Authorization Form (RAF), previously used. This procedure will be followed for all referrals made outside of Santa Cruz and Monterey counties only. A TAR requesting services out of Santa Cruz and Monterey counties must be received with documentation to justify the necessity for seeking care out of area, and approved prior to the referral physician's initial consultation. This new policy does not apply to referrals made to providers within Santa Cruz and Monterey counties. These referrals will be handled as they have been in the past, by completing a RAF. Emergency referrals are also exempt from this pre-authorization procedure.

If you have questions or concerns regarding this change, please be sure to contact Angelique Milhouse, Provider Services Manager, at (831) 430-5531. For all other questions, feel free to contact your Provider Services Representative.

Did you know that the Alliance offers Smoking Cessation Scholarships?

In a year 2000 survey of Alliance members, 31% reported themselves as smokers. To address this important health issue, and support our members who want to stop smoking, the Alliance has

allocated funds for approximately 50 smoking cessation scholarships per year.

This means that the Alliance will offer a one-time scholarship for members who want to attend a smoking cessation class, but are unable to pay for one. For more information members can contact our Health Education Coordinators at (800) 700-3874 Ext. 5580. Our Health Education Coordinators are bilingual in English and Spanish and are readily available to help your patient or speak to you about this benefit in further detail.

In addition, the Alliance covers smoking cessation aids such as nicotine patches, nicotine gum, Zyban and Chantix. Your patient must have a prescription and show the pharmacist proof of attendance for a smoking cessation class or counseling from the toll free 1-800-NO-BUTTS help line.

Correction: Tamper Resistant Rx Pads

Please note the following correction to our March 2008 bulletin article; "Tamper Resistant Rx Pads". New federal legislation requires that effective April 1, 2008, in order for Medi-Cal outpatient drugs to be reimbursable by the federal government, **all written**, non-electronic prescriptions must be executed on tamper resistant prescription pads. The tamper resistant prescription pad requirement applies to all outpatient drugs, including over-the-counter drugs. It also applies whether Medi-Cal is the primary or secondary payer of the prescription being filled. This new law impacts all physicians, dentists, optometrists, nurse practitioners and other providers who prescribe outpatient drugs.

All relevant information that the Centers for Medicare & Medicaid Services (CMS) has issued on this requirement can be found at:

www.cms.hhs.gov/center/intergovernmental.asp

New Online Member OHC Referral Form!

We now have a new Other Health Coverage (OHC) referral form on our website. Often times the provider is made aware of a member's OHC before we are. When this information is up-to-date, your claims will be processed more efficiently. Therefore, your assistance and cooperation in this matter are greatly appreciated. The following is a simple way to inform the Alliance of any change in a member's OHC.

You may complete and submit the form online at our website. To locate the form directly, insert the following URL into your browser window, and save the link to your "favorites" for easy access:

http://www.ccah-alliance.org/forms/ohc_form.htm
OR from our home page:

- 1) under Providers section, select "Providers Home Page"; next
- 2) under "Form Library", select "Download Alliance Forms"; next
- 3) under "Finance Department", select "OHC Referral Form".

Simply complete the form and select the "submit" button. The form will be received electronically and processed by our Coordination of Benefits Specialist.

COMING SOON!

The PCP Member List is Going Electronic!

In an effort to reduce paper consumption, labor and mailing costs, the Alliance has integrated your Linked Member List into a new web application. This means you will no longer receive cumbersome paper reports in the mail. Instead you will have quick, convenient, real time access to your Linked Member information at all times. You will have the option to search, view and print your Linked Member List directly online or download the Linked Member List to your computer for easy importing into any spreadsheet or database program. This new application will be accessible through your current Alliance Web Account and will work in conjunction with the other Alliance web applications. Stay tuned for additional information...

Are you set up with an Alliance Web Account yet?

Our Web services accounts allow contracted providers to verify eligibility, search the status of claims, and resubmit claims easily online.

To obtain an Alliance Web account, go to www.ccah-alliance.org, click on the Web services log-in icon, and follow the instructions. If you have questions about our Web-based services, call Steve Yann Hendricks in the Provider Services Department at (831) 430-5538.

New Alliance Providers

Please join us in welcoming the following new providers to the Alliance:

Monterey County

Referral Physicians / Specialists

Monterey Bay G.I. Consultants Medical Group
Thomas Bradley, MD - Hematology
Gary Chang, MD - Anesthesiology/Pain Medicine
Rita Koshinski, DO - Infectious Disease
Michael Mahig, MD - Hospitalist
Nancy Rubin, DO - Hematology/Oncology
Minerva H. Perez-Lopez, MD - OB/GYN

Primary Care Providers

Dan Q. Tran, MD - Internal Medicine

Santa Cruz County

Referral Physicians / Specialists

Rami Dakkuri, MD - General Surgery
Randall Nacumuli, MD - Plastic Surgery
Kevin McHugh, MD - Diagnostic Radiology
Michelle Van Ooy, MD - OB/GYN
John Pestaner, MD - Diagnostic Radiology
Jim Sylvain, DO - Physical Medicine & Rehab

Primary Care Providers

Monique Browns, MD - Family Medicine
Arunasree Chinnakotla, MD - Family Practice
William Ebert, MD - Family Medicine
Andrew Lewis, DO - Family Practice
Abdelsalam Mogasbe, MD - Internal Medicine
Deepa Prakashpathy, MD - Internal Medicine
Nicole Sudduth, MD - Internal Medicine

Allied Providers

Ann Stephanson, DC - Chiropractor

HEDIS: Twice as Nice!!

Alliance doubles up the awards!

On March 24, the Alliance was awarded the HEDIS Gold Award as the top performing Medi-Cal health plan for the second year in a row! This year saw a lot of other plans stepping up their HEDIS game, but the Alliance still came out on top of the thirty nine participating health plans. All HEDIS programs are structured and audited so that health plan scores can be compared across the state, and across the nation. Our consistent high performance is a testament to our network providers' commitment to quality preventative care. Thank you for making us number one.

Alliance tops in satisfaction!

In the past, DHCS has contracted with a market research firm to measure health plan satisfaction using a nationally standardized tool called Consumer Assessment of Healthcare Providers and Systems (CAHPS). In its first year of distributing awards for this metric, the Alliance was awarded the CAHPS Silver Award for member satisfaction.

Once again, this is a tribute to our network provider's commitment to customer satisfaction and quality preventative care.

Semira Seyoum Credentialing Specialist



Semira is the Credentialing Specialist for Santa Cruz and Monterey counties. She can be reached at the Scotts Valley office at (831) 430-5543 or sseyoum@ccah-alliance.org. Semira has been with the Alliance for one year. Growing up she lived in Yeman, Jida, Rome, Portland and San Jose. More recently, Semira lived in Nashville for eight years where she worked for Perot Systems as a project manager, and the Hospital Corporation of America as a Credentialing Specialist. Semira has three brothers, one nephew, and two loving parents who have been married for 35 years. In her time off, Semira enjoys swimming, reading and traveling.

Health Programs Update

Senior Health Educator



Lynn Davida Meier, CHES

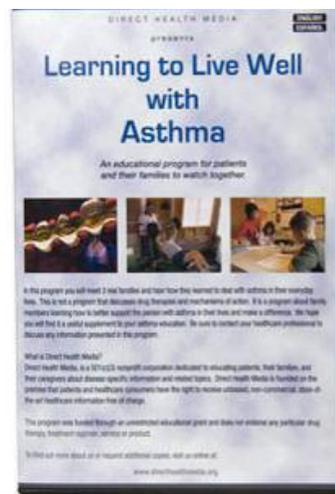
Meet Lynn Meier, our new Senior Health Educator. Lynn's primary focus is on cultural and linguistic services (C&L) and health education. Lynn works closely with the Health Programs Manager, Coordinators, and Chronic Disease Case Manager to serve the needs of providers and members. She also partners with the Human Resources Department to develop training programs for Alliance staff. Lynn monitors contractual, legal, and regulatory requirements related to C&L and health education. She is responsible for evaluating and approving clinical health education professionals who provide Alliance benefits such as asthma education, diabetes education, medical nutrition therapy, and breastfeeding support. Lynn collaborates on quality improvement programs and conducts research on cultural, linguistic, and health education needs of Alliance members in order to improve member access to quality healthcare. She manages an on-site library of literature, reference sources, and materials on an array of health topics (available to all members and to providers in limited supplies). Lynn joins forces with the Member Services Department to develop *Living Healthy*, the Alliance's quarterly bilingual member newsletter, and coordinates the content for the Health Programs Update and Cultural Crossroads sections of the Provider Bulletin. Please feel free to contact Lynn directly at (831) 430-5570 or lmeier@cchah-alliance.org.

Patient Education Materials

The materials below are currently available free of charge to providers in limited quantities for your Alliance patients. Please contact Ivonne Munoz, Chronic Disease Case Manager, at (831) 430-5575 or imunoz@cchah-alliance.org.

Learning to Live Well with Asthma

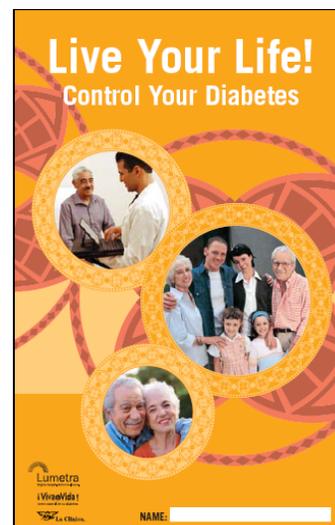
Bilingual English-Spanish DVD



Three families talk about how they learned to deal with asthma in their every-day lives. This helps family members learn to better support someone close to them who has asthma. Produced by Direct Health Media, a non-profit corporation.

Live Your Life! Control Your Diabetes

Bilingual English-Spanish Booklet



Easy to read booklet created by Lumetra, California's Medicare Quality Improvement Organization. Covers routine diabetes self-care, testing, and emergency care. Includes pull-out guide for office exams and medical test results.

Cultural Crossroads

Tips and Resources to Help You Communicate Better with Alliance Members

Getting to Know the Hispanic/Latino Culture

Latino culture has certain cultural nuances or unwritten rules that govern social interactions. These unstated rules may impact the way in which individuals perceive, seek, and receive health services. Below are some common cultural characteristics for Latinos in the United States. Please note, however, that every patient is an individual with a unique personal history, belief system, communication style, and health status.

❖ *La familia (family)*

A good starting place for any discussion of Latino culture is with *la familia*, the family. Family involvement often is critical in the health care of the patient. Traditionally, Latinos include many people in their extended families, not only parents and siblings, but grandparents, aunts, uncles, cousins and compadres, close friends, and godparents (*padrinos*) of the family's children. When ill or injured, Latino people frequently consult with other family members and often ask them to come along to medical visits. Latino extended families and the support role they play for patients may run counter to certain institutional rules, such as hospital policies that limit patients to two visitors.

❖ *Respeto (respect)*

For Latinos the intimate confines of extended families, close-knit Latino communities, and traditional patriarchal networks are mediated by *respeto* (respect). *Respeto* implies a mutual and reciprocal deference. *Respeto* dictates appropriate deferential behavior towards others based on age, sex, social position, economic status, and authority. Older adults expect respect from those younger, men from women, adults from children, teachers from students, employers from employees, and so on.

❖ *Personalismo (personal relationships)*

Latinos tend to stress the importance of personal relationships, which is why so many Latinos continue to rely on community-based organizations and clinics for their primary care. Latinos expect health providers to be warm, friendly, and personal, and to take an active interest in the patient's life. For example a health provider, even one with a limited time schedule for patient visits, might greet *Señora Rivas* with, "*Buenos Días, Señora Rivas. How are you doing today? How did your daughter's graduation go?*" Such a greeting implies *personalismo*, conveying to the patient that the provider is interested in her as a person and will help put the patient at ease before an exam or medical procedure.

❖ *Confianza (trust)*

Over time, by respecting the patient's culture and showing personal interest, a health care provider can expect to win a patient's *confianza* (trust). When there is *confianza*, Latinos will value the time they spend talking with their health care providers and believe what they say. *Confianza* means that the provider will have their best interests at heart.

❖ *Espiritu (spirit), body, and mind*

Health care professionals often work within the structures of mainstream medicine, which provides separate physical and mental health care. Latino culture, on the other hand, tends to view health from a more synergistic point of view. This view is expressed as the continuum of body, mind, and *espiritu* (spirit).

(Adapted from *The Provider's Guide to Quality & Culture* by Management Sciences for Health, funded by U.S. Agency for International Development. For more information, go to www.msh.org/programs/providers_guide.html or contact Lynn Meier, Senior Health Educator at (831) 430-5570 or lmeier@cch-alliance.org)

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Changing your address, NPI or Tax ID #?

To prevent a delay in payment, please contact your Provider Services Representative as soon as possible.

Upcoming Meetings

Managed Medical Care Commission Meetings

June 25, 2008	August 27, 2008
September 24, 2008	October 22, 2008

All Managed Medical Care Commission meetings are open to the public. Contact Karla Hawkinson at (831) 430-5609 for meeting location or cancellation information.

Physicians Advisory Group

Sep. 17, 2008, Green Valley Grill, 6:30 pm – 8:30 pm

Santa Cruz County Member Services Advisory Group

August 18, 2008, the Alliance Scotts Valley Office, 1600 Green Hills Road, 10 am-12 pm

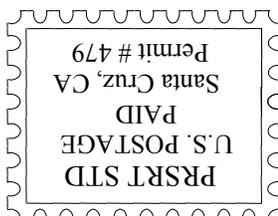
Monterey County Member Services Advisory Group

September 10, 2008, the Alliance Salinas Office; 1000 S. Main Street, 12 pm-1:30 pm

Alliance Holiday Office Hours – Central Coast Alliance for Health will be closed to observe the following holidays:

Independence Day – July 4, 2008

Labor Day – September 1, 2008



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ALLIANCE
CENTRAL COAST
FOR HEALTH

