



City and County of San Francisco  
Edwin M. Lee, Mayor

## San Francisco Department of Public Health

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Director of Health

Office of Policy and Planning

May 6, 2015

Andy Slavitt, Administrator  
Centers for Medicare & Medicaid Services (CMS)  
Department of Health and Human Services  
Room 445-G, Hubert H. Humphrey Building  
200 Independence Avenue SW  
Washington, D.C. 20201

### **Subject: Support for California's Section 1115 Medicaid Waiver Renewal**

Dear Administrator Slavitt,

On behalf of the City and County of San Francisco, the San Francisco Department of Public Health (SFDPH) is pleased to support California's Medi-Cal 2020 Waiver Renewal Proposal. More than 180,000 San Franciscans rely on Medicaid (Medi-Cal) for their health coverage, including nearly 56,000 who newly gained coverage over the past year. But coverage is only the first step. Significant payment and delivery system reform are also needed to advance patients' care experience, improve the health of populations, and reduce costs. For this reason, and for California to maintain the momentum that has helped lead the nation's Affordable Care Act (ACA) implementation efforts, we urge CMS to approve the renewal of the state's 1115 Medicaid Waiver.

The San Francisco Department of Public Health is dedicated to protecting and promoting the health of all San Franciscans, and is the largest safety net provider in the city. Our care delivery system, known as the San Francisco Health Network, seeks to provide integrated care on a continuum consistent with individual patient needs. Our services include primary care, dental care, emergency and trauma treatment, medical and surgical specialties, diagnostic testing, skilled nursing and rehabilitation, behavioral health services, jail health services, and supportive housing services. California's 1115 Waivers have been integral in sustaining public health care systems such as ours, and in helping these systems to adapt and thrive in a post-health reform world.

The current "Bridge to Reform" waiver has been critical to California's early success with expanding coverage under the ACA. Through the Low Income Health Program (LIHP) in the Bridge to Reform, San Francisco transitioned over 13,000 people from Healthy San Francisco (a coordinated care program for uninsured residents) to Medi-Cal on January 1, 2014. These enrollees comprise approximately 23% of the nearly 56,000 San Franciscans who enrolled in expanded Medi-Cal in 2014. The early transition of the

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**The mission of the San Francisco Department of Public Health is to protect and promote the health of all San Franciscans.**

We shall ~ Assess and research the health of the community ~ Develop and enforce health policy ~ Prevent disease and injury ~  
~ Educate the public and train health care providers ~ Provide quality, comprehensive, culturally-proficient health services ~ Ensure equal access to all ~

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LHP population not only ensured continuity of care for these enrollees, but also enhanced San Francisco's capacity for citywide outreach and enrollment efforts to other residents.

The Bridge to Reform waiver also enabled the San Francisco Department of Public Health and other public health care systems to lead the nation in delivery system transformation, through the country's first of its kind pay-for-performance incentive program, the Delivery System Reform Incentive Payment (DSRIP) program. The DSRIP launched SFDPH on an ambitious journey to transform our systems to be more integrated, cost effective and patient-centered.

Through the DSRIP, SFDPH expanded primary care capacity by adding new primary care residencies, implementing a nurse advice line, and transforming all primary care clinics to patient-centered medical homes. SFDPH also focused on integration of behavioral and physical health, and we currently operate four behavioral health homes where clients receive coordinated care for their behavioral and medical needs under one roof. Our hospital made improvements in inpatient care via implementation of early sepsis detection and management, surgical site and blood stream infection prevention, deep vein thrombosis prevention and treatment, and a patient wellness program. On a population health level, SFDPH DSRIP efforts include the implementation of patient experience surveys, data collection and monitoring of chronic disease management and compliance with recommended preventive screenings, and expanding disease registries for diabetes and colorectal cancer screenings.

The next 1115 Medicaid waiver offers California an historic opportunity to again lead the nation in meeting the challenge and promise of health care reform, by testing payment and delivery system reforms that can help both the state and federal government achieve success. A renewed waiver is needed in 2015 in order to leverage California's coverage expansion with payment reforms and delivery system improvements to help patients utilize their coverage in cost-effective, patient-centered settings.

**San Francisco strongly supports California's proposal to renew the 1115 Medi-Cal waiver, especially:**

**1. A Public Safety Net Transformation and Improvement Program that Rewards Continued Improvement, Health and Value**

The current DSRIP has helped SFDPH lay a sturdy and stable groundwork for our delivery system improvement efforts and the next five years are critical to more fully transform our health care system so that we can provide everyone with timely access to high-quality, and effective care. The state's inclusion of a Public Safety Net Transformation and Improvement Program will allow us to continue to provide the right care at the right time, expand and enhance specialty care capacity, expand behavioral health integration, and reinforce care coordination efforts for high risk and chronically ill populations.

**2. Public Safety Net System Global Payment for the Remaining Uninsured**

We strongly support the state's proposed Public Safety Net System Global Payment for the Remaining Uninsured, which would reform uncompensated care payments to public health care systems, to support access to more cost effective care for the remaining uninsured. Such a pilot would create incentives for SFDPH to redirect funds to lower-cost and more patient-friendly outpatient and primary care settings, and utilize alternate modalities that make health care more convenient for the patient.

**3. Regional Integrated Whole Person Care Pilots**

Regional Integrated Whole Person Care pilots would provide comprehensive services to high-risk Medi-Cal beneficiaries, seeking to support each "whole person" through the integration of physical and behavioral health services, along with robust care coordination with social, housing,

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vocational training and other services that are critical to comprehensively addressing the needs and care of high-risk patients. It would allow for higher-value use of limited resources, contain costs, and coordinate care beyond traditional health services.

**4. Increased Access to Housing and Supportive Services Program**

As a comprehensive health care delivery system, SFDPH recognizes the integral role that supportive housing services play in improving health outcomes for those at risk for or experiencing homelessness. California's Medi-Cal 2020 proposal seeks to reimburse for tenancy-based care management services through partnerships among managed care plans, counties, community organizations, and other stakeholders. The evidence-based services covered under this proposal will not only enable at-risk beneficiaries to stay in their homes and seek needed medical services in appropriate settings, but will also ultimately reduce Medi-Cal costs through reduced utilization of the safety net.

**5. A Federal Investment that Supports California's 2020 vision**

The "Bridge to Reform" waiver positioned California to help lead the national efforts to prepare for and implement the Affordable Care Act. However, much more work is needed to build upon this foundation and ensure that the Affordable Care Act can be sustained for the long-term. We believe that the innovative payment and delivery system reforms mentioned above will help us achieve our vision of becoming truly integrated, cost-effective models of care. Accomplishing this goal will require a renewed investment at the same level, and will allow California's Medi-Cal population the opportunity for improved health, not just coverage.

A renewed waiver with these elements will improve the health care services for – and as a result, the overall health of – the Medi-Cal and remaining uninsured populations in California, while continuing to support the success of the Affordable Care Act.

For these reasons, the City and County of San Francisco strongly supports California's proposal for a renewed Section 1115 Waiver.

Sincerely,



Barbara A. Garcia

CC:

The Honorable Nancy Pelosi, United States House of Representatives

The Honorable Diane Feinstein, United States Senate

The Honorable Barbara Boxer, United States Senate