



# KERN HEALTH SYSTEMS

<b>KERN HEALTH SYSTEMS</b>					
<b>POLICY AND PROCEDURES</b>					
SUBJECT: CalAIM Incentive Payment Program				POLICY #: 4.54-P	
DEPARTMENT: Provider Network Management					
Effective Date: 03/08/2023	Review/Revised Date: 10/24/2023	DMHC		PAC	
		DHCS	X	QI/UM COMMITTEE	
		BOD		FINANCE COMMITTEE	

\_\_\_\_\_ Date \_\_\_\_\_

Emily Duran  
Chief Executive Officer

\_\_\_\_\_ Date \_\_\_\_\_

Chief Medical Officer

\_\_\_\_\_ Date \_\_\_\_\_

Senior Director of Provider Network

\_\_\_\_\_ Date \_\_\_\_\_

Director of Claims

\_\_\_\_\_ Date \_\_\_\_\_

Director of Compliance and Regulatory Affairs

## PURPOSE:

To outline the process by which Kern Health Systems (KHS) will submit reporting and achieve incentive payments implemented by the California Advancing and Innovating Medi-Cal (CalAIM) initiative in accordance with All Plan Letter (APL) 23-003, superseded by APL 21-016.

## POLICY:

KHS shall implement all CalAIM Incentive Payment Program (IPP) requirements to ensure

compliance with DHCS regulation. CalAIM incentive payments are intended to complement and expand CalAIM, including Enhanced Care Management (ECM) and Community Supports. The incentive payments will also be based on quality and performance improvements and reporting in areas such as Long-Term Services and Supports and other cross-delivery system metrics. The goal of The CalAIM Incentive Payment Program is to drive change at the Managed Care Plan (MCP) and Provider levels including, but not limited to:

1. Building appropriate and sustainable capacity.
2. Drive MCP investment in necessary delivery system infrastructure.
3. Bridge current silos across physical and behavioral health care service delivery.
4. Reduce health disparities and promote health equity.
5. Achieve improvements in quality performance and;
6. Incentivize MCP expansion of Community Supports.

**PROCEDURE:**

1. The CalAIM IPP period is expected to be effective from January 1, 2022 to June 30, 2024 and is split between three distinct Program Years (PY):
  - A. PY 1 (January 1, 2022, to December 31, 2022);
  - B. PY 2 (January 1, 2023, to December 31, 2023), and;
  - C. PY 3 (January 1, 2024, to June 30, 2024)
2. KHS shall comply with the policy requirements outlined in Appendix A for PY 1 and in Appendix B for PYs 2 and 3 of the incentive program to earn CalAIM incentive payments for the applicable PY.
3. KHS elects to participate in the CalAIM Incentive Payment Program, and therefore must meet the requirements outlined in the applicable Reporting Template to earn the CalAIM incentive payments.
4. CalAIM incentive payments will be in addition to the KHS's actuarially sound capitation rates.
5. KHS may earn up to its allocated amount based on the achievement of specified measures and the successful completion of other requirements as outlined below, subject to the requirement of 42 CFR section 438.6(b)(2), stating that incentive payments may not exceed five percent of the approved capitation payments attributable to the enrollees or services covered by the incentive arrangement.
  - A. DHCS determines the maximum amount of incentive payments that KHS is eligible to earn based on factors established by DHCS.
6. KHS will be required to submit information pertaining to the mandatory measures, and can select among additional optional measures, as applicable, to be eligible to earn up to their full payment allocation.

- A. DHCS will evaluate KHS's submissions and make incentive payments that are proportional to the number of points earned per measure in accordance with the applicable Reporting Template.
  - B. The Reporting Templates will specify the requirements for KHS reporting.
  - C. KHS is not eligible to earn points for measures that are not applicable during the measurement period.
7. KHS is expected to work closely with all applicable local partners including, but not limited to, county social services, county behavioral health, public healthcare systems, county/local health jurisdictions, community-based organizations (CBOs), correctional partners, and housing continuum and others, in efforts to achieve program goals and measures.

**REFERENCE:**

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**Revision 2023-06:** The APL was developed to comply with DHCS APL 23-003, California Advancing and Innovating Medi-Cal Incentive Payment Program and received DHCS Approval on 6/27/2023.