

The Medi-Cal 2020 Global Payment Program (GPP): A New Approach to Safety Net Funding for Public Hospital Counties

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What is the GPP?

The Global Payment Program (GPP) was approved on December 30, 2015 as part of California's Medi-Cal 2020 section 1115 waiver. The GPP is a commitment from the federal Centers for Medicare & Medicaid Services (CMS) to the California Department of Health Care Services (DHCS) to provide ongoing funding to support the 13.6% of Californians who remain uninsured. The stated goals of the GPP are to:

- Move away from payments restricted to hospital settings;
- Encourage the use of primary and preventive services and create access to services like telehealth, group visits, and health coaching by expanding the settings in which PHCSs can receive payments;
- Emphasize coordinated care and care provided outside of the hospital and emergency room; and
- Recognize the value of services that have not typically been reimbursable through Medicaid, but that substitute or compliment services that are reimbursable.

These GPP goals are critical to the long term viability of the program and will help to frame the role of the GPP in expanding access to care for California's remaining uninsured.

How is the GPP different than the Safety Net Care Pool under the Bridge to Reform waiver?

As the uninsured rate has declined due to the significant expansions of coverage under the Affordable Care Act, CMS has been signaling that its support of funding streams for uncompensated care is coming to an end. While the GPP does not technically represent a new funding stream, the state successfully preserved the federal support for care for the remaining uninsured through the Medi-Cal 2020 waiver negotiations. The GPP provides new flexibility, new incentives, and new requirements for Public Health Care Systems in California.

How is the GPP funded?

Annual GPP funding will be allocated through a combination of a portion of the state's existing Disproportionate Share Hospital (DSH) allotment and the renewed Uncompensated Care (UC) funding included under the waiver. The amount of UC funding is \$236 million in federal funds for the first program year (PY) which, when added to \$866 million in DSH funds reserved for the GPP in PY1, provides \$1.1 billion in total available federal funding for the GPP in PY 1. The funding levels for the GPP in the remaining years of the waiver have not yet been determined. PHCSs or governmental agencies affiliated with the PHCSs will furnish the state share of GPP through voluntary intergovernmental transfers (IGTs).

Who is eligible to receive GPP funds?

County owned or affiliated designated public hospitals (Public Health Care Systems) are eligible to receive GPP funding and will play a leadership role in implementing the GPP. Comprised of one or more Designated Public Hospitals (DPHs) and their affiliated contracted providers, PHCSs can leverage the available resources to provide services to the uninsured with greater flexibility around location and modality than before.

What are the opportunities to improve care for the uninsured under the GPP?

The GPP provides an opportunity for PHCSs to expand and improve the quality of care they provide to the uninsured through:

- **Financial Incentives for focusing on Preventive & Primary Care:** The GPP creates incentives for PHCS's to use their resources outside of the emergency department or hospital to provide care in the appropriate setting and at lower cost. For example, in future program years, the GPP point system reduces the value of certain acute care services, such as emergency department (ED) visits and routine inpatient days. To prevent the need for these lower valued services, the point system will encourage PHCS to provide traditional, as well as non-traditional, ambulatory team-based services that focus on prevention and chronic disease management.
- **Funding for Non-Hospital Services for the Uninsured:** Previously, uninsured services provided in the non-hospital setting and contracted services could only be reimbursed under the Safety Net Care Pool (SNCP). The GPP not only permits, but rewards care delivered in these lower cost settings. PHCSs can use any GPP funding, not just SNCP, to pay for services provided in non-hospital settings, including services the PHCS arranges through affiliated and contracted providers. The GPP also covers non-traditional services previously not reimbursed through DSH or SNCP, such as tele-health technologies, group health care visits, and other alternative care modalities.

How will the funding be determined?

Each PHCS will receive an annual GPP budget (determined by a baseline assessment of the PHCS’s historical and projected volume and patient mix) to be distributed on a quarterly basis and will be contingent on achieving a points-based threshold. PHCSs are awarded points based on the services they provide to patients. Over the course of the waiver, services that hold a high value to the patient, such as a service provided in an appropriate setting and focused on prevention, will receive a relatively higher point value compared to emergency room and many inpatient services. (The final point valuations for specified services can be found in Attachment FF of the Medi-Cal 2020 waiver STCs.)

Under the old DSH and Uncompensated Care pools, funding was restricted based on the setting where care was provided, did not reimburse for non-traditional services, and restricted reimbursement for contracted services to funds available in the SNCP. Under the GPP, funds can be used without restrictions on the location or modality of care. This means that more funding is available for care provided outside of the hospital through entities that are part of, affiliated, or contracted with the PHCS. This gives PHCSs the flexibility to expand the type and location of the care they provide to the uninsured, promoting more preventive care, use of technologies such as telemedicine, and community-based health programs.

How are services valued in the GPP?

While the points system allows for the continuation of services that were provided under DSH and UC funding, services that are more cost-effective and innovative are encouraged under GPP. Over the five-year demonstration, the amount of points awarded to certain traditional services like ED visits decreases and those awarded for alternative and setting-appropriate services increase.

Measures of Value under GPP
<ul style="list-style-type: none">• Timeliness and convenience of service to patient• Increased access to care• Earlier intervention• Appropriate resource use for a given outcome• Health and wellness services that result in improved patient decisions and overall health status• Potential to mitigate future costs• Preventive services• Likelihood of bringing a patient into an organized system of care

What are the best ways to maximize the funding available through the GPP?

Counties should consider several possible strategies for leveraging the GPP:

- **Serve all of the remaining uninsured.** GPP dollars are focused exclusively on the remaining uninsured. Limiting the target population for this program because of income or immigration restrictions will effectively be leaving money on the table.
- **Focus on primary/preventive care:** One of the key objectives of GPP is to encourage public hospital systems to find ways to offer care beyond the four walls of the hospital, in community settings. In fact, the points system will, over time, better reward those upstream care interventions. All counties will need to complete this shift toward community-based care in order to maximize the GPP funds.
- **Tie services to individuals:** While not explicitly stated in the Medi-Cal 2020 waiver, the best way to ensure that efforts to connect the uninsured to a usual source of care are successfully tracked is through an enrollment-based system. This type of connection gives individuals a sense of belonging and membership that can, in turn, lead to earlier and more regular health interventions.

Conclusion

The GPP provides a critical opportunity to improve how we care for the uninsured in California by offering sustainability as well as compelling new incentives for counties to build a more inclusive and smarter safety net.