

Application Window Closing for California Department of Health Care Services' \$650 Million Funding Opportunity for Primary Care Practices to Advance Health Equity and Fund Practice Transformation

Insights

10.12.23

PROFESSIONAL

The Department of Health Care Services (DHCS) is implementing its [Equity and Practice Transformation Provider Directed Payment Program \(EPT PDP Program\)](#) – a \$650 million initiative (over 5 years) to advance health equity, reduce care disparities, and fund practice transformations towards value-based care. Through the EPT PDP Program, DHCS aims to allow Medi-Cal providers to better serve California’s diverse Medi-Cal population.

ELIGIBILITY

Applicants must be:

1. A contracted Medi-Cal Managed Care Plan practice;
2. A primary care practice that provides family medicine, internal medicine, pediatrics, primary care OB/GYN, and/or behavioral health in an integrated primary care setting; and
3. Serving at least 1,000 assigned Medi-Cal members (or 500 for rural providers).

There are no provider size requirements for the EPT PDP Program (only for a related smaller initial planning incentive payments program currently underway). Clinically integrated networks (CINs) and independent provider associations (IPAs) that work with the types of primary care practices listed above may also apply.

PROGRAM ACTIVITIES

If selected for the EPT PDP Program, participants must prospectively commit to specific activities and milestones, and DHCS will distribute funding based on participant’s achievement of those activities and milestones. Some categories of activities are required, and others are optional.

The three **required** activity categories are:

- **Empanelment & Access** – patient panel management and monitoring of patient access metrics
- **Technology & Data**
 - [Data Governance for Population Health](#) – the development and implementation of a formal structure to monitor and evaluate population health and quality improvement data
 - [Dashboard & Business Intelligence](#) – determining key performance indicators (KPIs), collecting data to evaluate KPIs, and producing / publishing KPI reports
 - [Data & Quality Reporting Gaps](#) – strategy to address data gaps and improve data quality
 - [New/Upgraded Electronic Health Record \(EHR\), and/or Population Health Management Tool](#) – ensuring the practice has necessary EHR and/or population health management tools
 - [Data Exchange](#) – establishing, maintaining, and using bilateral data feeds with a Data Exchange Framework Qualifying Health Information Organization (for more information on California’s Data Exchange Framework and Qualifying Health Information Organizations, see articles [here](#) and [here](#))
- **Patient-Centered, Population-Based Care**



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- Care Team Design & Staffing – defining and implementing a care team that addresses population health management functions and team-based care for the focus population
- Stratification to Identify Disparities – using data to stratify services and/or outcome measures to identify health disparities and implement strategies to decrease identified disparities
- Clinical Guidelines – implementing evidence-based clinical guidelines
- Implement Condition-Specific Registries
- Proactive Patient Outreach and Engagement – implementing strategy to improve engagement and outreach to patients
- Pre-Visit Planning & Care Gap Reduction – implementing a formal process for pre-visit planning
- Care Coordination – implementing strategy to improve care coordination for patients with complex health and social needs

The five **optional** activity categories are:

- **Evidence-Based Models of Care** – implementing an evidence-based care delivery model for the focus population
- **Value-Based Care & Alternative Payment Methodologies**
 - Federally Qualified Health Centers Alternative Payment Methodology (FQHCs only) – complete readiness activities for, apply for, and implement the APM
 - Value-Based Payment – completing readiness activities and begin a value-based contract with at least one Medi-Cal Managed Care Plan
- **Leadership & Culture**
 - DEI Strategy – implementing a strategy to work on diversity, equity, and inclusion
 - Strategic Planning – implementing a formal strategic planning process
 - Patient & Community Partnership/Engagement – implementing a strategy to ensure patient and community input on practice governance and decision making
- **Behavioral Health** – integrating behavioral health into primary care practice
- **Social Health** – implementing a formal process for screening for, and intervening on, patients' social needs and risks

PROGRAM PAYMENTS

The EPT PDP Program is a directed payment program, meaning DHCS will direct Medi-Cal Managed Care Plans to make specific payments to primary care practice participants that qualify for payments by completing required and optional activities.

The maximum payment depends on the number of Medi-Cal managed care assigned patients at the time of application and may be reduced based on the number of program activities selected by the provider. The maximums listed below are subject to final CMS approval:

Number of Assigned Medi-Cal (including D-SNP) Members at Time of Application	Maximum Payment
500 – 1,000	\$375,000
1,001 – 2,000	\$600,000
2,001 – 5,000	\$1,000,000
5,001 – 10,000	\$1,500,000
10,001 – 20,000	\$2,250,000
20,001 – 40,000	\$3,750,000
40,001 – 60,000	\$5,000,000
60,001 – 80,000	\$7,000,000

80,001 – 100,000	\$9,000,000
100,001 or more	\$10,000,000

TIMELINE

Oct. 23, 2023 (at 11:59 pm) – Practices must submit applications for the EPT PDP Program.

Nov. 27, 2023 – Deadline for managed care plans to conduct the initial review of applications and make recommendations to DHCS.

Dec. 11, 2023 – DHCS announces the selected practices.

Jan. 1, 2024 – EPT PDP Program begins, continuing through Dec. 31, 2028.

RELATED CAPABILITIES

[Medicare, Medicaid, Other Governmental Reimbursement and Payment](#)

[Managed Care](#)

[Behavioral Health Providers](#)

[Hospitals and Health Systems](#)

[Physicians, Medical Groups, Medical Foundations, and Independent Practice Associations \(IPAs\)](#)