

CHL Audio Report Transcript 12-10-14

Headline: Head of Health Care Services Looks
Back On Tumultuous, Fruitful Years

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Publication: *California Healthline*
Date Posted: December 10, 2014

Text:

Toby Douglas has spent 10 years at the state's Department of Health Care Services, the last four as director of the department. He has seen and instituted big changes in the department, changing the way health care is delivered to more than 11 million Medi-Cal beneficiaries.

His four-year tenure leading the department has included the expansion of Medi-Cal and a huge shift of more than 80% of the state's Medi-Cal ranks from fee-for-service to managed care plans.

Douglas has announced he will retire as director in January. *California Healthline* sat down with Douglas recently to ask about the changes he has seen, and overseen, in his time in office.

This is a report for *California Healthline*, a daily news service of the California HealthCare Foundation. I'm Rachel Dornhelm.

We started by asking Mr. Douglas to step back and reflect on what strikes him as the most important development in health care during his time as the head of the agency.

(Douglas): "When I step back and I think of our time here in the department and what we've achieved, it really centers around the Medi-Cal program. We have all of our populations now that are in coordinated systems of care.

"They are in a plan that is accountable to the state to make sure that they meet certain requirements on access to primary and specialty care. And that's a big change. That's not just for segments of the populations. That's all low-income populations that are now eligible for Medi-Cal.

"So we have now a huge change where everyone under a certain income level -- not whether you're a parent, whether you're a disabled adult, but all low-income adults and children -- are eligible for Medi-Cal and they're in this accountable delivery system."

Close to a third of all Californians are in that system now. What is the benefit for all of them to be in managed care rather than the previous fee-for-service system?

(Douglas): "The benefit is that now they know they can get access to primary and secondary care, but it goes beyond that. We've now created a managed care system where they have access to mental health services, to substance use treatment."

What are the big-picture repercussions of moving to managed care for California over time?

(Douglas): "What I think it means is, as we go forward we're going to see more and more focus on providing care that's organized around the consumer, that we're [not] going to look at primary care and provide specialty care in a different place and mental health somewhere else. We're going to try to organize it so that it is patient-centered."

"And that you have systems, now that we have comprehensive benefits that are working together, to make sure you are providing the right care to those on Medi-Cal or those that are on Covered California. And you're going to see the different systems - - Medi-Cal, Covered California and the providers -- working together."

One of the issues around having so many more people in the system is the limited number of providers in California. And those providers are receiving some of the lowest reimbursement rates in the nation. The theory is that those low rates will push the few remaining providers to stop accepting Medi-Cal patients. I'm curious if you see, as part of the policy picture, any possibility that the state might eventually require providers to provide care for a certain percentage of the Medi-Cal population?

(Douglas): "No, I don't see a future where we're going to have laws to require providers. What I see is a future, and we're already seeing, where Medi-Cal is becoming more and more mainstream. And it's becoming more and more the case that health plans want to participate in Medi-Cal and providers do. And it is true that when you look at our fee-for-service rates, they're very low. But that's not what our plans have to look at."

"What our plans have to look at is where I started this conversation. They're accountable. They have to provide care whether it's primary or specialty."

"And they have to work with providers in the market to figure out what rate they have to pay to do that. And so they're going to have to keep on figuring out what the market dictates to make sure there are a sufficient number of providers. And providers are going to have to see that a third of the market is now Medi-Cal and if they want to be seeing patients, and knowing that patients are going to move from Medi-Cal to other forms of coverage, whether it's Covered California or employer-based, that they're going to need to participate.

"So you're going to see those types of changes, so you'll see providers are providing services differently to keep their costs down. They're going to look at more group-based visits, e-consults, e-mail visits, all of that will change it.

"So fundamentally I think over time, Medi-Cal is going to become more and more mainstream and providers are going to participate in the program."

What would you see as some of the major accomplishments at the agency?

(Douglas): "We are now purchasing care differently through managed care plans. Having upwards of 80% of our population now in managed care, that has meant that we as a department have to structure differently. We have undergone dramatic reorganization of how we are structured and that's going to continue over time.

"And the other is an accomplishment around transparency. We've gone through a lot of work on increasing our stakeholder engagement, increasing our focus externally. And it's never enough, but we have accomplished so much to increase our engagement, whether it's through the website, through newsletters, through stakeholder convenings -- to really make sure make sure that we're engaging and being informed by the public input."

But that would be one area that you would say could be looking ahead to work on, is issues around transparency.

(Douglas): "I think it's an expectation of government in general and definitely in a major purchaser like Medi-Cal -- transparency is something that we're going to continue to have to work on.

"Accountability and performance of our plans is another, which is also about transparency -- making sure we're being able to publicly report on their accountability, as well as the integration around behavioral health with physical health, those are all going to be big areas to focus on as we move forward."

I know one thing that hasn't really come up yet is the issue of an aging population. California has such a large one, and that in turn has an impact on public health services. How is the department looking at that?

(Douglas): "It is a big piece, especially as you look, we haven't talked about the Coordinated Care Initiative and our whole focus on dual eligibles. There are multiple components of that initiative, from our work on trying to make sure that we're rebalancing care in providing home and community-based care, to better integrating [care], whether it's the personal care services, home care services with behavioral health and physical health."

"But another piece is end of life. And looking at efforts to do better palliative care, where we're giving the right choices and the right ability to receive care in the home at the end of life rather than always in an inpatient setting. And I expect, fully expect, that we in the department will be looking at ways to continue to push that."

One issue related to aging is adult day health care. And that program was eliminated at one point under you.

(Douglas): "You know, the adult day health center was a very difficult process. Change is so difficult. I think it was a microcosm of all the transformations we've done as far as how difficult change can be."

I'm curious if there is anything, looking back, that you would have done differently. Any advice you would have given to a younger self, that you would have given at the beginning. Things you have learned.

(Douglas): "I think one is, that it takes time. I definitely have a personality that I want to move quickly. And you need to go into that with a balance of a drive as a leader to really, really work hard on the change, but also know that you have to do it in a way that is thoughtful, that is bringing, engaging all public in all forums and doing it on the timelines that work for them."

"But clearly we've had many timelines that were more ambitious and we had to slow it down."

What advice might you give to people, young people, starting out in health policy -- what to concentrate on as far as if they want to make the biggest impact a few years from now?

(Douglas): "When I meet with students, I tell them don't see yourself in one position, that one position isn't going to be The Job. There are multiple ways to make a difference. That's helped me in my time here. I always reflect that whether it's heated battles or issues, that we all have a role in making a difference and improving the health of Californians. And we have to all understand each other and where we stand and work together.

"So there is no one place, but keep your eye on feeling challenged, feeling passionate and feeling you're in an environment where you can make that difference."

Any sense of what environment might be next for you?

(Douglas): "I'm still exploring all my options, but I still definitely want to continue to make sure that I'm improving the overall health. And I am looking at different places to do that. And I will always look back fondly.

"This has been an amazing experience, amazing opportunity. Public service is just an honor. Maybe in the future I'll come back into service, whether it's the state, county or federal level. But for now I'm trying different opportunities."

The department has not yet named a replacement for Douglas.

This has been a report for *California Healthline*, a daily news service of the California HealthCare Foundation. If you have feedback or other issues you'd like to have addressed, please email us at CHL@CHCF.org. I'm Rachel Dornhelm, thanks for listening.