STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 07/23)

Fiscal Year	Business Unit Number	Department
2025-26	4170	California Department of Aging

Hyperion Budget Request Name	Relevant Program or Subprogram
4170-026-BCP-2025-GB	3910100 - Multipurpose Senior Services Program

Budget Request Title
Multipurpose Senior Services Program Case Management Software and Support

Budget Request Summary
The California Department of Aging requests $2.8 million General Fund in 2025-26, $2.7 million General Fund in 2026-27, and $1.1 million General Fund in 2027-28 and ongoing to support 2 positions and to acquire and implement a case management software system that would be used by all Multipurpose Senior Services Program (MSSP) providers and state staff to operate the MSSP.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	N/A

Does this BCP contain information technology (IT) components? ☒ Yes ☐ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date
	Andrea Hoffman	1/10/2025

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No.4170-021 **Project Approval Document:** S2AA

Approval Date: 7/18/2024 **Total Project Cost:** $7,726,796

If proposal affects another department, does other department concur with proposal? ☒ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Denise Likar	1/10/2025	Mark Beckley	1/10/2025
Department Director	**Date**	**Agency Secretary**	**Date**
Susan DeMarois	1/10/2025	Dr. Mark Ghaly	1/10/2025

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☒ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Shelina Noorali	1/10/2025

A. Problem Statement

Program Overview:

The California Department of Aging requests $2.8 million General Fund in 2025-26, $2.7 million General Fund in 2026-27, and $1.1 million General Fund in 2027-28 and ongoing to support 2 positions and to acquire and implement a case management software system that would be used by all Multipurpose Senior Services Program (MSSP) providers and state staff to operate the MSSP.

The MSSP is a 1915(c) federal Medicaid Home and Community-Based Services (HCBS) Waiver program that provides services to enable frail older adults who are nursing home certified to remain in their home or in the community and avoid premature nursing home placement. To be eligible for the program, individuals must meet the following criteria:

- 65 years of age or older
- Currently eligible for Medi-Cal
- Certified or certifiable for placement in a nursing facility

MSSP provides social and health care management services to assist individuals to remain in their own homes and communities, including case management, engaging in ongoing care coordination, linking participants to other needed community services and resources, coordinating with health care providers, and limited purchase of services to prevent or delay institutionalization. At an annual rate of $5,356 per participant slot per year, MSSP's total annual combined cost of care management and other services is significantly less than the cost of receiving care in a skilled nursing facility.

CDA administers MSSP under an interagency agreement (IA) with the Department of Health Care Services (DHCS). CDA's MSSP Bureau is responsible for overseeing all programmatic, fiscal, and service components of local MSSP site operations. As a part of operational and fiscal management, CDA performs regulatory compliance activities including biennial utilization reviews (UR) of MSSP sites, deficiency follow-up visits, and providing ongoing training and technical assistance to sites. CDA currently manually collects and sends UR and critical incident data, waitlists, expenditures, participant enrollments including as part of the fiscal, and the reporting requirements associated with the administration of the waiver program. Information regarding demographics, services, and fiscal data are critical to the successful administration, quality assurance, and oversight of the program. This data is used to establish and monitor program performance standards, and to provide assurance to the state and federal oversight agencies that the MSSP Waiver is being implemented as approved. Monitoring activities occur through the CDA built Secure File Transport Portal (SFTP) called Files in Files Out (FIFO) or via a FedEx delivery service. Uploads to this site by providers is manual through the use of PDF files and Microsoft Office created files such as Word and Excel.

CDA contracts with 37 local government and private, non-profit agencies as MSSP site providers. MSSP sites use manual Excel spreadsheets to transcribe from individual participant records information to report and track CMS required critical incident reporting and activities, which have resulted in performance measure deficiencies during the annual reporting process to the Centers for Medicare & Medicaid Services (CMS). Under the CMS final rule *Ensuring Access to Medicaid Services (Final Rule)*, which goes into effect January 1, 2025, the state will be required to operate and maintain an electronic incident management system that identifies, tracks, and trends critical incidents. The new rule will also require secure, HIPAA compliant collection of participant level data from the care management documentation and records across all contracted providers. This data will need to be then transmitted to DHCS to meet federal reporting requirements. The Final Rule will also require the collection and reporting of protected participant level health and psycho-social data as well and interventions and outcomes from individual records. Additionally, CDA must now assume responsibility for the waiver requirement to adjudicate Level of Care (LOC) determinations for all participants. LOC determines program eligibility and enrollment using individual client assessment health/personal information and documentation found in the participants' care management record. California is currently non-compliant with this requirement and must correct this along with the waiver renewal.

In order to provide timely LOC determinations and comply with the Final Rule, CDA staff will need secure, direct access to review participant records and data.

As such, CDA requests funding to support acquisition and implementation of statewide case management software to support the CMS waiver requirement ensuring both participant LOC determinations performed by state-level nursing staff, ensure the ability to come into compliance with the CMS Final Rule, as well as provide efficiencies and consistency in secure data collection, reporting, and transmission.

Resource History
(Dollars in thousands)

Program Budget	**PY – 4** **2018-19**	**PY – 3** **2019-20**	**PY – 2** **2020-21**	**PY-1** **2021-22**	**PY** **2022-23**	**CY** **2023-24**
Authorized Expenditures	3,047	3,162	3,547	3,351	3,476	3,584
Actual Expenditures	3,044	2,999	3,547	2,839	3,476	TBD
Revenues	0	0	0	0	0	0
Authorized Positions	12	12	12	12	12	12
Filled Positions	11.6	12	12	11.6	12	TBD
Vacancies	.4	0	0	.4	0	TBD

B. Justification

Currently, each of the 37 MSSP sites are required to make their own arrangements to procure and maintain software or manual method for purposes of care management documentation and billing. Sites must collect and transmit to CDA required participant and services data. Due to the lack of uniformity across all MSSP sites and various case management software, there are great variances between sites with how data is collected and sent. All reporting is done manually and is very time-consuming, often inaccurate due to transposing errors, and inefficient. Inaccurate and missing critical incident data has led to waiver assurance performance measure deficiencies under the CMS federal regulations. The need and urgency for collecting individual participant data continues to grow, as does the need and urgency for a secure and HIPAA-compliant format to support data sharing and reporting.

Further, a statewide MSSP software system will address the following concerns and position MSSP to provide real-time data across the state for monitoring, reporting, and LOC determinations:

Long-term Services and Supports Reporting Requirements to comply with Federal Final Rule:
On April 22, 2024, CMS released final regulations to ensure access to Medicaid HCBS, commonly referred to as the Access Rule. All Medicaid programs, including MSSP, across California will be required to comply with intensive reporting requirements. Newly added requirements for all states in both managed care and fee-for- service (FFS) delivery systems will be required to report the following:

- Payment adequacy and transparency of Medicaid payment rates to direct care workers;
- Critical incident management;
- Participant HIPAA protected Specific Data substantiating Quality measures;
- Participant HIPAA protected Specific Data substantiating Person-centered service planning;
- Timeliness of access to services based on participant specific data; and
- Establishing a grievance system in fee-for-service (FFS) programs.

The full text of the rule can be found here: Ensuring Access to Medicaid Services

Due to the wide variation in software and manual process, CDA does not have any direct, secure access to these quality and person centered data for MSSP. Obtaining a software system would enable CDA to securely compile these data elements as required and succeed in compiling with CMS, minimizing manual processes and ensuring a higher-level of accuracy in reporting and service delivery.

Critical incident monitoring requirements: MSSP sites currently use manual Excel spreadsheets to manually record information from the client record to report critical incidents, which have resulted in performance measure deficiencies during the annual reporting process to CMS. Under the CMS final rule, the State would be required to operate and maintain an electronic incident management system that identifies, tracks, and trends critical incidents. This proposal of a statewide software solution supports the collection of critical incidents within the same case management system where care managers track individual client information, which would reduce transposing errors/missing information, increase timeliness of reporting, and facilitate meeting these new federal requirements.

Access for eligibility determinations: Federal interpretation of 42 CFR Section 431.10 has changed, requiring that program eligibility be determined at the State level versus the provider level. The MSSP Waiver is currently non-compliant with federal regulations for eligibility determinations and will not be approved for another five-year waiver cycle without a plan to come into compliance. To come into compliance, CDA nursing staff will require access to participant medical information in a HIPAA-compliant manner to complete level of care determinations for eligibility. Currently, the CDA-built SFTO/FIFO cannot support the amount of documentation required for 13,500 level of care certifications required on an annual basis. If the case management software solution is implemented, CDA nursing staff would have direct access to necessary participant information required to certify/re-certify participant eligibility, meeting federal requirements.

Utilization Review (UR) access: Both CDA and DHCS will access the proposed case management software to conduct required oversight activities, such as UR, which would reduce State travel costs and improve the overall oversight process. This would also support real-time access to reporting, thus improving efficiency for both departments.

Access to data: Access to the proposed care management system would alleviate the need for CDA to wait for site self-reported data for both DHCS and CMS reporting. It would also allow access to more data in an accessible, HIPAA-compliant, consistent format, to enhance transparency for public data dashboards for both CDA and DHCS while decreasing potential for errors.

Alignment with other California 1915(c) waivers: Since several other California 1915(c) waivers are already using a State-operated care management system, it would allow better communication between the programs, preventing duplication of services and facilitating inter-waiver transitions for participants, improving access to care while improving the ability to pull CMS required data together for state-wide submission

The current database that supports CDA MSSP Bureau today was built internally many years ago, based upon needs defined at the time of its development and is not based on modern architecture approaches to building efficient, flexible technology. The current system technology limitations have contributed to MSSP's challenges in implementing current and future business needs. Attempts have been made to update/modernize the current program database to accommodate MSSP's monitoring and reporting requirements; however, these changes have not improved data collection, nor have they addressed all the aforementioned problems by not having a statewide care management system. There is no way to absorb the need for flexible data and technology within the current workload and resources.

CDA is requesting funding and 2 staff to support the procurement and implementation of a new case management system.

Limited-Term Project Costs (Includes software, implementation services, including organization change management services, project oversight, independent verification and validation services and new staff resource) = $5.46 million

Annual Recurring Costs (Includes software, professional services, and new staff resource) = $1.14 million

CDA's current IT and Program staff structure lacks the capacity needed for implementation and ongoing support of a new case management solution and the implementation of Access Rule data collection. These lack of resources poses a risk to the department's ability to successfully complete the project and provide adequate support for the business. The CDA requests 2 positions to begin in FY 2025-26 to provide business management and technical assistance.

- **Technical Architect (IT Specialist II):** CDA currently lacks a resource to lead technical aspects of the MSSP case management system implementation. This position will be a liaison between the solution vendor IT team and CDA. The IT Specialist II will be the main CDA point of contract for ensuring configuration, application development, interface development, testing, and development activities are managed to plan. Post implementation, the IT Specialist II will continue to support the MSSP program, provide product management and technical support functions, including leading and mentoring junior staff responsible for day-to-day solution support. The IT Specialist II will continue to be the primary point of contact and manage the relationship with the solution vendor and coordinate system changes, upgrades, and resolve support issues.
- **Health Program Specialist (HPS) II:** This position serves as the Access Rule program lead and liaison between the software vendor, DHCS, and MSSP sites. Their role will include responsibility for system testing to ensure accuracy of documentation requirements and the daily management of the case management data collection process. This position will work with the vendor to review outputs during program development and ensure the new federal reporting requirements are met, such as waitlist information (42 CFR §441.311), the average amount of time from when services were approved to when they actually started being delivered, an electronic grievance system (42 CFR §431.301(c)(7)). This resource is responsible for ensuring that any future case management database updates meet state and federal technical requirements through the implementation phase and that the solution continues to meet all data reporting requirements throughout the life of the program.

Lastly, it is critical that CDA initiates this effort now due to the time it will take to plan, procure, pilot, test, and fully implement the software. Currently this software is not set to be in effect until FY 2027-28 due to the time it will take to plan with all 37 MSSP Sites. Postponing this effort any further will continue to put CDA out of compliance with federal Final Rule requirements and jeopardizes the entirety of the MSSP and the approximate 11,000 clients served on an annual basis.

C. Departmentwide and Statewide Considerations

MSSP services enable older adults to remain at home as an alternative to institutional placement, which is a key component of the Master Plan for Aging (MPA)'s Goal 2, "Health Reimagined", Initiative 24 that calls for expanded specified home and community-based services, including MSSP. Additionally, the proposal is in line with CDA's Strategic Plan Goal #2 that calls for the department to deliver quality services that increase choices to live at home and in the community.

This proposal supports the MPA's focus on advancing equity and data-driven decision making, as the case management software solution supports access to more data, specifically age, race, ethnicity, language, sex, gender identity, family status, disability, dementia/cognitive status, etc. In alignment with CDA's Strategic Plan Goals #2 and #5, this proposal would allow MSSP to deploy a statewide case management software solution that will streamline efficiency, facilitate transparency, and synthesize reporting organically as a feature of the software. Modernizing and standardizing CDA's programmatic data and decision-support framework enhances the delivery of quality service. MSSP is seeking a new solution to help manage and control tasks associated with daily operations, such as care management, tracking critical incidents, data sharing and electronic billing. CDA would also be able to use the new solution for enhanced data collection, consolidation, reporting and monitoring.

D. Outcomes and Accountability

CDA will immediately hire the requested staff and continue the work of procuring, planning for, and implementing the statewide MSSP software. Beginning September 2025, CDA will work closely with local partners to roll out the new software to effectively enhance and modernize data collection to alleviate errors, delays in reporting, and enhance transparency and accountability.

E. Implementation Plan

Full project approval and project kick off is targeted for September 2025. CDA will begin the recruitment, hiring, and onboarding process for IT resources prior to maximizing resource utilization on the project. Project execution and deployment is anticipated to take approximately 18 months, with a February 2027 project finish. The project will transition to operations beginning March 2027.

F. Supplemental Information (If Applicable)

N/A

BCP Fiscal Detail Sheet

BCP Title: Multipurpose Senior Services Program Case Management Software and Support

BR Name: 4170-026-BCP-2025-GB

Budget Request Summary

Personal Services

Personal Services	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Positions - Permanent	0.0	2.0	2.0	2.0	2.0	2.0
Total Positions	**0.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**
Earnings - Permanent	0	178	213	213	213	213
Total Salaries and Wages	**$0**	**$178**	**$213**	**$213**	**$213**	**$213**
Total Staff Benefits	0	88	106	106	106	106
Total Personal Services	**$0**	**$266**	**$319**	**$319**	**$319**	**$319**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
5301 - General Expense	0	2	2	2	2	2
5302 - Printing	0	2	2	2	2	2
5304 - Communications	0	2	2	2	2	2
5320 - Travel: In-State	0	22	10	4	4	4
5322 - Training	0	10	12	12	12	12
5324 - Facilities Operation	0	7	8	8	8	8
5340 - Consulting and Professional Services - Interdepartmental	0	266	330	0	0	0
5340 - Consulting and Professional Services - External	0	2,185	2,010	776	776	776
5346 - Information Technology	0	8	10	10	10	10
Total Operating Expenses and Equipment	**$0**	**$2,504**	**$2,386**	**$816**	**$816**	**$816**

Total Budget Request

Total Budget Request	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Total Budget Request	**$0**	**$2,770**	**$2,705**	**$1,135**	**$1,135**	**$1,135**

Fund Summary

Fund Source

Fund Source	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
State Operations - 0001 - General Fund	0	2,770	2,705	1,135	1,135	1,135
Total State Operations Expenditures	**$0**	**$2,770**	**$2,705**	**$1,135**	**$1,135**	**$1,135**
Total All Funds	**$0**	**$2,770**	**$2,705**	**$1,135**	**$1,135**	**$1,135**

Program Summary

Program Funding

Program Funding	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
3910100 - Multipurpose Senior Services Program	0	2,770	2,705	1,135	1,135	1,135
Total All Programs	**$0**	**$2,770**	**$2,705**	**$1,135**	**$1,135**	**$1,135**

Personal Services Details

Positions

Positions	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
VR00 - Various	0.0	2.0	2.0	2.0	2.0	2.0
Total Positions	**0.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**

Salaries and Wages

Salaries and Wages	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
VR00 - Various	0	178	213	213	213	213
Total Salaries and Wages	**$0**	**$178**	**$213**	**$213**	**$213**	**$213**

Staff Benefits

Staff Benefits	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
5150900 - Staff Benefits - Other	0	88	106	106	106	106
Total Staff Benefits	**$0**	**$88**	**$106**	**$106**	**$106**	**$106**

Total Personal Services

Total Personal Services	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Total Personal Services	**$0**	**$266**	**$319**	**$319**	**$319**	**$319**