State of California—Health and Human Services Agency
Department of Health Services

California
Department of
Health Services

SANDRA SHEWRY
Director

ARNOLD SCHWARZENEGGER
Governor

July 14, 2006

To All Members of the California Legislature
State Capitol
Sacramento, California 95814

I would like to update you on the status of the Every Woman Counts (EWC) program, which provides breast and cervical cancer screening services to low-income women.

First, let me begin by emphasizing that the EWC program continues in full effect with no restrictions on new client enrollment and no change in services. A May 31 letter from the California Department of Health Services (CDHS) to health care providers participating in the EWC program contributed to confusion regarding the adequacy of funding for new enrollments in the budget year. This communication should not have been made and I personally intend to ensure that the management of EWC improves their communications with stakeholders, including the California Legislature.

Another issue of grave concern to me is that important information about EWC funding was not provided to the Governor's Office or the Legislature in a timely manner. The CDHS was notified by the Centers for Disease Control and Prevention (CDC) this past spring that federal funding for EWC would be reduced. The Governor's May Revise requested additional resources to backfill the CDC grant reduction as well as to support projected caseload increases but failed to acknowledge to the Legislature that the CDC federal funding reduction was associated with CDHS' failure to meet a number of program performance indicators. Again, I intend to ensure the Department provides relevant information on a timely basis.

Given the importance of and interest in the EWC program, I would like to share with you additional detail regarding these issues of mutual concern.

EWC Program
EWC provides free breast cancer screening and diagnostic services to women aged 40 and over who are low-income, uninsured, or underinsured; and cervical cancer screening and diagnostic services to women aged 25 and over who meet similar eligibility criteria.

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EWC has two components: the National Breast and Cervical Cancer Early Detection Program (NBCCEDP) and the state Breast Cancer Early Detection Program (BCEDP).

California began receiving NBCCEDP funding in 1991. CDC administers the NBCCEDP and requires that healthcare providers collect, and states report, minimum data elements. Healthcare providers do not routinely collect many of these data in the course of patient care; the NBCCEDP provides a case management fee to providers for collecting the data. CDC analyzes these data to improve systems of care.

Assembly Bill 478 (Friedman, Chapter 660, Statutes of 1993), established California's Breast Cancer Early Detection Program (BCEDP), funded by a two cent per pack increase in the cigarette tax. In 2002, CDHS combined the federally-funded NBCCEDP and the state-funded BCEDP into EWC and applied CDC's data collection requirement to all women served by the combined program. The EWC database does not distinguish the data by funding source.

Data Reporting

To encourage collection of the CDC- mandated minimum data elements, EWC initially paid providers for services only after the provider submitted all required data to CDHS. However, provider complaints about manual claims submission requirements, delays in contract invoicing, and new HIPAA compliance rules resulted in EWC redesigning the billing and data collection system. As of October 2002, EWC no longer ties provider payments for medical services to submission of the required data. Claims for medical services are paid after the provider submits a claim. Additional case management services are paid for only after the provider has submitted all required data and submits a separate claim.

Since 2004, CDC has worked closely with CDHS to improve compliance with CDC's data requirements, which had been declining since 2002. As a result, a plan to modify EWC's claims payment system to pay for services for specific EWC clients (women screened for cervical cancer and women aged 50-64 screened for breast cancer) solely with federal funds, and to report CDC-required data only for those women served solely with federal funds was developed. These modifications should improve the timeliness and completeness of data that CDHS reports to CDC. CDHS is preparing a feasibility study report (FSR) that will detail the data system revisions. CDHS expects to complete data system revisions by the end of 2007. With implementation of the new data system, CDHS should meet reporting requirements for CDC's core program performance indicators. In addition, CDHS has identified mechanisms within the existing data system (e.g., facilitating on-line editing and updates of client data by providers) to improve data reporting while the FSR is in progress.

Federal Funds

In CDHS's February 2006 CDC application, CDHS included a proposal to submit data only for those EWC clients receiving federally funded services. Under the new

proposal, in FY 2006-07 CDHS would report data for approximately 63,000 federally funded EWC participants, compared with 181,024 state and federally funded EWC clients in FY 2005-06.

CDC evaluated the FY 2006-07 grant applications on performance criteria including seven core program performance indicators relating to timeliness and completeness of follow-up, and a Performance Measurement Assessment (PMA) tool. CDC ranked grantees into five performance groups and rated California in the fifth (lowest) group. This ranking was due to the PMA tool penalizing California for the reduced caseload CDHS would report to CDC (as described above) and CDHS' failure to meet four of the seven core program performance indicators.

On April 13, 2006 CDC notified CDHS that we would receive reduced federal funding for breast and cervical cancer screening and a portion of the remaining funding would be restricted to re-screening existing clients. CDC notified the Department that California's grant for FY 2006-07 would be $5.75 million, a $2.65 million reduction from FY 2005-06. Of the FY 2006-07 grant, CDHS must use $3.4 million for clinical services. CDC restricted the $3.4 million for clinical services; one-half ($1.7 million) is currently available but restricted to rescreening and follow up of women already enrolled in EWC. CDC will withhold the remaining $1.7 million until it determines that CDHS has made sufficient progress on collecting quality assurance data. CDC has reallocated to other states the $2.65 million reduction from CDHS' 2006-07 grant. CDC will review CDHS' progress during a September 2006 site visit. To demonstrate the necessary progress, CDHS will more accurately segregate and monitor data on clients receiving federally-funded services and make additional remedies to the data entry system used by providers. CDHS will apply in next year's federal grant cycle for full funding (at least at the FY 2005-06 levels) to conduct the federal NBCCEDP in California.

On May 31, CDHS sent a letter to healthcare providers participating in EWC, instructing them to cease cervical cancer screening services to all women not previously enrolled, effective June 30, 2006. The May 31st letter resulted in considerable confusion for providers and legislators. Given the budget request pending before the Legislature, we acted prematurely. On June 23, 2006, CDHS sent a notice to providers rescinding the May 31st letter (copy enclosed). As I noted above, the EWC continues in full effect with no restrictions on new client enrollment and no change in services.

2006 May Revise Budget Request

The Governor's May Revise requested an additional $6.65M in Prop 99 Unallocated Account funds: $2.65 million to backfill the CDC grant reduction and $4 million for projected caseload increases. As noted above, CDHS did not explain the reason for the CDC funding cut in the EWC Finance Letter and we regret this omission. All CDHS managers and I are committed to providing the Legislature with the information it needs to evaluate budget requests.

It is clear that our communications with you and EWC providers have not been as clear and as accurate as they should have been and I expect them to be. I am committed to

improving the management of EWC and our communications with the Governor's office, the Legislature, clients, providers, and other interested persons.

Sincerely,

Original signed by T.McCaffery

Sandra Shewry
Director

Enclosure: June 23, 2006 notice to providers rescinding May 31, 2006 letter

State of California—Health and Human Services Agency
Department of Health Services

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SANDRA SHEWRY
Director

ARNOLD SCHWARZENEGGER
Governor

June 23, 2006

Dear Provider,

RESCINDED LETTER DATED MAY 31, 2006 REGARDING CERVICAL CANCER SCREENING SERVICES

***Cancer Detection Programs: Every Woman Counts (CDP: EWC)* Category of Service 115 Providers May Continue to Enroll New Patients for Cervical Services**

This notice affects *CDP: EWC* providers with a Category of Service (COS) 115 and 072.

On May 31, 2006, the California Department of Health Services (CDHS) sent a letter to medical providers participating in *Cancer Detection Programs: Every Women Counts (CDP: EWC)*. The letter instructed medical providers to cease cervical cancer screening services to all women not previously enrolled in the *CDP: EWC* effective June 30, 2006.

CDHS is rescinding the May 31 letter. All *CDP: EWC* providers may continue to enroll eligible women per their COS; COS 115 may enroll and provide breast and cervical cancer screening services; COS 072 may enroll and provide breast cancer screening services. COS 072 providers may continue to refer new enrollees to *CDP: EWC* to COS 115 providers for cervical services.

We apologize for any confusion, concern, or inconvenience the May 31 letter may have caused you and your patients. The *CDP: EWC* program continues in full effect with no restrictions on new client enrollment.

If you have any questions, please contact the Cancer Detection Section Provider Services Unit: Nancy Reuter at (916) 449-5284 or Elaine Russell at (916) 449-5327.

Sincerely,

Deborah Sonognini-Smith

Deborah Sonognini-Smith
Assistant Chief
Cancer Detection Section