



CalOptima Health

NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA HEALTH BOARD OF DIRECTORS

SEPTEMBER 1, 2022
2:00 P.M.

505 CITY PARKWAY WEST, SUITE 108
ORANGE, CALIFORNIA 92868

BOARD OF DIRECTORS

Supervisor Andrew Do, Chair
Isabel Becerra
Clayton Chau, M.D.
José Mayorga, M.D.
Nancy Shivers, R.N.
Clayton Corwin, Vice Chair
Supervisor Doug Chaffee
Blair Contratto
J. Scott Schoeffel
Trieu Tran, M.D.
Supervisor Katrina Foley, Alternate

CHIEF EXECUTIVE OFFICER
Michael Hunn

OUTSIDE GENERAL COUNSEL
James Novello
Kennaday Leavitt

CLERK OF THE BOARD
Sharon Dwiers

This agenda contains a brief description of each item to be considered. Except as provided by law, no action shall be taken on any item not appearing on the agenda. To speak on an item, complete a Public Comment Request Form identifying the item and submit to the Clerk of the Board. To speak on a matter not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors, you may do so during Public Comments. Public Comment Request Forms must be submitted prior to the beginning of the Consent Calendar and/or the beginning of Public Comments. When addressing the Board, it is requested that you state your name for the record. Address the Board as a whole through the Chair. Comments to individual Board Members or staff are not permitted. Speakers are limited to three (3) minutes per item.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the Clerk of the Board's Office at (714) 246-8806, at least 72 hours prior to the meeting.

The Board Meeting Agenda and supporting materials are available for review at CalOptima, 505 City Parkway West, Orange, CA 92868, Monday-Friday, 8:00 a.m. – 5:00 p.m. These materials are also available online at www.caloptima.org. Board meeting audio is streamed live on the CalOptima Health website at www.caloptima.org.

To ensure public safety and compliance with emergency declarations and orders related to the COVID-19 pandemic, individuals are encouraged not to attend the meeting in person. As an alternative, members of the public may:

Participate via Zoom Webinar at:

https://us06web.zoom.us/webinar/register/WN_WgW599caR-i_5uuNC_-vg

and Join the Meeting.

Webinar ID: 892 4243 6392

Passcode: 341185-- Webinar instructions are provided below.

CALL TO ORDER

Pledge of Allegiance
Establish Quorum

PRESENTATIONS/INTRODUCTIONS

MANAGEMENT REPORTS

1. Chief Executive Officer Report
2. ITS Digital Transformation Update

PUBLIC COMMENTS

At this time, members of the public may address the Board of Directors on matters not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors. Speakers will be limited to three (3) minutes.

CONSENT CALENDAR

3. Minutes
 - a. Approve Minutes of the August 4, 2022 Regular Meeting of the CalOptima Health Board of Directors
4. Adopt Board Resolution No. 22-0901-01, Authorizing Remote Teleconference Meetings for the CalOptima Health Board of Directors and its Advisory Committees in Accordance with California Government Code section 54953, subdivision (e)
5. Approve New CalOptima Health Policy GG.1666p: CalOptima Health Mobile Texting Program
6. Approve CalOptima Health PACE Policy: PA.2022 Service Determination Request
7. Adopt Resolution to Replace and Rename Seats on the CalOptima Health Board of Directors' Member Advisory Committee
8. Appoint the Chairs and Vice Chairs of the CalOptima Health Board of Directors' Member Advisory Committee and Provider Advisory Committee
9. Appoint Physician Representative to the CalOptima Health Board of Directors' Provider Advisory Committee
10. Receive and File:
 - a. July 2022 Financial Summary
 - b. Compliance Report
 - c. Federal and State Legislative Advocates Reports
 - d. CalOptima Community Outreach and Program Summary

REPORTS/DISCUSSION ITEMS

11. Approve Actions Related to the Housing and Homelessness Incentive Program

12. Approve Modifications to CalOptima Health’s Purchasing Policy
13. Authorize Amendment to the Medi-Cal, OneCare, and OneCare Connect Ancillary Services Contract for Community Supports Providers to Reflect Updated Insurance Requirements
14. Approve Actions Related to the Procurement of a Fraud, Waste and Abuse Data Analytics/Detection Solution
15. Approve Authorization to Extend the Contract Related to the Fraud Data Analytics/Detection Solution
16. Authorize Contract Amendment Related to CalOptima Health’s Key Operational System Vendor for Claims Editing and Clinical Coding Validation
17. Adopt Resolution Approving and Adopting Updated CalOptima Health Human Resources Policies

ADVISORY COMMITTEE UPDATES

18. Joint Meeting of Member Advisory Committee and Provider Advisory Committee Update

CLOSED SESSION

- CS-1. Pursuant to Government Code section 54956.9, subdivision (d)(1) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION, Chapman Global Medical Center/KPC (“Claimant”), and CalOptima, Claim number 2110311200900

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

ADJOURNMENT

TO JOIN THE MEETING

Please register for the Regular Meeting of the CalOptima Health Board of Directors on September 1, 2022 at 2:00 p.m. (PST)

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join:

https://us06web.zoom.us/webinar/register/WN_WgW599caR-i_5uuNC_-vg

Or One tap mobile:

+16694449171,,89242436392#,,,,*341185# US

+12532158782,,89242436392#,,,,*341185# US (Tacoma)

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 444 9171 or +1 253 215 8782 or +1 346 248 7799 or +1 719 359 4580

or +1 720 707 2699 or +1 386 347 5053 or +1 564 217 2000 or +1 646 558 8656

or +1 646 931 3860 or +1 301 715 8592 or +1 309 205 3325 or +1 312 626 6799

Webinar ID: [892 4243 6392](#)

Passcode: [341185](#)

International numbers available: <https://us06web.zoom.us/j/kdVOvAMGFt>



MEMORANDUM

DATE: August 24, 2022

TO: CalOptima Health Board of Directors

FROM: Michael Hunn, Chief Executive Officer

SUBJECT: CEO Report — September 1, 2022, Board of Directors Meeting

COPY: Sharon Dwiers, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; OneCare Connect Member Advisory Committee; and Whole-Child Model Family Advisory Committee

a. CalOptima Health Implements New Logo and Branding

On August 8, an exciting new era began at CalOptima Health as the new name, logo and branding were introduced. The Communications department worked on all elements of the rebranding leading up to the launch, including the design of new letterhead and presentation templates, updated material for the website and social media, an employee FAQ and other resources. The feedback from staff, members, providers and stakeholders has been overwhelmingly positive.

b. CalFresh Awareness Campaign Continues to Have Impact

In early August, CalOptima Health received an encouraging update from the Orange County Social Services Agency (SSA). As of June, and since the beginning of the CalFresh campaign, the number of CalOptima Health members who have successfully enrolled has reached 24,082. These enrollees are from the pool of 344,252 members identified as potentially eligible but not enrolled. Please see below for recent metrics summarizing activity since the April beginning of the campaign:

- 25,210 outbound calls to members by CareNet (a vendor) to reach those potentially eligible for CalFresh benefits
- 13,225 inbound calls that the Customer Service department flagged for potential benefits
- 67,545 text messages sent and 3,580 members clicked on the link
- 3,293 warmline transfers to SSA from inbound calls and an additional 3,445 warmline transfers from outbound calls

c. Ordinance Change Request Withdrawn at Board of Supervisors

On August 23, the Orange County Board of Supervisors removed from its agenda the proposal to vote to change CalOptima Health's ordinance that restricts the agency from offering a plan on the Covered California exchange. CalOptima Health requested that the item be removed because the change did not

have unanimous support from all relevant stakeholders. As a result, CalOptima Health will not have an insurance plan on Covered California by 2024. We had envisioned that such a plan would provide continuity of care for members who may lose Medi-Cal coverage when their eligibility is redetermined at the end of the Public Health Emergency. CalOptima Health will work with stakeholders to develop a plan and assist members with making a smooth transition to other health care coverage.

d. Kaiser Medi-Cal Contract Moves to Federal Level

On August 12, the California Department of Health Care Services (DHCS) released a proposed amendment to its Section 1915(b) waiver that would authorize a direct, statewide Medi-Cal contract with Kaiser Permanente. Following a 30-day comment period, DHCS will submit the waiver amendment to the Centers for Medicare & Medicaid Services for review and approval. On August 15, CalOptima Health submitted a joint letter to U.S. Secretary of Health and Human Services Xavier Becerra to express serious concern regarding the proposed waiver and contract. Other signatories on the letter include L.A. Care, Inland Empire Health Plan, Kern Health Systems and Santa Clara Family Health Plan.

e. Assembly Bill (AB) 498 Advances in State Legislature

AB 498, by Assemblymember Sharon Quirk-Silva, continues to advance in the State Legislature. On August 8, the bill was discharged from the Senate Appropriations Committee after a finding of zero fiscal impact and is now pending on the Senate floor. This is the last location to amend the bill before it is returned to the Assembly for concurrence by the end of session on August 31. While CalOptima Health welcomes most provisions and recently codified some in bylaw revisions, leadership has continued to engage with the bill sponsor and Assemblymember Quirk-Silva's staff over the past several weeks to request additional amendments to prevent negative impacts.

f. California State Auditor Initiates Audit of CalOptima Health

On August 4, the California State Auditor (CSA) formally initiated its audit of CalOptima Health and held an entrance conference with key leadership. Since then, we have responded to several document requests, and CSA is interviewing several department leaders who oversee areas relating to the audit scope and objectives. The CSA audit was requested by Assemblymember Sharon Quirk-Silva and approved by the Joint Legislative Audit Committee in June. It will likely last several months.

g. President Biden Signs Climate and Health Care Legislation

On August 16, following a year of negotiations, President Joe Biden signed into law H.R. 5376, the Inflation Reduction Act of 2022. Previously titled the Build Back Better Act, the final legislation is much narrower in scope than earlier proposals but still makes significant investments in and changes to federal policies related to climate change, energy, health care and taxation. Specifically, it includes the following provisions that may impact CalOptima Health members, providers and stakeholders:

- Requires Medicare to negotiate lower prices for certain high-cost drugs in Parts B and D
- Reduces out-of-pocket prescription drug costs and eliminates vaccine costs for CalOptima Health OneCare members
- Extends financial assistance through 2025 for individuals purchasing health coverage via the Exchange/Marketplace

h. Chief Information Officer Named a Finalist for CIO Award

Congratulations to CalOptima Health Chief Information Officer Wael Younan for being named a finalist in the 2022 SoCal CIO of the Year ORBIE Awards in the Enterprise category. The awards are sponsored by the SoCal CIO Leadership Association, and more than 155 nominations were received this year. The ORBIE Awards recognize chief information officers who demonstrate excellence in technology leadership, create business value through technology innovation, and engage in industry and community endeavors. Winners will be named in November.

i. CalOptima Health Mentioned in Media Coverage

- On August 2, the [Orange County Register](#) mentioned CalOptima Health as an insurer in an article about Anaheim Community Hospital's new behavioral health focus.
- On August 3, [LaOpinion.com](#) covered a County Community Services Center event and quoted CEO Michael Hunn about the size of CalOptima Health's membership.



CalOptima Health

FY 2022-23 Digital Transformation, Year One Project Updates

Board of Directors Meeting
September 1, 2022

Wael Younan, Chief Information Officer/Chief
Information Security Officer

Our Mission

To serve member health with excellence and dignity, respecting the value and needs of each person.

Our Vision

By 2027, remove barriers to health care access for our members, implement same-day treatment authorizations and real-time claims payments for our providers, and annually assess members' social determinants of health.

Agenda

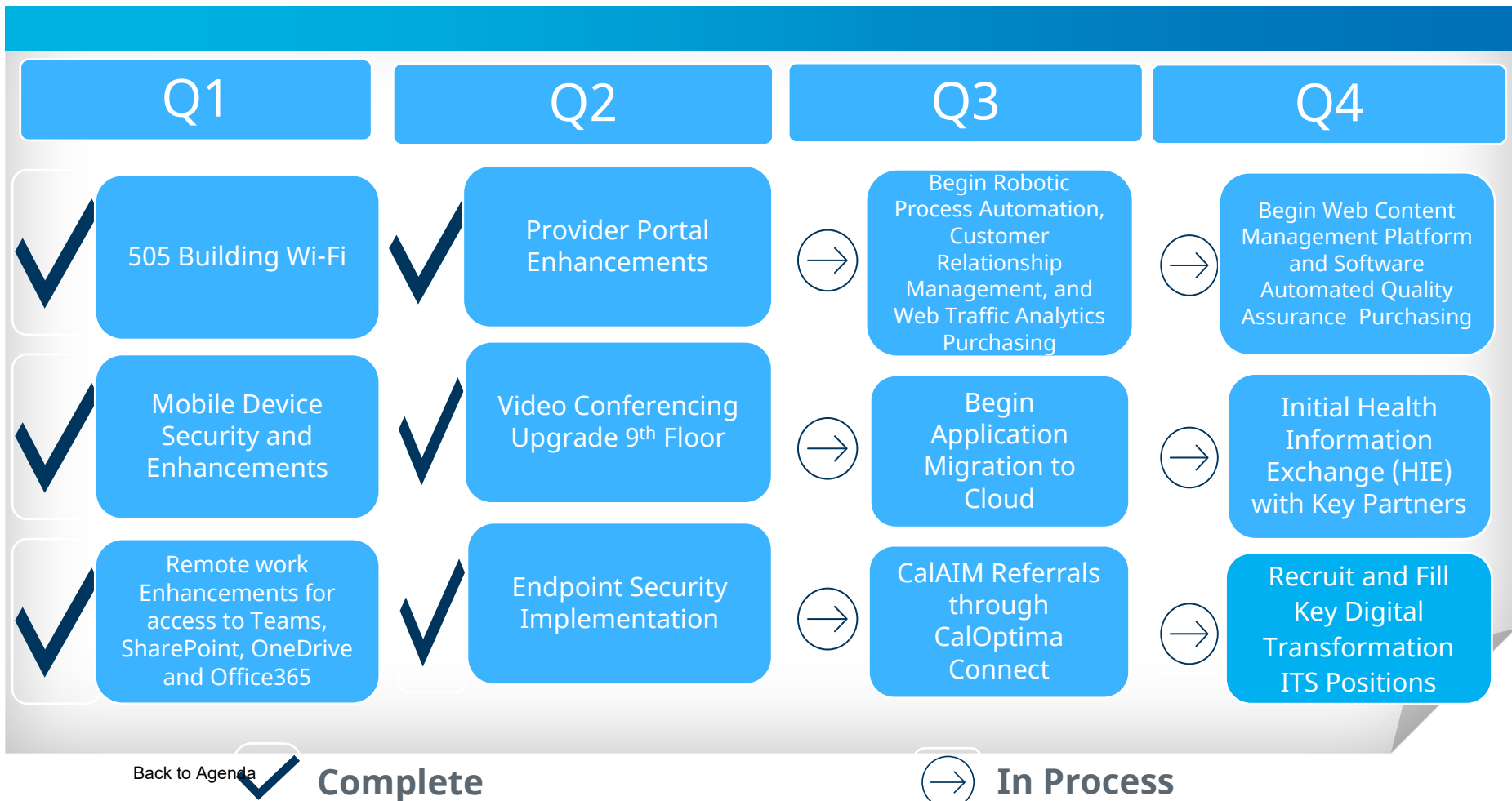
- Discovery and Outcomes
- Key Milestones
- Q1/Q2 Key Initial Accomplishments
 - Member/Provider Experience
 - Employee Experience
- Q3/Q4 Key Project Kickoffs
- Q3/Q4 Modernization and Optimizations
- Budget Summary

Discovery and Outcomes

- **Identification of Business Needs and Opportunities**
 - Meetings with leadership to determine gaps and improvement opportunities
 - Member/Provider Experience
 - Employee Experience
 - Technology Assessments to understand current vs. future state
 - Areas of Improvement
 - Modernization
 - Cost Reduction
 - Project Strategy and Timelines

Digital Transformation

2022 Key Planned Milestones



Key Initial Accomplishments

○ Member/Provider Experience

■ Enhanced Member Care through In-House Provider Portal *New Features:*

- Intake and hourly processing of Urgent Authorizations
- Access to Labs, Medications and Condition History
- Claims- Explanation of benefits, coverage and costs
- Hourly Process of Pharmacy authorizations
- Real-Time Auto Approval of Authorizations
 - (based on member eligibility, requested service and referral responses)
- Primary Care Provider Member Roster
 - Allows PCP's and their staff to identify CalOptima members in their care

Key Initial Accomplishments (cont.)

○ Employee Experience

- Wi-Fi to Headquarters and PACE
 - Ease of work efforts and productivity in support of our members
- Mobile Device/Remote Work
 - Conduct work on mobile devices securely from anywhere
- Enhanced Security
 - Protection of member data and against threats and downtime
- Secure Print
 - Protection of member/provider data and reduction of local printers

Q3 Project Kickoffs

○ Member/Provider Experience

- Burgess Claims Management (August)
 - Claims administration and payment for Medicare/Medi-Cal
- Customer Relationship Management (September)
 - Improved personalized member experience
- Health Information Exchange (September)
 - Adopt OC approved HIE's (OCPH/OCPHRIO) in support of our member journey for providers in hospitals and clinics
- Robotic Process Automation (September)
 - Automate manual process 24/7/365
 - Key to achieving 24-hour Treatment Authorizations/Real-Time Claims Payments

Q4 Project Kickoffs

○ **Member and Provider Experience**

- Web Content Management/Digital Experience Platform (November)
 - Enhanced member and provider website and functions
- Software Quality Release Automation (November)
 - Ensure applications are released timely and without flaws

○ **Modernization/Cost Savings**

- Disaster Recovery/Backup Solution (October)
 - Continuity of Operations and protection against threat

Q3/Q4 Planned Optimizations

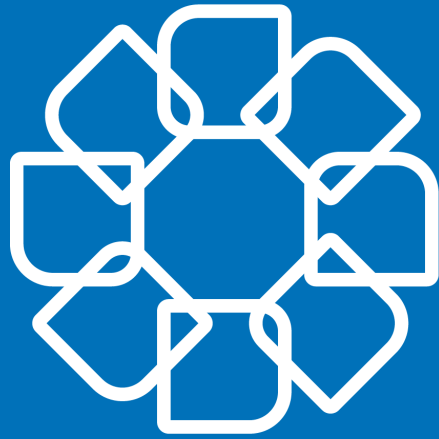
○ Workplace Modernization

- Retirement of Citrix (October)
 - Improved performance for employees to serve members
- Video-Conferencing Updates (November)
 - Modern voice/video for meetings with partners/providers
- Deployment of Licensed Software (Ongoing)
 - Discovery of 18 security solutions for safer computing that are already licensed by Microsoft

Digital Transformation FY 2022-23 Budget Summary

- **FY 2022-23 Total Digital Transformation Budget is \$45.2 million**
 - Annual Capital Budget is \$34.2 million
 - Annual Operating Budget is \$11.0 million
 - Actual Expenses will be reported as part of the monthly financial statements
- **Approximately \$9.6 million of Digital Transformation initiatives are in progress, based on information available at this time and estimated costs.**

Comments or Questions?



CalOptima Health

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**MINUTES
REGULAR MEETING
OF THE
CALOPTIMA BOARD OF DIRECTORS**

August 4, 2022

A Regular Meeting of the CalOptima Board of Directors (Board) was held on August 4, 2022, at CalOptima, 505 City Parkway West, Orange, California. The meeting was held via teleconference (Zoom) in light of the COVID-19 public health emergency and Assembly Bill (AB) 361 (Chaptered September 16, 2021), which allows for temporary relaxation of certain Brown Act requirement related to teleconferenced meetings. Chairman Andrew Do called the meeting to order at 2:02 p.m., and Director Isabel Becerra led the Pledge of Allegiance.

ROLL CALL

Members Present: Supervisor Andrew Do, Chairman; Clayton Corwin, Vice Chair; Isabel Becerra; Supervisor Doug Chaffee; Clayton Chau, M.D. (non-voting); Blair Contratto; José Mayorga M.D.; Nancy Shivers, Trieu Tran, M.D.
(All Board Members participated remotely except Chairman Do, Director Becerra, and Director Contratto who participated in person)

Members Absent: Scott Schoeffel

Others Present: Michael Hunn, Chief Executive Officer; James Novello, Outside General Counsel, Kennaday Leavitt; Yunkyung Kim, Chief Operating Officer; Nancy Huang, Chief Financial Officer; Richard Pitts, D.O. Ph.D., Chief Medical Officer; Sharon Dwiers, Clerk of the Board

Chairman Do announced that he is reordering the agenda to hear Agenda Item 20 immediately after Agenda Item 15. Chairman Do also noted that he will be abstaining on Agenda Items 16, 26, and 28, due to conflicts of interest on the first item due to his role as an ex-officio board member on MindOC's board and the latter two items related to campaign contributions under the Levine Act and will pass the gavel to Vice Chair Corwin for those agenda items.

PRESENTATIONS/INTRODUCTIONS

None

MANAGEMENT REPORTS

1. Chief Executive Officer Report

Michael Hunn, Chief Executive Officer, highlighted several items from his report. Mr. Hunn introduced and welcomed new members of the CalOptima Executive Team since the last Board meeting, which included the following: John Tanner, Chief Compliance Officer; Michael Gomez, Executive Director, Network Operations; Linda Lee, Executive Director, Senior Programs; and Zeinab Dabbah, M.D., J.D., Deputy Chief Medical Officer. Mr. Hunn noted that he has one last position on the executive team to fill, which is the Chief Equity Officer position, and staff is taking time to recruit the right individual for this Department of Health Care Services (DHCS)-mandated position to be in place by January 1, 2024.

Mr. Hunn provided a brief update on CalOptima's plans to request that the Board of Supervisors have the second reading of the ordinance change that would allow CalOptima to join Covered California, California's health care exchange (Exchange). The second reading is scheduled for August 23, 2022, and CalOptima will ask the Board of Supervisors for its support. As part of the process, CalOptima has had ongoing meetings with key stakeholders. Mr. Hunn noted that CalOptima has met with the Hospital Association of Southern California (HASC) and HASC president and Chief Executive Officer (CEO), George Greene. In addition, Mr. Hunn has had conversations with Kim Cripe, CEO of Children's Hospital of Orange County, and Kevin Manemann, Chief Executive, South Division, of Providence Health System, who was recently promoted to oversee all the hospitals in California. Mr. Hunn also reported that he has had conversations with Peter Baronoff, CEO of KPC Global; Dan Brothman, CEO of Prime Healthcare; and Barry Arbuckle, CEO of Memorial Care, and just this morning, Mr. Hunn met with Bryan Rogers, Group CEO for Tenet Healthcare. Mr. Hunn also mentioned that staff had prepared a binder with over 500 pages that was delivered to the Board of Supervisors offices and compressed into .zip file so that CalOptima could send out to HASC members. CalOptima continues to be available for all questions.

Mr. Hunn restated that CalOptima's request to join the Exchange is to provide access and continuity of care for its members, especially with the looming eligibility redetermination by DHCS at the end of the public health emergency. Director Chau asked if staff had a sense of what the concerns are from HASC and any others. Mr. Hunn responded that there are three questions that come up: (1) the issue of CalOptima wanting to move forward sooner rather than later; (2) will this cause an undue economic hardship on CalOptima; and (3) will CalOptima have sufficient executive time, focus, and ability, while managing all the other operations. Mr. Hunn stated that CalOptima has answered all questions, with explanations. Lastly, Mr. Hunn noted that LA Care Health Plan recently joined the Exchange and has done a wonderful job. Also, George Greene, President of HASC also sits on LA Care's Board of Directors, so he knows firsthand what it takes to get onto the Exchange.

CEO Hunn also reported that CalOptima kicked off the Joint Legislative Audit Committee Audit. The Joint Legislative Audit Committee will be moving forward with its examination of CalOptima's budget, reserves, homeless services to ensure timely access standards are met, executive-level changes, salaries, and hiring practices. CalOptima is pleased to welcome its state colleagues for this audit, looks forward to completing the audit over the next six-to-eight months, and will keep the Board apprised accordingly. Mr. Hunn noted that the actual audit process is confidential until the audit findings are published, which then becomes part of the public record.

Mr. Hunn provided an update on the CalFresh program, noting that as of May CalOptima has added 21,438 members who have joined CalFresh and has referred another 2,831 in a warm handoff, which means the member reached out to CalOptima through its website or phone line and staff handed the member off to the Social Services Agency (SSA) for the sign-up. Mr. Hunn thanked An Tran who is the new Director at SSA, adding that he and Mr. Tran will be meeting soon.

CEO Hunn also provided updates on the latest vaccination and wellness events that are coming up, noting that about 70% of CalOptima members that are 16 years of age and above and 58% of CalOptima members six months and above are vaccinated.

Lastly, Mr. Hunn provided updates on CalOptima's communications. He complimented the CalOptima Communications Team, noting it has done an extraordinary job with over 500 stories about CalOptima in the last 12 months running. Recently CalOptima made an announcement about Kelly Bruno Nelson joining CalOptima. Mr. Hunn noted his belief that CalOptima is the only health plan in California that has a dedicated Executive Director for CalAIM (California Advancing and Innovating Medi-Cal), so CalOptima is incredibly pleased to have Ms. Bruno Nelson join the team. In addition, Carmen Katsarov, Executive Director of Behavioral Health, was quoted in the US News, and Marie Jeannis, Executive Director Quality and Population Health Management, was quoted in Modern Healthcare on June 21, 2022. Mr. Hunn added that he is very appreciative of the fact that there are so many excellent things going on at CalOptima, that CalOptima has a competent executive team, and it is working closely with its networks, hospitals, and doctors.

Chairman Do and Mr. Hunn took time to wish the Clerk of the Board a happy birthday.

PUBLIC COMMENTS

There was no request for public comment.

CONSENT CALENDAR

2. Minutes

- a. Approve Minutes of the June 2, 2022 Regular Meeting of the CalOptima Board of Directors
- b. Receive and File Minutes of the March 9, 2022 Regular Meeting of the CalOptima Board of Directors' Quality Assurance Committee

3. Adopt Board Resolution No. 22-0804-01, Authorizing Remote Teleconference Meetings for the CalOptima Board of Directors and its Advisory Committees in Accordance with California Government Code section 54953, subdivision (e)

4. Ratify Amendment and Extension of Ancillary Services Contract with Infomedia Group Inc., dba Carenet Healthcare Services

5. Ratify Amendment to Contract with Newmark Knight Frank

6. Ratify a License Agreement with the County of Orange for Use of Space at the County Community Service Center

7. Actions for Contracts Related to Proposed Community Living and PACE Center in the City of Tustin

8. Authorize and Direct Execution of Amendments to CalOptima's Primary Agreement with the California Department of Health Care Services

9. Adopt Resolution Authorizing and Directing Execution of Contract MS-2223-41 with the California Department of Aging for the Multipurpose Senior Services Program

10. Authorize Actions Related to School Behavioral Health Incentive Program

11. Appointments to the CalOptima Board of Directors' Member Advisory Committee

12. Authorize Expenditures in Support of CalOptima Participation in Community Events

13. Receive and File:

- a. April 2022 Financial Summary
- b. Compliance Report
- c. Federal and State Legislative Advocates Reports
- d. CalOptima Community Outreach and Program Summary

Action: ***On motion of Director Contratto, seconded and carried, the Board of Directors approved Consent Calendar as presented. (Motion carried 8-0-0; Director Schoeffel absent)***

Chairman Do reordered the agenda to hear Agenda Item 16 as representatives from MindOC and Be Well OC are in the audience today. Chairman Do passed the gavel to Vice Chair Corwin.

REPORTS/DISCUSSION ITEMS

16. Approve Actions Related to Be Well Wellness Hubs

Chairman Do did not participate in the discussion and vote on this item due to his role as an ex-officio board member on MindOC's board and potential conflicts of interest.

Mr. Hunn welcomed Richard Afable, M.D., President and Chairman of MindOC, and Marshall Moncrief, Chief Executive Officer of Be Well OC. Mr. Hunn explained that Be Well OC was a movement, noting that it is a public private partnership that was a vision of Chairman Do. He also noted that in addition to the Health Care Agency, the County of Orange, CalOptima, and a host of hospitals directly contributed to the development and building of the Be Well OC facility. Mr. Hunn noted that 80 to 85% of the members seen at the facility are CalOptima members, which is why he believes it is incumbent on CalOptima to ensure that its members have access to the services provided at Be Well OC by designating these funds. Mr. Hunn introduced Yunkyung Kim, Chief Operating Officer, to provide additional details regarding the recommended action.

Ms. Kim added that currently CalOptima has an \$11.4 million-dollar contract with the County of Orange for services, including a sobering center and peer support at the Be Well Wellness hub in Orange. With the transition of sobering center services to a covered benefit as part of CalAIM, CalOptima sees an opportunity for some of those funds to go toward other efforts to expand access to care and improve the quality of care for CalOptima's members. Ms. Kim explained this is the reason for staff's request to amend the contract to allow for reallocation of up to \$10 million of the current contract toward these additional efforts. Ms. Kim said it makes sense for CalOptima to be a partner and introduced the item providing background on the Be Well OC campus, noting that it is a state-of-the art facility in Orange that is a public/private partnership. In addition to the Health Care Agency, the County of Orange, and CalOptima, there are hospitals, Providence St. Joseph, Hoag, Kaiser Permanente, Children's Hospital of Orange County, and UCI, as well as many other organizations that contribute to the success of Be Well

OC.

Marshall Moncrief, CEO of Be Well OC, responded to questions from the Board and provided additional details.

Action: On motion of Director Contratto, seconded and carried, the Board of Directors: 1.) Approved an amendment to the contract with the County of Orange Health Care Agency (HCA) that: a.) Expands the allowable qualified activities in order to increase quality and access to behavioral health services for CalOptima members at the Be Well Wellness Hub; and b.) Redirects up to \$10 million in IGT 5 funds previously allocated for sobering center and peer support services to increase access and quality behavioral health services to CalOptima Medi-Cal members; 2.) Authorized the Chief Executive Officer to develop and execute a Grant Agreement with Mind OC, to improve quality and access to enhanced and integrated behavioral health services to CalOptima members at the Be Well Wellness Hub in the city of Irvine; 3.) Appropriated funds and authorized unbudgeted expenditures in the amount of up to \$15 million from existing reserves to fund the Grant Agreement with Mind OC; and 4.) Made a finding that such expenditures are for a public purpose and in furtherance of CalOptima’s mission and purpose. (Motion carried 7-0-1; Chairman Do abstained; Director Schoeffel absent)

After the vote was finalized, Chairman Do provided some history related to Be Well OC. Back in 2015, he and Supervisor Bartlett formed a Mental Health Ad Hoc Committee. This ad hoc committee was created to address the concerns with Orange County emergency rooms, which were being used for people in mental distress. Though not known it at the time, the ad hoc committee led Chairman Do and Supervisor Bartlett down a path that resulted in creating a public private partnership with Rick Afable, former CEO of Hoag Hospital, Dr. Clayton Chau, Marshall Moncrief, Chairman Do’s Deputy Chief of Staff, Veronica Carpenter, and Chairman Do. It involved many hours in discussion and engagement with different providers, members, community partners, and others to get to where Be Well OC is today. So, he thanked the Board for approving the additional funding.

14. Authorize a Rebrand of CalOptima to Include a Name Change to “CalOptima Health” and a New Logo Mark

Mr. Hunn provided a brief introduction of what led to the name change and new logo mark. He noted that most people had no idea what CalOptima was unless they were already involved in health care. CalOptima’s name needed to be about health and connection to community, inclusive to all, multicultural, multilingual, and multigenerational. CalOptima provides care for children, seniors, and adults, so CalOptima needs to be integrated and part of a safety net, and CalOptima must work together with clinics, hospitals, health networks, and providers. CalOptima needs to inspire connection and celebrate it with energy and joy. Mr. Hunn introduced Deanne Thompson, Executive Director, Marketing & Communications, noting that she will provide additional details.

Ms. Thompson shared the details of CalOptima's brand redesign project. She noted that the CalOptima name has been in use since 1995, with its current logo last updated in 2009. There were many names considered but only two that made it to the top of the list. CalOptima Health and CalOptima Health Plan. CalOptima chose CalOptima Health as the broader option that functions as an umbrella brand for CalOptima's various health plans and lines of business, in addition to other future programs. Ms. Thompson noted that CalOptima utilized both internal and external design teams to develop an array of logo options that were presented to executive leadership and the Board Chair and Board Vice Chair for preliminary feedback in April and May. Based on the input received, staff further refined those designs and in June and shared the designs with select staff, CalOptima members, and community stakeholders to gather feedback. After testing six of CalOptima's final designs with CalOptima members, community stakeholders, and the Board Strategic Ad Hoc Committee, a new brand and logo were selected.

Ms. Thompson presented the new CalOptima Health logo, which is designed to convey connection, community, multicultural, integrated, safety net, inspiration, celebration, energy, and joy. She also reviewed the various executions for each of CalOptima's lines of business.

All of the Board members were pleased with the rebrand and new logo mark.

Action: On motion of Director Becerra, seconded and carried, the Board of Directors: 1.) Authorized the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to modify Orange County Health Authority's DBA name to CalOptima Health, effective immediately with the filing of all necessary name mark documentation; and 2.) Authorized the CEO to direct the Communications department to implement a new logo mark that reflects an updated visual identity and includes the new agency name, effective immediately with the filing of all necessary logo mark documentation. (Motion carried 8-0-0; Director Schoeffel absent)

15. Approve Amendments to CalOptima Bylaws

Mr. Hunn introduced the item noting that the Bylaws have not been updated since 1994. Staff worked with Legal Counsel and looked at other health plans' bylaws. The updated Bylaws added section 4.8: Prohibition on CalOptima Employment: A Director who is also a member of the Board of Supervisors may not be employed by CalOptima for a period of one year after the Director's term expires, or after the Director resigned or is removed from the Board. The updated Bylaws also amended section 11.1: Claims. The changes for this section modernize and update the dollar amount that is delegated to the Chief Executive Officer to settle claims from \$50,000 to \$300,000.

Action: On motion of Director Tran, seconded and carried, the Board of Directors approved amendments to CalOptima bylaws (Bylaws), effective August 4, 2022. (Motion carried 8-0-0; Director Schoeffel absent)

As Chairman Do noted at the top of the meeting, Agenda Item 20, will be heard immediately following Agenda Item 15.

20. Approve Modifications to CalOptima Administrative Policies

Action: *On motion of Director Contratto, seconded and carried, the Board of Directors approved modifications to the following CalOptima policies: 1.) AA.1217: Legal Claims and Judicial Review; and 2.) GA.3202: Signature Authority. (Motion carried 8-0-0; Director Schoeffel absent)*

17. Authorize Amendments to the Voluntary Rate Range Intergovernmental Transfer Program for Calendar Year 2021 Health Plan Provider Agreements

Director Chau did not participate in this item due to his role as the Director of the Orange County Health Care Agency. Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health.

Action: *On motion of Vice Chair Corwin, seconded and carried, the Board of Directors: 1.) Authorized a reduction in CalOptima's Intergovernmental Transfer funds retention to a 2% administrative fee; and 2.) Authorized the Chief Executive Officer to amend the health plan provider agreements with the University of California-Irvine, Children's Hospital of Orange County on behalf of First 5 Orange County Children & Families Commission, the County of Orange, the City of Orange, and the City of Newport Beach, to reflect that change. (Motion carried 7-0-0; Director Mayorga recused; Director Schoeffel absent)*

18. Authorize the Chief Executive Officer to Execute a New Contract with The Burgess Group, LLC to Implement Their New Cloud Platform in Support of CalOptima's Digital Transformation Strategy, and Ratify an Amendment to Extend the Current Contract with The Burgess Group, LLC

Action: *On motion of Director Becerra, seconded and carried, the Board of Directors: 1.) Authorized the Chief Executive Officer to execute a new contract with The Burgess Group, LLC (The Burgess Group), a payment reimbursement system vendor, for an initial term not to exceed five years, with three one-year extension options, exercisable at CalOptima's sole discretion, with each extension option subject to prior Board of Directors (Board) approval; and 2.) Ratified an amendment with The Burgess Group extending the current contract for an additional six months from July 1, 2022, to December 31, 2022. (Motion carried 8-0-0; Director Schoeffel absent)*

19. Approve Actions Related to the Procurement of a Robotic Process Automation (RPA) Software Solution

Mr. Hunn introduced this item noting this software with help to serve CalOptima's vision of having same-day authorizations and same-day payments by 2027.

Action: *On motion of Director Becerra, seconded and carried, the Board of Directors: 1) Approved the scope of work (SOW) for the Robotic Process Automation (RPA) software solution; and 2.) Authorized the Chief Executive Officer to release the RPA request for proposal (RFP) with the approved SOW, and to negotiate and contract with the selected vendor. (Motion carried 8-0-0; Director Schoeffel absent)*

21. Authorize Modifications Related to the CalOptima Administrative Fellowship Program

Ms. Kim thanked the Board of Directors for its approval of the Administrative Fellowship Program.

Action: *On motion of Vice Chair Corwin, seconded and carried, the Board of Directors: 1.) Authorized the Chief Executive Officer to make modifications to the CalOptima Administrative Fellowship Program effective September 1, 2022; and 2.) Authorized unbudgeted expenditures in an amount up to \$94,000 from existing reserves for administrative expenses related to the appropriate pay grade. (Motion carried 8-0-0; Director Schoeffel absent)*

22. Approve New Vendor Management Contract Templates and Authorize Template Use for New Contracts

Mr. Hunn introduced this item, noting that as part of his review during his initial time as Interim CEO he found that many vendors did not want to do business with CalOptima due to onerous contract templates. This action allows CalOptima to streamline the vendor contracts going from 50-page contracts to 10-page contracts.

Vice Chair Corwin thanked staff for the improved efficiencies.

Action: *On motion of Vice Chair Corwin, seconded and carried, the Board of Directors: 1.) Approved new vendor management contract templates, effective upon Board approval; and 2.) Effective upon Board approval, authorize the Chief Executive Officer, with the assistance of legal counsel, to use the new vendor management contract templates to execute contracts with vendors within the parameters set forth in CalOptima Policy GA.5002: Purchasing Policy and CalOptima's Board-approved budget. (Motion carried 8-0-0; Director Schoeffel absent)*

23. Approve Actions Related to the Procurement of a Customer Relations Management System

Action: *On motion of Director Contratto, seconded and carried, the Board of Directors: 1.) Approved the scope of work (SOW) for the Customer Relationship Management (CRM) system; and 2.) Authorized the Chief Executive Officer to release the CRM request for proposal (RFP) with the approved SOW and to negotiate and contract with the selected vendor. (Motion carried 6-0-0; Directors Shivers, Schoeffel and Tran absent)*

24. Approve Actions Related to the Procurement of a Web Traffic Analytics Solution

Action: *On motion of Vice Chair Corwin, seconded and carried, the Board of Directors:1.) Approved the scope of work (SOW) for the Web Traffic Analytics Solution; and 2.) Authorized the CEO to release the request for proposal (RFP), select a vendor, and negotiate and execute a contract with the selected vendor. (Motion carried 8-0-0; Director Schoeffel absent)*

25. Approve Amending the Applied Behavioral Analysis Provider Contracts to Increase Rates for Medi-Cal and Use of Reserve Funds to Support the Increase

Action: *On motion of Vice Chair Corwin, seconded and carried, the Board of Directors:1.) Authorized amending the current Medi-Cal Fee-for-Service Applied Behavioral Analysis provider contracts to reflect increases to reimbursement rates effective October 1, 2022; and 2.) Authorize unbudgeted expenditures in an amount up to \$14.9 million from existing reserves to fund the increase to reimbursement rates for Medi-Cal for Applied Behavioral Analysis contracts. (Motion carried 8-0-0; Director Schoeffel absent)*

Chairman Do reordered the agenda to hear Agenda Item 27 ahead of Agenda Items 26 and 28, for which he is abstaining.

27. Authorize Amendments to CalOptima's OneCare and OneCare Connect Health Network Contracts for ARTA Western California Inc., Monarch Healthcare, A Medical Group Inc., and Talbert Medical Group P.C., Only to Include Language for Sequestration and Recoupment
Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health. Director Shivers did not participate in this item due to her affiliation with UnitedHealth Group and Optum.

Action: *On motion of Director Tran, seconded and carried, the Board of Directors amended OneCare and OneCare Connect Shared-Risk Group (SRG) and Health Maintenance Organization (HMO) health network contracts for ARTA Western California Inc., Monarch Healthcare, A Medical Group Inc., and Talbert Medical Group P.C. only, to reflect language for sequestration and recoupment, effective September 1, 2022. (Motion carried 6-0-0; Directors Mayorga and Shivers recused; Director Schoeffel absent)*

Chairman Do passed the gavel to Vice Chair Corwin for Agenda Items 26 and 28.

26. Authorize Amendments to CalOptima's OneCare and OneCare Connect Health Network Contracts, Except ARTA Western California Inc., Monarch Healthcare, A Medical Group Inc., Talbert Medical Group P.C., and Fee-for-Service OneCare, OneCare Connect, and PACE Contracts Except UCI Health,

to Include Language for Sequestration and Recoupment

Director Becerra did not participate in this item due to her affiliation with the Orange County Coalition of Community Health Centers. Chairman Do did not participate in the discussion and vote on this item due to conflicts of interest related to campaign contributions under the Levine Act. Director Tran did not participate in this item due to his service as a specialist physician serving CalOptima members.

Action: On motion of Director Mayorga, seconded and carried, the Board of Directors: 1.) Amended OneCare Shared-Risk Group (SRG) and OneCare Connect SRG, Health Maintenance Organization (HMO) Physician Hospital Consortia-Physician, Physician Hospital Consortia-Hospital health network contracts except ARTA Western California Inc., Monarch Healthcare, A Medical Group Inc., and Talbert Medical Group P.C., to reflect language for sequestration and recoupment, effective September 1, 2022; 2.) Amended the OneCare, OneCare Connect, and PACE Fee-for-Service (FFS) Professional Services contracts, except UCI Health, to reflect language for updated sequestration practices, effective September 1, 2022; 3.) Amended the OneCare, OneCare Connect, and PACE Fee-for-Service (FFS) Ancillary Services contracts, to reflect language for updated sequestration practices, effective September 1, 2022; and 4.) Approved the OneCare, OneCare Connect, and PACE Amended and Restated FFS Hospital Services contracts, except UCI Health, to include language reflecting updated sequestration practices, effective September 1, 2022. (Motion carried 5-0-1; Directors Becerra and Tran recused; Chairman Do abstained; Director Schoeffel absent)

28. Authorize Amendments to CalOptima's OneCare, OneCare Connect, and PACE Fee-for-Service Contracts for UCI Health Only to Include Language for Sequestration

Chairman Do did not participate in the discussion and vote on this item due to conflicts of interest related to campaign contributions under the Levine Act. Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health.

Action: On motion of Vice Chair Corwin, seconded and carried, the Board of Directors amended OneCare, OneCare Connect, and PACE Fee-for-Service (FFS) Professional and Hospital Services contracts for UC Irvine Health only, to add language for sequestration, effective September 1, 2022. (Motion Carried 6-0-1; Chairman Do abstained; Director Mayorga recused; Director Schoeffel absent)

ADVISORY COMMITTEE UPDATES

29. Special Joint Meeting of the Member Advisory, OneCare Connect Member Advisory, Provider Advisory, and Whole-Child Model Family Advisory Committees Update

Christine Tolbert, Member Advisory Committee (MAC) Chair, provided updates on behalf of the MAC, the Provider Advisory Committee (PAC), the OneCare Connect Member Advisory Committee (OCC MAC), and the Whole-Child Model Family Advisory Committee (WCM FAC) on their recent activities.

Ms. Tolbert thanked the Board of Directors, Michael Hunn, Dr. Pitts, and Cheryl Simmons for all of their support during her time as Chair of the Member Advisory Committee.

Chairman Do thanked Ms. Tolbert and all the advisory committees for their work, dedication, and service.

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

Chairman Do commented what a great meeting CalOptima had today, noting that so many of the actions brought before the Board highlight the new management and the new direction for CalOptima. He added that he is proud of all the work that staff has put in to bring these great ideas, changes, and rejuvenation to redouble CalOptima's commitment to serving its members.

Mr. Hunn thanked Christine Tolbert and the input received from all of the advisory committees. He noted that the advisory committees are going to become more and more integral as CalOptima moves forward in its strategic planning and building out its priorities. Mr. Hunn added that CalOptima values the committees' input and great spirit of honesty around the issues that CalOptima needs to focus on to be successful on behalf of its members in support of the mission and the dignity and respect that CalOptima is promising to its members.

Mr. Hunn also thanked the Board of Directors for its approval of Agenda Item 25 to approve the applied behavioral analysis provider contract rate increase. He noted that this specifically touches CalOptima's population receiving autism services. When Carmen Katsarov joined CalOptima as the new Executive Director for Behavioral Health, this ask was overdue by several years and CalOptima was falling further and further behind in its ability to fund and pay for services at the market rate. So, Mr. Hunn thanked the Board for its support of \$14.9 million to help fund the critical care for those who have autism and other behavioral health needs.

ADJOURNMENT

Hearing no further business, Chairman Do adjourned the meeting at 4:07 p.m.

/s/ Sharon Dwiars
Sharon Dwiars
Clerk of the Board

Approved: September 1, 2022

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022 Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

4. Adopt Board Resolution No. 22-0901-01, Authorizing Remote Teleconference Meetings for the CalOptima Health Board of Directors and its Advisory Committees in Accordance with California Government Code section 54953, subdivision (e)

Contact

Michael Hunn, Chief Executive Officer (657) 900-1481

Recommended Action

Adopt Board Resolution No. 22-0901-01, authorizing remote teleconference meetings for the CalOptima Health Board of Directors and its advisory committees in accordance with Government Code section 54953, subdivision (e).

Background

Under the Ralph M. Brown Act, California Government Code Section 54950 *et seq.*, (Brown Act) meetings of California local public bodies must be open and public. Prior to the COVID-19 pandemic, the Brown Act has generally allowed a local agency to use teleconferencing for public meetings, subject to specific agenda, posting, physical access, and quorum requirements. On March 4, 2020, pursuant to Government Code section 8625, Governor Gavin Newsom declared a state of emergency related to the COVID-19 pandemic, and the declaration of emergency continues in effect and has not been lifted or rescinded.

On March 17, 2020, Governor Newsom signed Executive Order N-29-20, suspending certain provisions of the Brown Act, including, in part, suspending the requirement for in-person legislative meetings and suspending the requirement that each teleconference location be accessible to the public. The Governor's Executive Order expired on September 30, 2021.

Under Assembly Bill (AB) 361, which was signed by Governor Newsom and took effect on September 16, 2021, the Brown Act was amended for a limited time to authorize local agencies to hold teleconference public meetings without complying with certain Brown Act requirements provided that certain conditions are met. These include:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; or

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

If meetings are held via teleconference under these special circumstances, the legislative body must ensure that notice of the meetings are given and agendas posted, and that the rights of the public to observe and participate are protected (including delaying action on any items during any period where a disruption prevents the broadcasting of the meeting to the public and or the ability of the public to participate).

Discussion

Pursuant to the language of AB 361, in order for CalOptima Health to continue holding teleconference meetings, the Board is required to make the following findings by majority vote within 30 days of teleconferencing for the first time under AB 361 and every 30 days thereafter:

- (A) The legislative body has reconsidered the circumstances of the state of emergency.
- (B) Any of the following circumstances exist:
 - (i) The state of emergency continues to directly impact the ability of the members to meet safely in person; or
 - (ii) State or local officials continue to impose or recommend measures to promote social distancing.

Given the continued active declaration of emergency arising from the COVID-19 pandemic, there is an ongoing need for holding teleconference meetings for the CalOptima Health Board of Directors and its advisory committees. In addition, the County of Orange Health Officer issued “Orders and Strong Recommendations,” updated as of June 15, 2022, to strongly recommend preventative measures such as wearing masks in all public spaces and businesses, and engaging in social distancing for vulnerable populations. For CalOptima Health to continue the teleconference meetings, the required findings are set forth in the attached Resolution No. 22-0901-01.

In addition, as part of the continued obligations to protect the public’s right to participate in the meetings of local legislative bodies, CalOptima Health is also required to do the following:

- Allow the public to access the meeting and require that the agenda provide an opportunity for the public to directly address the legislative body pursuant to the Brown Act’s other teleconferencing provisions.
- In each instance when CalOptima Health provides notice of the teleconferenced meeting or post its agenda, give notice for how the public can access the meeting and provide public comment.
- Identify and include in the agenda an opportunity for all persons to attend via a call-in or an internet-based service option.
- Conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the public.
- In the event of service disruption that either prevents CalOptima Health from broadcasting the meeting to the public using the call-in or internet-based service option or a disruption within CalOptima Health’s control that prevents the public from submitting public comments, stop the meeting until public access is restored.

- Not require comments be submitted in advance and provide the opportunity to comment in real time.
- Provide adequate time for public comment, either by establishing a timed public comment period or by allowing a reasonable amount of time to comment, including the time that may be required for an individual to register to log in to the teleconference to provide public comment.

Fiscal Impact

The recommended action to adopt a resolution authorizing remote teleconference meetings for the CalOptima Health Board of Directors and its advisory committees in accordance with Government Code section 54953, subdivision (e), will have no fiscal impact on CalOptima Health.

Rationale for Recommendation

The recommended action to allow for teleconference meetings for the CalOptima Health Board of Directors and its advisory committees will satisfy the requirements of Government Code section 54953, subdivision (e) and allow CalOptima Health to hold public meetings via teleconference as the statute allows in a manner that will minimize the risks associated with the continuing public emergency related to the COVID-19 pandemic.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. Board Resolution No. 22-0901-01, Authorizing Remote Teleconference Meetings for the CalOptima Board of Directors and its Advisory Committees in Accordance with Government Code section 54953, subdivision (e)
2. March 4, 2020, Proclamation of a State of Emergency
3. June 15, 2022, Orange County Health Officer's Orders and Strong Recommendations
4. Government Code section 54953, as amended by AB 361

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date

RESOLUTION NO. 22-0901-01

**RESOLUTION OF THE BOARD OF DIRECTORS
ORANGE COUNTY HEALTH AUTHORITY d.b.a. CalOptima Health**

**AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE
CALOPTIMA HEALTH BOARD OF DIRECTORS AND ITS ADVISORY
COMMITTEES IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54953,
SUBDIVISION (e)**

WHEREAS, CalOptima Health is a local public agency created pursuant to Welfare and Institutions Code section 14087.54 by the County of Orange under Orange County Ordinance No. 3896, as amended, which established CalOptima Health as a separate and distinct public entity; and

WHEREAS, CalOptima Health is committed to compliance with the requirements of the Ralph M. Brown Act (Brown Act) to provide transparency, public access, and opportunities to participate in meetings of CalOptima Health's Board of Directors and its advisory committees.

WHEREAS, on March 4, 2020, pursuant to Government Code section 8625, the Governor of California declared a state of emergency in response to the COVID-19 pandemic;

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20, which suspended certain requirements under the Brown Act and modified the teleconference requirements to allow legislative bodies of public agencies to hold public meetings via teleconference;

WHEREAS, on June 4, 2021, the Governor clarified that the "reopening" of California on June 15, 2021, did not include any change to the declared state of emergency or the powers exercised thereunder;

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended the provision of Executive Order N-29-20 concerning the conduct of public meetings through September 30, 2021;

WHEREAS, California Assembly Bill (AB) 361 was signed into law effective September 16, 2021, which amended the teleconferencing requirement under the Brown Act provision in Government Code section 54953;

WHEREAS, Government Code section 54953, subdivision (b)(3) permits public meetings by teleconference, but requires: the agendas to be posted at all teleconference locations; each teleconference location be identified in the notice and agenda of the meeting or proceeding; and each teleconference location be accessible to the public;

WHEREAS, Government Code section 54953, subdivision (e) provides an alternative to having public meetings in accordance with Government Code section 54953, subdivision (b)(3) when the circumstances of the COVID-19 state of emergency and the following circumstances exist: (1) The state of emergency as a result of COVID-19 continues to directly impact the ability of members of CalOptima Health's Board of Directors and members of CalOptima Health's committees to meet safely in person; and (2) the State of California and/or the County of Orange continue to impose or recommend measures to promote social distancing;

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent resolution of the state Legislature;

WHEREAS, on June 15, 2022, the County of Orange Health Officer issued a revised “Orders and Strong Recommendations,” which includes strong recommendations for preventative measures, such as wearing masks in all public spaces and businesses, and engaging in social distancing for vulnerable populations;

WHEREAS, the continued local rates of transmission of the virus and variants causing COVID-19 are such that meeting in person could present imminent risks to the health or safety of attendees of CalOptima Health’s public meetings if teleconference options are not included as an option for participation;

WHEREAS, the CalOptima Health Board of Directors and advisory committees have met remotely during the COVID-19 pandemic and can continue to do so in a manner that allows public participation and transparency while minimizing health risks to the Board members, staff, and public that would be present with in-person meetings while this state of emergency continues; and

WHEREAS, the Board of Directors has considered all information related to this matter and determined that it is in the best interest of the public and CalOptima Health that the Board of Directors meetings and advisory committee meetings of other CalOptima Health bodies be held via teleconference for the next thirty (30) days.

NOW, THEREFORE, BE IT RESOLVED:

- I. That the CalOptima Health Board of Directors has duly considered the active status of the current state of emergency, along with the County of Orange Health Officer’s strong recommendation to continue implementing COVID-19 preventative measures, such as social distancing, and has found that the state of emergency continues to directly impact the ability of the CalOptima Health Board of Directors and its advisory committees to meet safely in person;
- II. That, as a result of the continued impact on the safety of the public and CalOptima Health officials, all CalOptima Health public meetings for the next thirty (30) days shall be conducted via teleconferencing, and such teleconferencing shall be carried out in compliance with California Government Code Section 54953, including, but not limited to, provisions protecting the statutory and constitutional rights of the public to attend and participate in such meetings;
- III. That this Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) thirty (30) days after teleconferencing for the first time pursuant to Government Code section 54953(e), or (ii) such time that the CalOptima Health Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953, subdivision (e)(3) to extend the time during which CalOptima Health’s Board of Directors and advisory committees may continue to teleconference without compliance with Government Code section 54953, subdivision (e)(3)(b); and
- IV. That the Chief Executive Officer of CalOptima Health is directed to place a resolution substantially similar to this resolution on the agenda of a future meeting of the CalOptima Health Board of Directors within the next thirty (30) days, or as soon thereafter as the CalOptima Health Board of Directors shall meet.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a. CalOptima Health, this 1st day of September 2022.

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

/s/ _____

Printed Name and Title: Andrew Do, Chair, Board of Directors

Attest:

/s/ _____

Sharon Dwiers, Clerk of the Board

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

PROCLAMATION OF A STATE OF EMERGENCY

WHEREAS in December 2019, an outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19), was first identified in Wuhan City, Hubei Province, China, and has spread outside of China, impacting more than 75 countries, including the United States; and

WHEREAS the State of California has been working in close collaboration with the national Centers for Disease Control and Prevention (CDC), with the United States Health and Human Services Agency, and with local health departments since December 2019 to monitor and plan for the potential spread of COVID-19 to the United States; and

WHEREAS on January 23, 2020, the CDC activated its Emergency Response System to provide ongoing support for the response to COVID-19 across the country; and

WHEREAS on January 24, 2020, the California Department of Public Health activated its Medical and Health Coordination Center and on March 2, 2020, the Office of Emergency Services activated the State Operations Center to support and guide state and local actions to preserve public health; and

WHEREAS the California Department of Public Health has been in regular communication with hospitals, clinics and other health providers and has provided guidance to health facilities and providers regarding COVID-19; and

WHEREAS as of March 4, 2020, across the globe, there are more than 94,000 confirmed cases of COVID-19, tragically resulting in more than 3,000 deaths worldwide; and

WHEREAS as of March 4, 2020, there are 129 confirmed cases of COVID-19 in the United States, including 53 in California, and more than 9,400 Californians across 49 counties are in home monitoring based on possible travel-based exposure to the virus, and officials expect the number of cases in California, the United States, and worldwide to increase; and

WHEREAS for more than a decade California has had a robust pandemic influenza plan, supported local governments in the development of local plans, and required that state and local plans be regularly updated and exercised; and

WHEREAS California has a strong federal, state and local public health and health care delivery system that has effectively responded to prior events including the H1N1 influenza virus in 2009, and most recently Ebola; and

WHEREAS experts anticipate that while a high percentage of individuals affected by COVID-19 will experience mild flu-like symptoms, some will have more serious symptoms and require hospitalization, particularly individuals who are elderly or already have underlying chronic health conditions; and

WHEREAS it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases in California, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

WHEREAS if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the people of California, and limits the spread of infection in our communities and within the healthcare delivery system; and

WHEREAS personal protective equipment (PPE) is not necessary for use by the general population but appropriate PPE is one of the most effective ways to preserve and protect California's healthcare workforce at this critical time and to prevent the spread of COVID-19 broadly; and

WHEREAS state and local health departments must use all available preventative measures to combat the spread of COVID-19, which will require access to services, personnel, equipment, facilities, and other resources, potentially including resources beyond those currently available, to prepare for and respond to any potential cases and the spread of the virus; and

WHEREAS I find that conditions of Government Code section 8558(b), relating to the declaration of a State of Emergency, have been met; and

WHEREAS I find that the conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and

WHEREAS under the provisions of Government Code section 8625(c), I find that local authority is inadequate to cope with the threat posed by COVID-19; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code section 8625, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in California.

IT IS HEREBY ORDERED THAT:

1. In preparing for and responding to COVID-19, all agencies of the state government use and employ state personnel, equipment, and facilities or perform any and all activities consistent with the direction of the Office of Emergency Services and the State Emergency Plan, as well as the California Department of Public Health and the Emergency Medical Services Authority. Also, all residents are to heed the advice of emergency officials with regard to this emergency in order to protect their safety.
2. As necessary to assist local governments and for the protection of public health, state agencies shall enter into contracts to arrange for the procurement of materials, goods, and services needed to assist in preparing for, containing, responding to, mitigating the effects of, and recovering from the spread of COVID-19. Applicable provisions of the Government Code and the Public Contract Code, including but not limited to travel, advertising, and competitive bidding requirements, are suspended to the extent necessary to address the effects of COVID-19.
3. Any out-of-state personnel, including, but not limited to, medical personnel, entering California to assist in preparing for, responding to, mitigating the effects of, and recovering from COVID-19 shall be permitted to provide services in the same manner as prescribed in Government Code section 179.5, with respect to licensing and certification. Permission for any such individual rendering service is subject to the approval of the Director of the Emergency Medical Services Authority for medical personnel and the Director of the Office of Emergency Services for non-medical personnel and shall be in effect for a period of time not to exceed the duration of this emergency.
4. The time limitation set forth in Penal Code section 396, subdivision (b), prohibiting price gouging in time of emergency is hereby waived as it relates to emergency supplies and medical supplies. These price gouging protections shall be in effect through September 4, 2020.
5. Any state-owned properties that the Office of Emergency Services determines are suitable for use to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services for this purpose, notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.
6. Any fairgrounds that the Office of Emergency Services determines are suitable to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services pursuant to the Emergency Services Act, Government Code section 8589. The Office of Emergency Services shall notify the fairgrounds of the intended use and can immediately use the fairgrounds without the fairground board of directors' approval, and

notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.

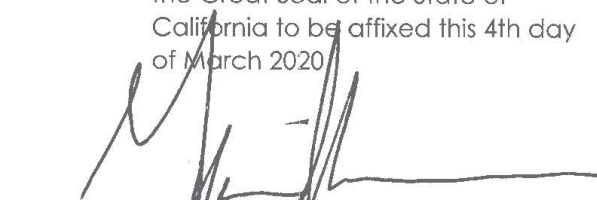
7. The 30-day time period in Health and Safety Code section 101080, within which a local governing authority must renew a local health emergency, is hereby waived for the duration of this statewide emergency. Any such local health emergency will remain in effect until each local governing authority terminates its respective local health emergency.
8. The 60-day time period in Government Code section 8630, within which local government authorities must renew a local emergency, is hereby waived for the duration of this statewide emergency. Any local emergency proclaimed will remain in effect until each local governing authority terminates its respective local emergency.
9. The Office of Emergency Services shall provide assistance to local governments that have demonstrated extraordinary or disproportionate impacts from COVID-19, if appropriate and necessary, under the authority of the California Disaster Assistance Act, Government Code section 8680 et seq., and California Code of Regulations, Title 19, section 2900 et seq.
10. To ensure hospitals and other health facilities are able to adequately treat patients legally isolated as a result of COVID-19, the Director of the California Department of Public Health may waive any of the licensing requirements of Chapter 2 of Division 2 of the Health and Safety Code and accompanying regulations with respect to any hospital or health facility identified in Health and Safety Code section 1250. Any waiver shall include alternative measures that, under the circumstances, will allow the facilities to treat legally isolated patients while protecting public health and safety. Any facilities being granted a waiver shall be established and operated in accordance with the facility's required disaster and mass casualty plan. Any waivers granted pursuant to this paragraph shall be posted on the Department's website.
11. To support consistent practices across California, state departments, in coordination with the Office of Emergency Services, shall provide updated and specific guidance relating to preventing and mitigating COVID-19 to schools, employers, employees, first responders and community care facilities by no later than March 10, 2020.
12. To promptly respond for the protection of public health, state entities are, notwithstanding any other state or local law, authorized to share relevant medical information, limited to the patient's underlying health conditions, age, current condition, date of exposure, and possible contact tracing, as necessary to address the effect of the COVID-19 outbreak with state, local, federal, and nongovernmental partners, with such information to be used for the limited purposes of monitoring, investigation and control, and treatment and coordination of care. The

notification requirement of Civil Code section 1798.24, subdivision (i), is suspended.

13. Notwithstanding Health and Safety Code sections 1797.52 and 1797.218, during the course of this emergency, any EMT-P licensees shall have the authority to transport patients to medical facilities other than acute care hospitals when approved by the California EMS Authority. In order to carry out this order, to the extent that the provisions of Health and Safety Code sections 1797.52 and 1797.218 may prohibit EMT-P licensees from transporting patients to facilities other than acute care hospitals, those statutes are hereby suspended until the termination of this State of Emergency.
14. The Department of Social Services may, to the extent the Department deems necessary to respond to the threat of COVID-19, waive any provisions of the Health and Safety Code or Welfare and Institutions Code, and accompanying regulations, interim licensing standards, or other written policies or procedures with respect to the use, licensing, or approval of facilities or homes within the Department's jurisdiction set forth in the California Community Care Facilities Act (Health and Safety Code section 1500 et seq.), the California Child Day Care Facilities Act (Health and Safety Code section 1596.70 et seq.), and the California Residential Care Facilities for the Elderly Act (Health and Safety Code section 1569 et seq.). Any waivers granted pursuant to this paragraph shall be posted on the Department's website.

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 4th day of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



REGINA CHINSIO-KWONG, DO
COUNTY HEALTH OFFICER

MATTHEW ZAHN, MD
DEPUTY COUNTY HEALTH OFFICER/MEDICAL DIRECTOR CDCD

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**COUNTY OF ORANGE HEALTH OFFICER'S
ORDERS AND STRONG RECOMMENDATIONS
(Revised June 15, 2022)**

In light of recent Face Mask Guidance issued by the California Department of Public Health (CDPH) and certain recent orders issued by the State Public Health Officer regarding COVID-19 vaccine requirements, the following Orders and Strong Recommendations shall revise and replace the prior Orders and Strong Recommendations of the County Health Officer that were issued on March 11, 2022. The Orders and Strong Recommendations issued on March 24, 2022, are no longer in effect as of June 15, 2022.

Pursuant to California Health and Safety Code sections 101030, 101040, 101470, 120175, and 120130, the County Health Officer for County of Orange orders and strongly recommends the following:

ORDERS

Effective immediately, and continuing until further notice, the following shall be in effect in unincorporated and incorporated territories of Orange County, California:

I. Self-Isolation of Persons with COVID-19 Order

NOTE: This Self-Isolation Order DOES NOT in any way restrict access by first responders to an isolation site during an emergency.

1. Persons who are symptom-free but test positive for COVID-19.

If you do not have any COVID-19 symptoms (as defined below in this Order) but test positive for COVID-19, you shall immediately isolate yourself in your home or another suitable place for at least 5 days from the date you test positive and may end your self-isolation after day 5:

- If you continue not having any COVID-19 symptoms and a diagnostic specimen collected on day 5 or later tests negative.
 - While an antigen test, nucleic acid amplification test (NAAT), or LAMP test are acceptable, use of an antigen test is recommended. Use of Over-the-Counter tests are also acceptable to end isolation.

Exceptions.

- 1) If you are unable or choose not to test on day 5 or after, or if you test positive after day 5, you shall continue your self-isolation through day 10 from the date of your initial positive test and may end your self-isolation after 10 days from the date of your initial positive test.
- 2) If you develop COVID-19 symptoms during the time of your self-isolation, you shall isolate yourself for at least 10 days from the date of symptom(s) onset. You may end your self-isolation sooner if a diagnostic specimen collected on day 5 (or later) from the date of symptom(s) onset tests negative.

All persons who test positive for COVID-19 should continue to wear a well-fitting mask at all times around other people through day 10.

2. Persons who have COVID-19 symptoms.

If you have COVID-19 symptoms, you shall immediately isolate yourself in your home or another suitable place for 10 days from the date of your symptom(s) onset and may end your self-isolation sooner under any of the following conditions:

- If a diagnostic specimen collected as early as the date of your symptom(s) onset tests negative.

II. While an antigen test, nucleic acid amplification test (NAAT), or LAMP test are acceptable, use of an antigen test is recommended. Use of Over-the-Counter tests are also acceptable to end isolation.

- Note: A negative PCR or antigen test collected on day 1-2 of symptom onset should be repeated in 1-2 days to confirm negative status. While isolation may end after the first negative test, it is strongly recommended to end isolation upon negative results from the repeat test.

III. If you obtain an alternative diagnosis from a healthcare provider.

Exception:

If you have COVID-19 symptoms and test positive for COVID-19, you shall isolate yourself for at least 10 days from the date of symptom(s) onset. You may end your self-isolation sooner if a diagnostic specimen collected on day 5 (or later) from the date of symptom(s) onset tests negative.

You are not required to self-isolate for more than 10 days from the date of your COVID-19 symptom(s) onset regardless of whether your symptoms are present on Day 11.

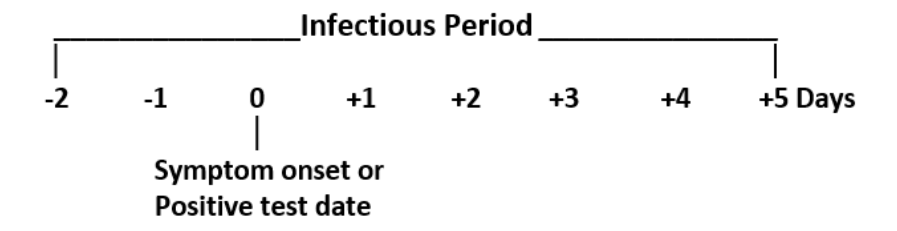
All persons who have COVID-19 symptoms should continue to wear a well-fitting mask at all times around other people through at least Day 10.

Additional Considerations for Self-Isolation.

- A person who is self-isolated may not leave his or her place of isolation except to receive necessary medical care.
- If a more specific and individualized isolation order is issued by the County Health Officer for any county resident, the resident shall follow the specific order instead of the order herein.
- People who are severely ill with COVID-19 might need to stay in self-isolation longer than 5 days and up to 20 days after symptoms first appeared. People with weakened immune systems should talk to their healthcare provider for more information.

- Rebound: Regardless of whether an individual has been treated with an antiviral agent, risk of transmission during COVID-rebound can be managed by following CDC’s guidance on isolation (<https://www.cdc.gov/coronavirus/2019-ncov/your-health/quarantine-isolation.html>). An individual with rebound may end re-isolation after 5 full days of isolation with resolution of their fever for 24 hours without the use of fever-reducing medication and if symptoms are improving. The individual should wear a mask for a total of 10 days after rebound symptoms started.
 - More information can be found at <https://www.cdph.ca.gov/Programs/OPA/Pages/CAHAN/CAHAN-Paxlovid-Recurrence-06-07-22.aspx>.

Timing for “Day 0”- As noted in CDPH Isolation and Quarantine Q&A, the 5-day clock for isolation period starts on the date of symptom onset or (day 0) for people who test positive after symptoms develop, or initial test positive date (day 0) for those who remain asymptomatic. If an asymptomatic person develops symptoms, and test positive, date of symptom onset is day 0.



Note: In workplaces, employers and employees are subject to the Isolation and quarantine requirements as stated in the CalOSHA COVID-19 Emergency Temporary Standards (ETS) as modified by the Governor’s Executive Order N-5-22 or in some workplaces the Cal/OSHA Aerosol transmissible Diseases (ATD) Standard. Information about CalOSHA COVID-19 Emergency Temporary Standards (ETS) can be found at <https://www.dir.ca.gov/dosh/coronavirus>.

Definition.

Whenever the term “symptom” or “*COVID-19 symptom*” is used, it shall mean COVID-19 symptom. People with COVID-19 have had a wide range of symptoms reported – ranging from mild symptoms to severe illness. Symptoms may appear 2-14 days after exposure to the virus. Anyone can have mild to severe symptoms. People with these symptoms may have COVID-19:

- Fever or chills
- Cough
- Shortness of breath or difficulty breathing
- Fatigue
- Muscle or body aches
- Headache
- New loss of taste or smell
- Sore throat
- Congestion or runny nose
- Nausea or vomiting
- Diarrhea
- The list above does not include all possible symptoms.

IV. Face-Coverings/Masks:

To help prevent the spread of droplets containing COVID-19, all County residents and visitors are required to wear face coverings in accordance with the Guidance for the Use of Face Coverings issued by CDPH, dated April 20, 2022. The Guidance is attached herein as Attachment "A" and can be found at:

A: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/guidance-for-face-coverings.aspx>.

Masks are required for all individuals in the following indoor settings, regardless of vaccination status:

- Emergency shelters and cooling and heating centers.
- Healthcare settings (applies to all healthcare settings, including those that are not covered by State Health Officer Order issued on July 26, 2021).

- Local correctional facilities and detention centers.
- Long Term Care Settings & Adult and Senior Care Facilities.

NOTE:

1) When using public transit, individuals shall follow the guidance and requirements set by the Federal government. More information about the guidance on public transportation can be found at <https://www.cdc.gov/quarantine/masks/face-masks-public-transportation.html>.

2) In workplaces, employers are subject to the Cal/OSHA COVID-19 Prevention Emergency Temporary Standards (ETS) or in some workplaces the Cal/OSHA Aerosol Transmissible Diseases (ATD) Standard (PDF) and should consult those regulations for additional applicable requirements, as modified by the Governor's Executive Order N-5-22. Additional information about how CDPH isolation and quarantine guidance affects ETS-covered workplaces may be found in Cal/OSHA FAQs.

3) In accordance with State Health Officer Order, issued on July 26, 2021, and found at <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Unvaccinated-Workers-In-High-Risk-Settings.aspx>, in certain healthcare situations or settings, surgical masks are required.

No person shall be prevented from wearing a mask as a condition of participation in an activity or entry into a business.

Exemptions to masks requirements.

- The following individuals are exempt from this mask order:
 - Persons younger than two years old.
 - Persons with a medical condition, mental health condition, or disability that prevents wearing a mask. This includes persons with a medical condition for whom wearing a mask could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a mask without assistance.

- Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication.
- Persons for whom wearing a mask would create a risk to the person related to their work, as determined by local, state, or federal regulators or workplace safety guidelines.
- Additional exceptions to masking requirements in high-risk settings can be found at <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Face-Coverings-QA.aspx>.

V. Health Care Workers COVID-19 Vaccine Requirement Order:

To help prevent transmission of COVID-19, all workers who provide services or work in facilities described below shall comply with the COVID-19 vaccination and booster dose requirements as set forth in the February 22, 2022, State Health Officer Order. A copy of the State Health Officer Order is attached herein as Attachment "B" and can be found at the following link:

B: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Health-Care-Worker-Vaccine-Requirement.aspx>

Facilities covered by this order include:

- General Acute Care Hospitals
- Skilled Nursing Facilities (including Subacute Facilities)
- Intermediate Care Facilities
- Acute Psychiatric Hospitals
- Adult Day Health Care Centers
- Program of All-Inclusive Care for the Elderly (PACE) and PACE Centers
- Ambulatory Surgery Centers
- Chemical Dependency Recovery Hospitals
- Clinics & Doctor Offices (including behavioral health, surgical)
- Congregate Living Health Facilities
- Dialysis Centers

- Hospice Facilities
- Pediatric Day Health and Respite Care Facilities
- Residential Substance Use Treatment and Mental Health Treatment Facilities
- o. The word, "worker," as used in this Order shall have the same meaning as defined in the State Health Officer's Order, dated December 22, 2021.

VI. Requirements and Guidance for Specific Facilities

Requirements for COVID-19 Vaccination Status Verification, COVID-19 Testing, and Masking for Certain Facilities.

To help prevent transmission of COVID-19, all facilities described below shall comply with the State Health Officer Order, issued on July 26, 2021 and effective August 9, 2021. A copy of the State Health Officer Order is attached herein as Attachment "C" and can be found at the following link:

C: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Unvaccinated-Workers-In-High-Risk-Settings.aspx>

Facilities covered by this order include:

- Acute Health Care and Long-Term Care Settings:
 - General Acute Care Hospitals
 - Skilled Nursing Facilities (including Subacute Facilities)
 - Intermediate Care Facilities
- High-Risk Congregate Settings:
 - Adult and Senior Care Facilities
 - Homeless Shelters
 - State and Local Correctional Facilities and Detention Centers
- Other Health Care Settings:
 - Acute Psychiatric Hospitals
 - Adult Day Health Care Centers
 - Adult Day Programs Licensed by the California Department of Social Services
 - Program of All-Inclusive Care for the Elderly (PACE) and PACE Centers

- Ambulatory Surgery Centers
- Chemical Dependency Recovery Hospitals
- Clinics & Doctor Offices (including behavioral health, surgical)
- Congregate Living Health Facilities
- Dental Offices
- Dialysis Centers
- Hospice Facilities
- Pediatric Day Health and Respite Care Facilities
- Residential Substance Use Treatment and Mental Health Treatment Facilities

1. Requirements for COVID-19 Vaccine Status Verification and COVID-19 Testing for School Workers in Transitional Kindergarten through Grade 12.

To prevent the further spread of COVID-19 in K-12 school settings, all public and private schools serving students in transitional kindergarten through grade 12 shall comply with the State Health Officer Order, effective August 11, 2021, regarding verification of COVID-19 vaccination status and COVID-19 testing of all workers. A copy of the State Health Officer Order is attached herein as Attachment "D" and can be found at the following link:

D: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Vaccine-Verification-for-Workers-in-Schools.aspx>

This Order does not apply to (i) home schools, (ii) childcare settings, or (iii) higher education.

2. Local Correctional Facilities and Detention Centers Health Care Worker Vaccination Requirement.

To prevent the further spread of COVID-19 in local correctional facilities and detention centers, all individuals identified in the State Health Officer Order, effective February 22, 2022, shall comply with the State Health Officer's Order with regards to obtaining COVID-19 vaccination and booster doses. A copy of the State Health Officer Order is attached herein as Attachment "E" and can be found at the following link:

E: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Health-Care-Worker-Vaccine-Requirement.aspx>

3. Adult Care Facilities and Direct Care Worker Vaccination Requirements.

To help prevent transmission of COVID-19, all individuals specified below shall comply with the COVID-19 vaccination and booster dose requirements as set forth in the February 22, 2022, State Health Officer Order. A copy of the State Health Officer Order is attached herein as Attachment "F" and can be found at the following link:

F: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Adult-Care-Facilities-and-Direct-Care-Worker-Vaccine-Requirement.aspx>

Individuals covered by this order include:

- All workers who provide services or work in Adult and Senior Care Facilities licensed by the California Department of Social Services;
- All in-home direct care services workers, including registered home care aides and certified home health aides, except for those workers who only provide services to a recipient with whom they live or who are a family member of the recipient for whom they provide services;
- All waiver personal care services (WPCS) providers, as defined by the California Department of Health Care Services, and in-home supportive services (IHSS) providers, as defined by the California Department of Social Services, except for those workers who only provide services to a recipient with whom they live or who are a family member of the recipient for whom they provide services;
- All hospice workers who are providing services in the home or in a licensed facility; and
- All regional center employees, as well as service provider workers, who provide services to a consumer through the network of Regional Centers serving individuals with developmental and intellectual disabilities, except for those workers who only provide services to a recipient with whom they live or who are a family member of the recipient for whom they provide services.

4. Requirements for Visiting Acute Health Care and Long-Term Care Settings.

To help prevent transmission of COVID-19, all acute health care and long-term care settings shall comply with the indoor visitation requirements set forth in the State Health Officer issued February 7, 2022. A copy of the State Health Officer Order is attached herein as Attachment "G" and can be found at the following link:

G. <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Requirements-for-Visitors-in-Acute-Health-Care-and-Long-Term-Care-Settings.aspx>

V. Seasonal Flu Vaccination Order:

Seasonal Flu Vaccination for Certain County Residents.

All individuals who reside or work in Orange County and fall under one of the following categories, shall obtain the seasonal flu vaccination unless a medical or religious exemption applies: (i) current providers for congregate settings; (ii) current health care providers; and (iii) current emergency responders. However, nothing herein shall be construed as an obligation, on the part of employers, public or private, to require employees obtain the seasonal flu vaccination as a term or condition of employment.

- *Emergency responder* shall mean military or national guard; law enforcement officers; correctional institution personnel; fire fighters; emergency medical services personnel; physicians; nurses; public health personnel; emergency medical technicians; paramedics; emergency management personnel; 911 operators; child welfare workers and service providers; public works personnel; and persons with skills or training in operating specialized equipment or other skills needed to provide aid in a declared emergency; as well as individuals who work for such facilities employing these individuals and whose work is necessary to maintain the operation of the facility.
- *Health care provider* shall mean physicians; psychiatrists; nurses; nurse practitioners; nurse assistants; medical technicians; any other person who is employed to provide diagnostic services, preventive services, treatment services

or other services that are integrated with and necessary to the provision of patient care and, if not provided, would adversely impact patient care; and employees who directly assist or are supervised by a direct provider of diagnostic, preventive, treatment, or other patient care services; and employees who do not provide direct health care services to a patient but are otherwise integrated into and necessary to the provision those services – for example, a laboratory technician who processes medical test results to aid in the diagnosis and treatment of a health condition. A person is not a health care provider merely because his or her employer provides health care services or because he or she provides a service that affects the provision of health care services. For example, IT professionals, building maintenance staff, human resources personnel, cooks, food services workers, records managers, consultants, and billers are not health care providers, even if they work at a hospital of a similar health care facility.

STRONG RECOMMENDATIONS

Effective immediately, and continuing until further notice, the following shall be in effect in unincorporated and incorporated territories in Orange County, California:

1. Self-quarantine of Persons Exposed to COVID-19

- If you are known to be exposed to COVID-19 (regardless of vaccination status, prior disease, or occupation), it is strongly recommended to follow CDPH Quarantine guidance found at <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Guidance-on-Isolation-and-Quarantine-for-COVID-19-Contact-Tracing.aspx>.
- **K-12 Schools and Child Care**
 - Schools/school districts are advised to follow CDPH COVID-19 Public Health Guidance for K-12 Schools in California, 2021-2022 School Year found at: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/K-12-Guidance-2021-22-School-Year.aspx>

- Child care providers and programs are advised to follow CDPH Guidance for Child Care Providers and Programs found at: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Child-Care-Guidance.aspx>.
- **Workplaces**
 - In workplaces, employers are subject to the Cal/OSHA COVID-19 Prevention Emergency Temporary Standards (ETS) or in some workplaces the Cal/OSHA Aerosol Transmissible Diseases (ATD) Standard (PDF) and should consult those regulations for additional applicable requirements, as modified by the Governor’s Executive Order N-5-22. Additional information about how CDPH isolation and quarantine guidance affects ETS-covered workplaces may be found in Cal/OSHA FAQs.

Exposed to COVID-19 or exposure to COVID-19 means sharing the same indoor space (e.g. home, clinic waiting room, airplane, etc.) for a cumulative total of 15 minutes or more over a 24-hour period (for example, three individual 5- minute exposures for a total of 15 minutes) during an infected person’s (laboratory-confirmed or a clinical diagnosis) infectious period.

2. **For Vulnerable Populations**. In general, the older a person is, the more health conditions a person has, and the more severe the conditions, the more important it is to take preventive measures for COVID-19 such as getting vaccinated, including boosters, social distancing and wearing a mask when around people who don’t live in the same household, and practicing hand hygiene. For more information see <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/people-with-medical-conditions.html>.
3. **COVID-19 Vaccination for County Residents**. All Orange County residents should receive COVID-19 vaccination in accordance with the Federal Food and Drug Administration (FDA) and CDC guidance. Minors, who are eligible to receive COVID-19 vaccination in accordance with the applicable CDC guidelines, should be vaccinated in the presence of their parent or legal guardian.

CDC Guidance can be found at: <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/recommendations/specific-groups.html>

4. **Seasonal Flu Vaccination for County Residents.** All County residents who are six months of age or older should obtain the seasonal flu vaccination unless a medical or religious exemption applies.
5. **COVID-19 Vaccination and Testing for Emergency Medical Technicians, Paramedics and Home Healthcare Providers.** To help prevent transmission of COVID-19, it is strongly recommended that all Emergency Medical Technicians, Paramedics, and Home Healthcare Providers (including In Home Supportive Services Program workers) remain up to date as defined by CDC with COVID-19 vaccination. CDC Guidance can be found at: <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/recommendations/specific-groups.html>
6. Furthermore, it is strongly recommended that all unvaccinated Emergency Medical Technicians, Paramedics, and Home Healthcare Providers (including In Home Supportive Services Program workers) undergo at least twice weekly testing for COVID-19 until such time they are fully vaccinated.

GENERAL PROVISIONS

1. The Orders and Strong Recommendations, above, shall not supersede any conflicting or more restrictive orders issued by the State of California or federal government. If any portion of this document or the application thereof to any person or circumstance is held to be invalid, the remainder of the document, including the application of such part or provision to other persons or circumstances, shall not be affected and shall continue in full force and effect. To this end, the provisions of the orders and strong recommendations are severable.
2. The Orders contained in this document may be enforced by the Orange County Sheriff or Chiefs of Police pursuant to California Health and Safety Code section 101029, and California Government Code sections 26602 and 41601. A violation of a health order is subject to fine, imprisonment, or both (California Health and Safety Code section 120295).

REASONS FOR THE ORDERS AND STRONG RECOMMENDATIONS

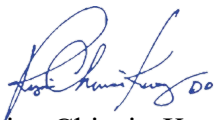
1. On February 26, 2020, the County of Orange Health Officer declared a Local Health Emergency based on an imminent and proximate threat to public health from the introduction of COVID-19 in Orange County.
2. On February 26, 2020, the Chairwoman of the Board of Supervisors, acting as the Chair of Emergency Management Council, proclaimed a Local Emergency in that the imminent and proximate threat to public health from the introduction of COVID-19 created conditions of extreme peril to the safety of persons and property within the territorial limits of Orange County.
3. On March 2, 2020, the Orange County Board of Supervisors adopted Resolutions No. 20-011 and No. 20-012 ratifying the Local Health Emergency and Local Emergency, referenced above.
4. On March 4, 2020, the Governor of the State of California declared a State of Emergency to exist in California as a result of the threat of COVID-19.
5. As of March 23, 2022, the County has reported a total of 546,125 recorded confirmed COVID-19 cases and 6,857 of COVID-19 related deaths.
6. As of June 15, 2022, the County has reported a total of 586,120 recorded confirmed COVID-19 cases and 7,076 of COVID-19 related deaths.
7. Safe and effective authorized COVID-19 vaccines are recommended by the CDC. According to CDC, anyone infected with COVID-19 can spread it, even if they do NOT have symptoms. The novel coronavirus is spread in 3 ways: 1) Breathing in air when close to an infected person who is exhaling small droplets and particles that contain the virus. 2) Having these small droplets and particles that contain virus land on the eyes, nose, or mouth, especially through splashes and sprays like a cough or sneeze. 3) Touching eyes, nose, or mouth with hands that have the virus on them.
See <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-covid-spreads.html>.
8. The CDPH issued a revised Guidance for the Use of Face Coverings, effective April 20, 2022, available at: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/guidance-for-face-coverings.aspx>.

9. According to the CDC and CDPH, older adults, individuals with medical conditions, and pregnant and recently pregnant persons are at higher risk of severe illness when they contract COVID-19. See <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/index.html>
10. The Orders and the Strong Recommendations contained in this document are based on the following facts, in addition to the facts stated under the foregoing paragraphs: (i) Safe and effective FDA authorized COVID-19 vaccines have become widely available, but newer circulating variants are demonstrating immune escape (ii) the current consensus among public health officials for slowing down the transmission of and avoiding severe COVID illness for at-risk persons is to complete a COVID-19 vaccination series and receive a booster if eligible, wear well-fitted mask in poorly ventilated settings when around others outside of their household, practice distancing, frequently wash hands with soap (iii) some individuals who contract COVID-19 have no symptoms or have only mild symptoms and so are unaware that they carry the virus and are transmitting it to others; (iv) older adults and individuals with medical conditions are at higher risk of severe illness- (v) individuals at higher risk for severe illness should seek medical attention for consideration of COVID therapeutics to reduce risk of hospitalization or death; (vi) sustained COVID-19 community transmission continues to occur; (vii) the age, condition, and health of a portion of Orange County's residents place them at risk for serious health complications, including hospitalization and death, from COVID-19; (viii) younger and otherwise healthy people are also at risk for serious negative health outcomes and for transmitting the novel coronavirus to others.
11. The orders and strong recommendations contained in this document are necessary and less restrictive preventive measures to control and reduce the spread of COVID-19 in Orange County, help preserve critical and limited healthcare capacity in Orange County and save the lives of Orange County residents.
12. The California Health and Safety Code section 120175 requires the County of Orange Health Officer knowing or having reason to believe that any case of a communicable disease exists or has recently existed within the County to take measures as may be necessary to prevent the spread of the disease or occurrence of additional cases.

13. The California Health and Safety Code sections 101030 and 101470 require the county health officer to enforce and observe in the unincorporated territory of the county and within the city boundaries located with a county all of the following: (a) Orders and ordinances of the board of supervisors, pertaining to the public health and sanitary matters; (b) Orders, including quarantine and other regulations, prescribed by the department; and (c) Statutes relating to public health.
14. The California Health and Safety Code section 101040 authorizes the County of Orange Health Officer to take any preventive measure that may be necessary to protect and preserve the public health from any public health hazard during any "state of war emergency," "state of emergency," or "local emergency," as defined by Section 8558 of the Government Code, within his or her jurisdiction. "Preventive measure" means abatement, correction, removal, or any other protective step that may be taken against any public health hazard that is caused by a disaster and affects the public health.
15. The California Health and Safety Code section 120130 (d) authorizes the County of Orange Health Officer to require strict or modified isolation, or quarantine, for any case of contagious, infectious, or communicable disease, when such action is necessary for the protection of the public health.

IT IS SO ORDERED:

Date: June 15, 2022



Regina Chinsio-Kwong, DO
County Health Officer
County of Orange



GOVERNMENT CODE - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57607] (Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821] (Division 2 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7] (Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 9. Meetings [54950 - 54963] (Chapter 9 added by Stats. 1953, Ch. 1588.)

- 54953.** (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.
- (b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.
- (2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.
- (3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.
- (4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.
- (c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.
- (2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.
- (3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based

service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

(Amended by Stats. 2021, Ch. 165, Sec. 3. (AB 361) Effective September 16, 2021. Repealed as of January 1, 2024, by its own provisions. See later operative version added by Sec. 4 of Stats. 2021, Ch. 165.)

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

5. Approve New CalOptima Health Policy GG.1666p: CalOptima Health Mobile Texting Program

Contacts

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Marie Jeannis, RN, Executive Director, Quality & Population Health Management, (714) 246-8591

Recommended Action

Approve new CalOptima Health Policy GG.1666p: CalOptima Health Mobile Texting Program.

Background

In May 2020, the CalOptima Health Board of Directors authorized CalOptima Health to contract with vendor mPulse Mobile, a Mobile Health Interactive Text Messaging Services vendor, as part of CalOptima Health's Virtual Care Strategy to address timely access to care during the COVID-19 pandemic. CalOptima Health originally used mobile texting to support COVID-19 related member outreach and engagement. The use of mobile texting has been successful in getting information quickly to members about the availability of COVID-19 vaccines, boosters, and vaccine events. CalOptima Health continues to expand the use of mobile texting to strengthen member outreach, engagement, support health promotion, education, and preventive care messaging.

Discussion

CalOptima Health establishes new policies and procedures to implement Federal and State laws, programs, regulations, contracts, and business practices. Additionally, CalOptima staff performs an annual policy review to add or update internal policies and procedures to ensure compliance with applicable requirements.

The new policy ensures the processes and procedures for the mobile texting program are in compliance with the Telephone Consumer Protection Act (TCPA), Health Insurance Portability and Accountability Act (HIPAA), Department of Health Care Services (DHCS) Texting Program and Texting Campaign requirements, and all regulatory, contractual, and operational guidelines.

Fiscal Impact

The recommended action to approve CalOptima Health Policy GG.1666 is operational in nature and has no additional fiscal impact. A previous Board action on May 7, 2020, allocated up to \$3.9 million in intergovernmental transfer (IGT) 9 funds for a three-year period to provide a text messaging solution for all CalOptima member communications.

Rationale for Recommendation

To ensure CalOptima Health's continuing commitment to conducting its operations in compliance with all applicable state and federal laws and regulations, staff recommends that the Board of Directors approve and adopt CalOptima Health Policy GG.1666p: CalOptima Health Mobile Testing Program.

CalOptima Health Board Action Agenda Referral
Approve New CalOptima Health Policy GG.1666p:
CalOptima Health Mobile Texting Program
Page 2

Concurrence

Troy Szabo, Outside General Counsel, Kennaday Leavitt
Board of Directors' Quality Assurance Committee

Attachments

1. CalOptima Health Policy GG.1666p: CalOptima Health Mobile Texting Program
2. GG.1666p Attachment A. Texting Program and Campaign Submission Form

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date



Policy: GG.1666p
 Title: **CalOptima Health Mobile Texting Program**
 Department: Medical Management
 Section: Population Health Management

CEO Approval: /s/

Effective Date: TBD
 Revised Date: Not Applicable

Applicable to: Medi-Cal
 OneCare
 OneCare Connect
 PACE
 Administrative

1 **I. PURPOSE**

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 3 This policy describes the CalOptima Health Mobile Texting Program for Medi-Cal Members.
 4

5 **II. POLICY**

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 7 A. The CalOptima Health Mobile Texting Program aims to strengthen communication outreach
 8 opportunities to Members through Mobile Health Interactive Text Messaging Services. CalOptima
 9 Health’s Texting Program aims to achieve the following goals:

- 10 1. Member engagement communication pathway for the following but not limited to: Member
 11 notifications, call to action for gaps in care, share of secure links to benefit information, health
 12 promotion, and emergency messaging;
- 13 2. Delivery of digital health rewards;
- 14 3. Promote healthy behaviors among Members (including preventative care visits, health rewards,
 15 and health information);
- 16 4. Facilitate behavior change;
- 17 5. Provide support through impactful media (including supporting statewide regulatory efforts);
- 18 6. Promote wellness and preventive care, including in support of Healthcare Effectiveness Data
 19 and Information Set (HEDIS) measures;
- 20 7. Improve clinical outcomes;
- 21 8. Encourage adherence to recommended care practices; and
- 22 9. Serve as an alternative or support to common modalities to Members including mail or
 23 telephone outreach.

1 B. The CalOptima Health Mobile Texting Program text messages are:
2

- 3 1. Conducted in compliance with the Telephone Consumer Protection Act (TCPA), the Health
4 Insurance Portability and Accountability Act (HIPAA), and applicable regulatory and
5 contractual requirements;
6
7 2. Sent to Members only after CalOptima Health receives approval from the California
8 Department of Health Care Services (DHCS) to implement a Text Message Campaign;
9
10 3. Approved by a Qualified Health Educator (for general health education messages) in
11 accordance with CalOptima Health Policy GG.1206Δ: Readability and Suitability of Written
12 Health Education Materials;
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14 4. Provided to Members at or below the sixth-grade reading level, in accordance with CalOptima
15 Health Policy DD.2002: Cultural and Linguistic Services;
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17 5. Sent in the Member’s preferred Threshold Language;
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19 6. Sent when CalOptima Health call center staff is available to support Member inquiries, but
20 never between the hours of 9 p.m. and 8 a.m.;
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22 7. Not used to conduct any marketing outreach to non-members for the purpose of potential
23 enrollment;
24
25 8. Sent to Members for whom CalOptima Health has verified as eligible with the CalOptima
26 Health Medi-Cal program based on the review of the monthly 834 file and from whom
27 CalOptima Health has obtained prior express consent as described in Section III.A. of this
28 Policy. CalOptima Health may only send text messages to Members without evidence of prior
29 express consent when such automated texts messages are necessary to protect the health and
30 safety of citizens pursuant to the TCPA “Emergency Purposes” exception.; or
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32 a. For text messages related to renewals, sent only to Members on the monthly 834 file with
33 an HCP status of “05” and from whom CalOptima Health has obtained prior express
34 consent as described in Section III.A. of this Policy; or
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36 b. For “Healthcare Related” text messages per the exemption allowed by TCPA.
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38 9. Reviewed for compliance with Health Insurance Portability and Accountability Act (HIPAA),
39 the HIPAA Security Rule, and CalOptima Health Policy HH.3011Δ: Use and Disclosure of PHI
40 for Treatment, Payment, and Health Care Operations. CalOptima Health shall not send
41 messages that contain Protected Health Information (PHI) or Personal Identifying Information
42 (PII)
43

44 C. A Health Network shall submit all Member Health Education Materials, including Health Education
45 Texting Campaigns, to the CalOptima Health Health Education Department for readability and
46 suitability review and DHCS approval prior to distribution to Members in accordance with this
47 policy and CalOptima Health Policy GG.1206Δ: Readability and Suitability of Written Health
48 Education Materials.
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50 **III. PROCEDURE**
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- 52 A. In compliance with TCPA guidelines, CalOptima Health shall obtain prior express consent from a
53 Member to participate (i.e., Member consent, release of information) in the CalOptima Health
54 Mobile Texting Program as follows:

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1. Written consent for Members mailed the mobile texting member consent form with pre-paid business reply envelope; or
2. Written consent for Members accessing CalOptima Health’s Member portal or other digital opt-in message links including text and email and completion of communications preferences; or
3. Documented verbal consent for Members dialing into any CalOptima Health call center (Customer Service, Population Health Management, and Behavioral Health Integration); or
4. Documented consent from other texting campaigns via opt-in consent links provided through third party mobile texting provider that fall under the TCPA Exception Guidelines for Healthcare Providers or for the sole purpose of obtaining consent; or
5. Free To End User (FTEU) welcome message to Members on the monthly 834 file as described in Section III. C. of this policy
6. CalOptima Health is not required to obtain prior express consent from a Member for texting campaigns that are for “Emergency Purposes” as defined by the TCPA.
 - a. “Emergency Purposes” includes calls made necessary in any situation affecting the health and safety of consumers. The “Emergency Purposes” exception is intended for “instances [that] pose significant risks to public health and safety, and [where] the use of prerecorded message calls could speed the dissemination of information regarding potentially hazardous conditions to the public.”
 - b. The caller must be from a hospital, or be a health care provider, state or local health official, or other government official as well as a person under the express direction of such an organization and acting on its behalf. The content of the call must be solely informational.
 - c. In order to qualify for the emergency exemption, the caller must be from a hospital, or be a health care provider, state or local health official, or other government official, or as a person under the express direction of such an organization and acting on its behalf, and the message delivered must be informational only, made necessary by the situation affecting the health and safety of Members, and directly related to the imminent risk created by the situation affecting the health and safety of Members.
7. CalOptima Health is not required to obtain prior express consent from a Member for texting campaigns that are for “Healthcare Related” purposes as exempted by TCPA for healthcare providers defined by HIPAA and that meet the following guidelines:
 - a. Text messages must be sent only to the wireless telephone number provided by member.
 - b. Text messages must state the name and contact information of the healthcare provider.
 - c. CalOptima Health must not include any telemarketing, solicitation, or advertising; may not include accounting, billing, debt collection, or other financial content; must comply with HIPAA privacy rules; and are strictly limited to purposes for which there is exigency or that have a healthcare treatment purpose.
 - d. Text message must be concise.
 - e. CalOptima Health may initiate only one message per day, up to a maximum of three combined per week to a member.

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2 f. CalOptima Health must offer recipients within each message an easy means to opt of future
3 messages as outlined in Section III.D of this policy.
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5 g. Must honor the opt-out requests immediately.
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7 B. DHCS Texting Program and Texting Campaign Requirements
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- 9 4. For a new Mobile Texting Program, CalOptima Health shall submit all required elements of the
10 DHCS Texting Program & Campaign Submission Form as well as a signed Text Messaging
11 Campaign Indemnification Agreement to DHCS for review and approval at least sixty (60)
12 calendar days prior to the proposed start date of the CalOptima Health Mobile Texting Program
13 (Attachment A).
14
15 5. For an additional individual Mobile Texting Campaign and upon approval by DHCS of the
16 Texting Program, CalOptima Health shall complete only Section A and Section C of
17 Attachment A as well as submit a signed Text Messaging Campaign Indemnification
18 Agreement.
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20 C. To protect data costs incurred by Members and to fully inform Members of such possible costs,
21 Members will receive one (1) Free to End User (FTEU) message through a special short code to
22 welcome them to the CalOptima Health Mobile Texting Program. This welcome message:
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- 24 1. Is sent at no charge to the Member;
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26 2. Informs the Members that message charges (depending on their data plan) may apply to future
27 text messages; and
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29 3. Notifies Members that they can opt-out of the program with a “STOP” reply to the welcome
30 message at no charge to the Member. Once a Member replies “STOP,” a confirmation message
31 will be sent out at no charge to the Member. If a Member does not reply “STOP,” the Member
32 will continue to receive text messages from CalOptima Health.
33

34 D. Members may opt-out of the CalOptima Health Mobile Texting Program at any time by replying
35 “STOP” or by contacting CalOptima Health Customer Service at 1-888-587-8088 Toll-free or 1-
36 800-735-2929 TDD/TTY. The CalOptima Health Customer Service Department shall immediately
37 update a Member’s record in the FACETS system upon a Member’s call requesting to opt-out.
38

- 39 1. For opt-out requests received by a third-party mobile texting vendor, the vendor shall indicate
40 the phone number as an opt-out in the daily files submitted to CalOptima Health. CalOptima
41 Health shall update the Member record in the FACETS systems the next business day and the
42 Member will be removed from the CalOptima Health Mobile Texting Program until such time
43 as the Member changes his or her consent status with CalOptima Health.
44
45 2. Prior to initiating a Mobile Texting Campaign, CalOptima Health shall validate identified
46 Members’ phone numbers against FACETS systems for opt-out status. the CalOptima Health
47 “Do Not Call” list.
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49 E. For Members who are minors, CalOptima Health will send text messages to the minor’s parent(s),
50 legal guardian, or other Personal Representative. To address custody/guardianship/parent situations,
51 CalOptima Health will verify the appropriate Personal Representative using information available,
52 including DHCS member eligibility files and Member-reported information.
53

- 1 F. CalOptima Health shall document a Member’s consent response to include the date consent is
 2 received from the Member in the FACETS system. Updates to a Member’s consent status will be
 3 tracked and recorded in the FACETS system. CalOptima Health shall use the consent received for
 4 the most recent date to initiate a Mobile Texting Campaign to targeted populations.
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 6 G. Any third-party vendor contract/business agreement used to conduct texting on behalf of CalOptima
 7 Health will be submitted to DHCS for approval. Vendor contract must adhere to DHCS policies,
 8 procedures, contract, and regulatory requirements.
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 10 H. For ongoing texting campaigns, CalOptima Health shall submit outcome data for mobile texting
 11 campaigns on an annual basis to DHCS forty-five (45) calendar days from the annual anniversary of
 12 the initiation of the campaign. For programs that are time limited, CalOptima Health shall submit
 13 outcome data to DHCS six (6) months after a campaign ends.
 14
 15 I. CalOptima Health and its Business Associates shall apply appropriate Sanctions against its Business
 16 Associates where there has been a violation of compliance with HIPAA, as amended, and the
 17 regulations promulgated thereunder, and/or CalOptima Health privacy and security policies up to,
 18 and including termination of contracts, as applicable and in accordance with CalOptima Health
 19 Policy HH.2002Δ: Sanctions.
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21 **IV. ATTACHMENT(S)**

- 22
 23 A. DHCS Texting Program & Campaign Submission Form / Text Messaging Campaign
 24 Indemnification Agreement (October 2020)
 25

26 **V. REFERENCE(S)**

- 27
 28 A. CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal
 29 B. CalOptima Health Policy DD.2002: Cultural and Linguistic Services
 30 C. CalOptima Health Policy GG.1206Δ: Readability and Suitability of Written Health Education
 31 Materials
 32 D. CalOptima Health Policy HH.2002Δ: Sanctions
 33 E. CalOptima Health Policy HH.3011Δ: Use and Disclosure of PHI for Treatment, Payment, and
 34 Health Care Operations. CalOptima Health shall not send messages that contain Protected Health
 35 Information (PHI) or Personal Identifying Information (PII)
 36 F. Department of Health Care Services (DHCS) All Plan Letter (APL) 18-016: Readability and
 37 Suitability of Written Health Education Material
 38 G. Title 45, Code of Federal Regulations (C.F.R.), Part 160 and Part 164 (subparts A and C)
 39 H. Telephone Consumer Protection Act
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41 **VI. REGULATORY AGENCY APPROVAL(S)**

Date	Regulatory Agency	Response
03/03/2021	Department of Health Care Services	Approved as Submitted

43
 44 **VII. BOARD ACTION(S)**

Date	Meeting
TBD	Regular Meeting of the CalOptima Health Board of Directors

46
 47 **VIII. REVISION HISTORY**
 48

Action	Date	Policy	Policy Title	Program(s)
Effective	TBD	GG.1666	CalOptima Health Mobile Texting Program	Medi-Cal

1

For 20220901 BOD Review Only

1 IX. GLOSSARY
2

Term	Definition
Business Associates	<p>Has the meaning given such term in Section 160.103 of Title 45, Code of Federal Regulations. A person or entity who:</p> <ol style="list-style-type: none"> 1. On behalf of such Covered Entity or of an organized health care arrangement (as defined in this section) in which the Covered Entity participates, but other than in the capacity of a Member of the Workforce of such Covered Entity or arrangement, creates, receives, maintains, or transmits protected health information for a function or activity regulated by this subchapter, including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, patient safety activities listed at 42 CFR 3.20, billing, benefit management, practice management, and repricing; or 2. Provides, other than in the capacity of a Member of the Workforce of such Covered Entity, legal, actuarial, accounting, consulting, data aggregation (as defined in §164.501 of this subchapter), management, administrative, accreditation, or financial services to or for such Covered Entity, or to or for an organized health care arrangement in which the Covered Entity participates, where the provision of the service involves the Disclosure of protected health information from such Covered Entity or arrangement, or from another Business Associate of such Covered Entity or arrangement, to the person. <p>A Covered Entity may be a Business Associate of another Covered Entity.</p> <p>Business Associate includes:</p> <ol style="list-style-type: none"> 1. A Health Information Organization, E-prescribing Gateway, or other person that provides data transmission services with respect to protected health information to a Covered Entity and that requires access on a routine basis to such protected health information. 2. A person that offers a personal health record to one or more individuals on behalf of a Covered Entity. 3. A subcontractor that creates, receives, maintains, or transmits protected health information on behalf of the Business Associate.
Department of Health Care Services (DHCS)	The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.
Downstream Entity	Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with persons or entities involved with a CalOptima Health Program benefit, below the level of the arrangement between CalOptima Health and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

Term	Definition
Emergency Purposes	Calls made necessary in any situation affecting the health and safety of consumers. The caller must be from a hospital, or be a health care provider, state or local health official, or other government official as well as a person under the express direction of such an organization and acting on its behalf. The content of the call must be solely informational, made necessary by the situation affecting the health and safety of Members, and directly related to the imminent risk created by the situation affecting the health and safety of Members.
FDR	First Tier, Downstream or Related Entity, as separately defined herein.
First Tier Entity	Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with CalOptima Health to provide administrative services or health care services to a Member under a CalOptima Health Program.
Health Education Materials	Materials designed to assist Members to modify personal health behaviors, achieve and maintain healthy lifestyles, and promote positive health outcomes, includes updates on current health conditions, self-care, and management of health conditions. Topics may include messages about preventive care, health promotion, screenings, disease management, healthy living, and health communications.
Health Insurance Portability and Accountability Act (HIPAA)	The Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, was enacted on August 21, 1996. Sections 261 through 264 of HIPAA require the Secretary of the U.S. Department of Health and Human Services (HHS) to publicize standards for the electronic exchange, privacy, and security of health information, and as subsequently amended.
Health Network	A Health Network is a Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima Health to provide Covered Services to Members assigned to that Health Network.
HIPAA Security Rule	National standards to protect individuals' electronic personal health information that is created, received, used, or maintained by a covered entity. The Security Rule requires appropriate administrative, physical, and technical safeguards to ensure the confidentiality, integrity, and security of electronic protected health information.
Healthcare Effectiveness Data and Information Set (HEDIS)	A set of standardized performance measures designed to provide purchasers and consumers with relevant information on health plan performance and facilitate the comparison of managed care organizations. HEDIS is sponsored, supported, and maintained by the National Committee for Quality Assurance (NCQA).
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima Health program.
Mobile Texting Campaign	Specific text message(s) aimed to address an identified objective (e.g., Preventive Care Reminders, New Member Orientation, etc.).
Mobile Texting Program	Overall program design and infrastructure utilized to implement individual text messaging campaigns.

Term	Definition
Personal Representative	Has the meaning given to the term Personal Representative in section 164.502(g) of title 45 of, Code of Federal Regulations. A person who has the authority under applicable law to make health care decisions on behalf of adults or emancipated minors, as well as parents, guardians or other persons acting <i>in loco parentis</i> who have the authority under applicable law to make health care decisions on behalf of unemancipated minors and as further described in CalOptima Health Policy HH.3009Δ: Access, Use, and Disclosure of PHI to a Member’s Personal Representative.
Personally Identifiable Information (PII)	Any information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual’s identity, such as name, social security number, date and place of birth, mother’s maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.
Protected Health Information (PHI)	Has the meaning 45 Code of Federal Regulations Section 160.103, including the following: individually identifiable health information transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium.
Qualified Health Educator	A qualified health educator is defined as a health educator with one (1) of the following qualifications: <ol style="list-style-type: none"> 1. Master of Public Health (MPH) degree with a health education or health promotion emphasis; 2. Master's degree in community health with a specialization in health education or health promotion; or 3. MCHES (Master Certified Health Education Specialist) awarded by the National Commission for Health Education Credentialing, Inc.
Related Entity	Any entity that is related to CalOptima Health by common ownership or control and that: performs some of CalOptima Health’s management functions under contract or delegation; furnishes services to Members under an oral or written agreement; or leases real property or sells materials to CalOptima Health at a cost of more than \$2,500 during a contract period.
Sanction	An action taken by CalOptima Health, including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on an FDR’s or its agent’s failure to comply with statutory, regulatory, contractual, and/or other requirements related to CalOptima Health Programs.
Threshold Languages	Those languages identified based upon State requirements and/or findings of the Population Needs Assessment (PNA).

1

TEXTING PROGRAM & CAMPAIGN SUBMISSION FORM

INSTRUCTIONS:

This form is required for all Medi-Cal managed care plans' (MCP) texting program and/or its individual texting campaign(s). Complete this form, including the Indemnification Agreement and email it to your DHCS Contract Manager for approval. DHCS will review and respond within 60 days of submission of the form.

Email subject line must include "For your approval: MCP name, Subplan name if applicable, Texting, and Campaign(s). For example:

- For a campaign submission: "For your approval: PlanA_Texting_New MemberOrientation"
- For multiple campaigns submission: "For your approval: PlanA_Texting_MultipleCampaigns"

MCP is required to complete **all sections (Sections A-C)** when MCP first seeks an approval for a new Texting Program. Once MCP's new texting program has been approved and MCP would like to add additional campaigns, MCP will need to complete **Section A** and **Section C** only. The exception to this is if the MCP has already received approval on an emergency text campaign. These campaigns only require a one-time submission and approval.

MCP can replicate **Section C** for additional campaigns if MCP desires to submit multiple campaigns for approval at the same time.

As a condition of approval for any text messaging campaign, a designee within the MCP who holds signatory authority is required to execute the attached Indemnification Agreement. Approval of the campaign is not considered final until the MCP receives a signed copy of the Indemnification Agreement back from the DHCS.

Key definitions

1. Texting Program: MCP's overall program design and infrastructure utilized to implement individual text messaging campaigns.
2. Texting Campaign: MCP's specific text message(s) aimed to address an identified objective (e.g., Preventive Care Reminders, New Member Orientation, etc.).

SECTION A: GENERAL INFORMATION

1. Managed Care Plan: _____ Date: _____

2. Submitted on behalf of a subcontracting MCP: _____ N/A

3. List the county or counties where you conduct your texting campaign(s):

SECTION B: TEXTING PROGRAM POLICY & PROCEDURE

1. Does the MCPs policy describe the process the MCP will use to obtain Members' Agreement to Participate (i.e., release of information) either through active opt-in or assumed opt-in approach and explain how a member can opt-out and the timeline associated with processing such requests? Please attach MCP's program policy and procedure (PnP) and process workflow. If no, please describe.

Yes

No

2. Does MCP's policy describe any financial costs that MCP's Members may incur from receiving the Agreement to Participate message(s) and any potential costs of future messages? If no, please describe.

Yes

No

3. Is the MCPs proposal related to redetermination outreach?

Yes

No

If yes, does the MCPs policy indicate outreach will only be made to members who are on the MCPs monthly 834 file showing an HCP status of 05?

Yes

No

4. Has the MCP provided texting script(s) to obtain MCP's Members' Agreement to Participate, or texting script(s) to allow MCP's members to opt-out?

Yes

No

5. Are the texting script(s) provided to members at the sixth grade reading level, per Exhibit A, Attachment 13, 4(C) of the contract with DHCS?

Yes

No

6. Does the texting script have any health education information? If yes, has the campaign script been reviewed and approved by the MCP health educator in accordance with [APL18-016](#)?

Yes

No

7. Does the MCPs policy describe how the MCP considers privacy concerns and custody/guardianship situations based upon information available to MCP? If no, please describe.

Yes

No

8. Does the MCPs policy describe how the MCP protects Members' PII and/or PHI and meet requirements of Exhibit G of the contract with DHCS? If no, please describe.

Yes

No

9. Is the MCP using a third-party vendor? If yes, who is the vendor? If MCP has not already sent the vendor's Master Service Agreement and all contract amendments to DHCS, attach them to this application.

Yes

No

10. Does the vendor's Master Service Agreement comply with all applicable state and federal law and contract requirements in particular, Exhibit G of the contract with DHCS?

Yes

No

SECTION C: [SPECIFIC TEXTING CAMPAIGN NAME]

1. What is the overall purpose of campaign? Circle one.
 - a. Providing health education information
 - b. Providing written member information
 - c. Reminding of preventive care visits
 - d. Supporting statewide regulatory efforts on digital communications
 - e. Emergency Messaging
 - f. Other(s): _____

Disclaimers: MCP certifies that any health education information provided through the campaign has been reviewed and approved by the MCP health educator in accordance with APL 18-016.

Information on eligibility redetermination cannot be included in text campaign.

2. Describe the objectives of the campaign.

3. Does the campaign include any member incentives?

- Yes
- No

If yes, has the incentive been reviewed and approved by DHCS health educators in accordance with APL [16-005](#)?

- Yes
- No

4. Does the campaign include Personal Identification Information (PII) and/or Protected Health Information (PHI)? If yes, confirm the answer to question 7 in Section B above is checked "yes."

- Yes
- No

5. Who is the campaign's target population?

6. Who will be excluded from the campaign based upon information available to MCP (e.g., Members with SUDS, HIV/AIDS, behavioral health, minors in family planning, etc.)?

7. Does MCP require additional Members' Agreement to Participate for this specific texting campaign (i.e., extra opt-in requirement for sensitive services or PHI/PII content)?

 Yes
 No

8. What is the campaign length? When will it start and end?

9. What is the frequency of text messaging?

10. In what language(s) will the campaign be available? Will members have an option to receive text messages in their primary language (i.e. Spanish)?

11. Provide content script of the campaign.

12. What is the expected outcome of the campaign?

Attestations:

- For new campaign submission only (Section C), MCP attests that the Texting Program submission (Section B) that was previously approved contains no changes. Each new campaign will require an executed Indemnification Agreement.

- For ongoing texting programs, MCP will report to the DHCS Contract Manager the outcomes of plan texting campaigns on an annual basis, 45 days from the annual anniversary of the campaigns initiation. For time-limited campaigns, MCP will report outcomes six months after a program ends.

FOR DHCS USE ONLY (OR USE ALTERNATE DHCS AIR FORM)

1. DHCS Reviewer's Name: _____ Date: _____

2. DHCS Reviewer's Title: _____

3. DHCS Reviewer's Decision:

Approved as submitted

Approved with the following changes:

Denied

Reason (s): _____

Request for more information: _____

TEXT MESSAGING CAMPAIGN INDEMNIFICATION AGREEMENT

In consideration of the Department of Health Care Services’ approval of [INSERT HEALTH PLAN NAME’s] [INSERT NAME OF TEXT MESSAGING CAMPAIGN] [INSERT TYPE OF CAMPAIGN eg., Call Campaign, texting campaign], [INSERT HEALTH PLAN NAME] agrees to indemnify, defend and hold harmless the State, DHCS and its officers, agents and employees from any and all claims and losses, any and all attorneys’ fees and costs, judgments, damages, any administrative costs incurred to the extent DHCS is required to provide notice to affected beneficiaries and any other costs associated with any actual or alleged breach of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”), 42 U.S.C. section 17921 et seq., and their implementing privacy and security regulations at 45 CFR Parts 160 and 164 and the Information Practices Act, California Civil Code section 1798 et seq. by [INSERT HEALTH PLAN NAME] and any vendor, contractor, subcontractor that [INSERT HEALTH PLAN NAME] contracts with for the approved text messaging campaign.

[INSERT HEALTH PLAN NAME] also agrees to indemnify, defend and hold harmless the State, DHCS and its officers, agents and employees from any and all claims and losses, any and all attorneys’ fees and costs, judgments, damages, any administrative costs incurred from claims that the mobile application caused cellular data usage overages as a result of downloading, updates or usage of [INSERT HEALTH PLAN NAME]’s text messaging campaign.

[INSERT HEALTH PLAN NAME] also agrees to indemnify, defend and hold harmless the State, DHCS and its officers, agents and employees from any and all claims and losses, any and all attorneys’ fees and costs, judgments, damages, any administrative costs incurred from claims that [INSERT HEALTH PLAN NAME]’s [INSERT NAME OF TEXT MESSAGING CAMPAIGN] [INSERT TYPE OF CAMPAIGN eg., Call Campaign, texting campaign] violates the Telephone Consumer Protection Act of 1991, 47 U.S.C. section 227 et seq. and/or related Federal Communications Commission regulations.

Health Plan Representative

DHCS Contract Manager

Date

Date

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Yes

No

2. Does MCP's policy describe any financial costs that MCP's Members may incur from receiving the Agreement to Participate message(s) and any potential costs of future messages? If no, please describe.

Yes

No

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Yes

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 - f. Other(s): _____

Disclaimers: MCP certifies that any health education information provided through the campaign has been reviewed and approved by the MCP health educator in accordance with APL 18-016.

Information on eligibility redetermination cannot be included in text campaign.

2. Describe the objectives of the campaign.

3. Does the campaign include any member incentives?

- Yes
- No

If yes, has the incentive been reviewed and approved by DHCS health educators in accordance with APL [16-005](#)?

- Yes
- No

4. Does the campaign include Personal Identification Information (PII) and/or Protected Health Information (PHI)? If yes, confirm the answer to question 7 in Section B above is checked "yes."

- Yes
- No

5. Who is the campaign's target population?

6. Who will be excluded from the campaign based upon information available to MCP (e.g., Members with SUDS, HIV/AIDS, behavioral health, minors in family planning, etc.)?

7. Does MCP require additional Members' Agreement to Participate for this specific texting campaign (i.e., extra opt-in requirement for sensitive services or PHI/PII content)?

 Yes
 No

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11. Provide content script of the campaign.

12. What is the expected outcome of the campaign?

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Health Plan Representative

DHCS Contract Manager

Date

Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

6. Approve CalOptima Health PACE Policy PA.2022: Service Determination Request

Contacts

Richard Pitts, Chief Medical Officer, (714) 246-8491

Monica Macias, PACE Director, (714) 468-1077

Recommended Actions

Approve new CalOptima Health PACE Policy PA.2022 Service Determination Request (SDR).

Background

On January 19, 2021, the Centers for Medicare & Medicaid Services (CMS) provided a final rule that updated PACE regulations regarding service requirements for PACE participants. Previously there were few established guidelines regarding processing and implementation of service determination requests. The January 19, 2021, final rule provided updates and guidance regarding timelines for services and communication with program participants.

Discussion

In order to best address the changes CMS made to the processing of service requests, CalOptima Health created PA.2022 to outline the new policies and procedures to be followed by PACE. All changes to PACE requirements codified in 42 CFR. Part 460 became applicable beginning January 1, 2022. CMS made several changes to the previous process for receiving and processing service requests that are now reflected in this new policy. The changes CMS made include:

1. Terminology changes.
2. The language was updated to now include participant caregivers as service requestors. Previously only participant or designated representative were able to submit service requests.
3. New language was added to clarify what format requests can be made in (orally or in writing).
4. Clarification that any PACE employee or contractor of the PACE organization can receive a service request.
5. New timeline for a request to be brought to the Interdisciplinary Team (IDT).
6. New exception to the previous SDR process. Individual IDT members may now approve requests based on their professional judgement without needing full IDT approval.
7. Update SDR extension process, requiring that all participants now be notified in writing within 24 hours if an extension is to be taken. The reason for extension must be explained to the participant and must be in the participant's best interest.

Fiscal Impact

The recommended action to approve PACE Policy PA.2022 is operational in nature and has no additional fiscal impact beyond what was included in the CalOptima Health Fiscal Year 2022-23 Operating Budget.

Rationale for Recommendation

This new policy clearly outlines the processes for receiving and processing a PACE participant's service request. This policy is guided by the regulatory requirements provided by CMS.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [New Policy PA.2022 Service Determination Request](#)

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date



Policy: PA.2022
Title: **Service Determination Request (SDR)**
Department: CalOptima Health PACE
Section: Not Applicable

CEO Approval: /s/

Effective Date: **TBD**
Revised Date: Not Applicable

Applicable to:
 Medi-Cal
 OneCare
 OneCare Connect
 PACE
 Administrative

1 **I. PURPOSE**

2
3 This Policy outlines the components of the CalOptima Health Program of All-Inclusive Care for the
4 Elderly (PACE) procedures for identifying and processing Service Determination Requests (SDR).
5

6 **II. POLICY**

7
8 A. Once the initial Plan of Care has been developed by the Interdisciplinary Team (IDT) in accordance
9 with CalOptima Health Policies PA.2001: Interdisciplinary Team (IDT) & Participant Assessments
10 and PA.2002: Care Planning and shared with the Participant, a SDR can be initiated by the
11 Participant or the Participant's designated Representative, if something they desire is not included in
12 the Plan of Care. This request may include but is not limited to:
13

- 14 1. A request to initiate a service;
- 15 2. A request to modify an existing service, including to increase, reduce, eliminate, or otherwise
16 change a service; or
- 17 3. A request to continue coverage of a service that the PACE organization is recommending be
18 discontinued or reduced.

19
20
21
22 B. A Service Determination Request (SDR) may only be made after the completion of the initial Plan
23 of Care has been created and may include all types of PACE-covered services, items, or drugs.
24

25 **III. PROCEDURE**

26
27 A. A Service Determination Request (SDR) may be initiated orally or in writing by the Participant or
28 the Participant's designated Representative.
29

30 B. Receipt of a SDR:

- 31
32 a. Any PACE staff or contractor of PACE that provides direct care to a Participant in the
33 Participant's residence, the PACE Center, or while transporting Participants may receive a
34 SDR from a Participant.

- 1
2 b. The person receiving the SDR needs to provide the SDR to the IDT as soon as possible, but
3 no later than three (3) calendar days from the time that the request was made.
4
5 c. The IDT must render a decision within three (3) calendar days from when IDT received the
6 request.
7

8 C. Plan of Care Reassessments in response to a SDR:
9

- 10 1. If a Participant (or his or her designated representative) believes that there is a need to initiate,
11 eliminate, or continue a particular service, the appropriate Participants of the IDT, as identified
12 by the IDT, will conduct a reassessment.
13
14 a. The IDT may conduct the reassessment via remote technology when the IDT determines
15 that the use of remote technology is appropriate, and the service request will likely be
16 deemed necessary to improve or maintain the Participant's overall health status and the
17 Participant or his or her designated representative agrees to the use of remote technology.
18
19 b. An in-person reassessment will be conducted when Participant or his or her designated
20 representative declines the use of remote technology.
21
22 c. Any reassessments, regardless of mode (face-to-face or telehealth) will require:
23
24 i. Approval of the revised Plan of Care from the Participant, or designated Representative.
25
26 ii. Documentation in the Participant's medical record in accordance with Section III.D. of
27 this Policy, and CalOptima Health Policy PA.6001: Medical Records Maintenance.
28
29 iii. Require a completed CalOptima Health PACE internal tracking/record keeping log
30 (Attachment A).
31
32 iv. Furnish any services included in the revised Plan of Care to the Participant as necessary
33 as the Participant's health condition requires.
34
35 2. The IDT will notify the Participant, or designated Representative, of its decision to approve, or
36 deny, the request from the Participant, or designated Representative, as expeditiously as the
37 Participant's condition requires, but no later than seventy-two (72) hours after the date the IDT
38 receives the request for reassessment.
39

40 D. Rendering SDR decisions by an individual IDT Participant:
41

- 42 a. An individual Participant of the IDT can approve a SDR in full, at the time of the request,
43 without needing to bring it to the full IDT for approval.
44
45 b. If the individual IDT Participant provides immediate approval of the SDR, a reassessment is
46 not required.
47
48 c. The individual IDT Participant must fulfill the following:
49
50 i. Provide the Participant with notice of the decision to approve a service in clear,
51 understandable language. This can be done either orally or in writing.
52

- 1 ii. Provide a timeline of when the Participant may expect to receive the requested service.
- 2
- 3 iii. Adhere to PACE Recordkeeping requirements in accordance with CalOptima Health
- 4 Policy PA.6001: Medical Records Maintenance and as provided in Section III.D.
- 5
- 6 d. If the individual Participant of the IDT is unable to provide full approval of the request
- 7 without modifications, the SDR must be submitted to the full IDT for consideration.
- 8

9 E. Extensions:

- 10 1. The IDT may extend the seventy-two (72) hour timeframe for notifying the Participant, or
- 11 designated Representative, of its decision to approve, or deny, the request by no more than five
- 12 (5) additional calendar days for either of the following reasons:
- 13
- 14 a. The Participant, or designated Representative, requests the extension.
- 15
- 16 b. The extension is in the participant's interest because the IDT needs additional information
- 17 from an individual not directly employed by PACE, that may change the IDT decision to
- 18 deny a service.
- 19
- 20 2. The IDT must document the circumstances that led to the extension and demonstrate how the
- 21 extension is in the participant's best interest.
- 22
- 23 a. The participant must be notified in writing no later than twenty-four (24) hours after the
- 24 IDT extends the timeframe. The reason for the delay must be clearly stated, explaining why
- 25 the extension is needed.
- 26
- 27 b. If the IDT is unable to reach a decision within the additional 5 calendar days of requesting
- 28 the extension, IDT must issue a denial of the SDR and notify the Participant/designated
- 29 representative.
- 30
- 31

32 F. Notifications of Approved SDR's:

- 33
- 34 a. Participant or designated Representative will be notified orally and/or in writing of the
- 35 approved request of the conditions of the approval, including when the Participant may
- 36 expect to receive the approved service.
- 37

38 G. Notification of Denied or Partially Denied SDR's:

- 39
- 40 1. The Participant or designated Representative will be notified orally and in writing of the denied
- 41 request using a Notice of Action document (NOA) (Attachment B).
- 42
- 43 a. The NOA will include:
- 44
- 45 i. The reason why the SDR was not necessary to maintain or improve the Participant's
- 46 overall health status, taking into account the Participant's medical, physical, emotional,
- 47 and social needs, and the results of the reassessment(s);
- 48
- 49 ii. The right to Appeal the decision;
- 50
- 51 iii. Information about the standard and expedited Appeals process; and
- 52

1 iv. An explanation of the right to, and conditions for, continuation of Appealed services
2 through the period of an Appeal.
3

4 H. Failure to meet Processing timeframes:

- 5
6 1. If the IDT fails to provide the Participant with timely notice of the resolution of the request or
7 does not furnish the services required by the revised Plan of Care this failure constitutes an
8 “adverse decision”, and the Participant’s request must be processed as an Appeal, in accordance
9 with CalOptima Health Policy PA.7002: Appeal Process.
10

11 I. Record Keeping:

- 12
13 1. The IDT will document, track, and maintain records related to all processing requirements for
14 the SDR including the PACE SDR IDT Internal Tracking Log (Attachment A) including:
15
16 a. The SDR request;
17
18 b. IDT’s identification of IDT Participant(s) to undertake the reassessment(s);
19
20 c. IDT determination;
21
22 d. Reassessment(s) conducted;
23
24 e. Information related to any extension, if applicable;
25
26 f. All notifications provided to the Participant/designated representative;
27
28 g. Provision of service(s) when SDR is approved;
29
30 h. Written requests for services will be maintained in their original form in the Participant’s
31 medical record; and
32
33 i. The record keeping requirement applies both in situations in which the SDR is approved by
34 an individual IDT Participant at the time it is made and when the determination is made by
35 the full IDT.
36

37 **IV. ATTACHMENT(S)**

- 38
39 A. PACE SDR IDT Internal Tracking Log
40 B. Notice of Action (NOA) for Service or Payment Request
41

42 **V. REFERENCE(S)**

- 43
44 A. CMS Final Rule
45 B. CalOptima Health Policy PA.2001: Interdisciplinary Team (IDT) & Participant Assessments
46 C. CalOptima Health Policy PA.2002: Care Planning
47 D. CalOptima Health Policy PA.6001: Medical Records Maintenance
48 E. CalOptima Health Policy PA.7002: Appeal Process
49 F. Title 42, Code of Federal Regulations (CFR), §460.121
50

51 **VI. REGULATORY AGENCY APPROVAL(S)**

52
53 None to Date

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VII. BOARD ACTION(S)

Date	Meeting
<u>TBD</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	<u>TBD</u>	PA.2022	Service Determination Request	PACE

For 20220901 BOD Review Only

1 IX. GLOSSARY

2

Term	Definition
Appeal	A Member’s action taken with respect to the PACE organization’s noncoverage of, modification of, or nonpayment for, a service including denials, reductions or termination of services, as defined by federal PACE regulation 42 CFR Section 460.122.
Interdisciplinary Team (IDT)	<p>Team composed of at least the following Participants to comprehensively assess and meet the individual needs of each Participant:</p> <ol style="list-style-type: none"> 1. Primary Care Provider; 2. Registered Nurse; 3. Social Worker; 4. Physical Therapist; 5. Occupational Therapist; 6. Recreational Therapist or Activity Coordinator; 7. Dietician; 8. PACE Center Manager; 9. Home Care Coordinator; 10. Personal Care Attendant or his or her representative; and Driver or his or her representative.
Participant	An individual enrolled in the CalOptima <u>Health</u> PACE program.
Plan of Care	As defined in Title 42, section 460.106 of the Code of Federal Regulations, a comprehensive care plan developed by the interdisciplinary team for each Participant to identify the care needed to meet the medical, physical, emotional, and social needs of the Participant, as identified in the initial comprehensive assessment.
Program of All-Inclusive Care for the Elderly (PACE)	PACE is a long-term comprehensive health care program that helps older adults to remain as independent as possible. PACE coordinates and provides all needed preventive, primary, acute and long-term care services so seniors can continue living in their community.
Representative	A person who is acting on behalf of or assisting a Participant, and may include, but is not limited to, a family member, a friend, a CalOptima <u>Health</u> PACE staff member, or a person legally identified in a Power of Attorney for Health Care/Advanced Directive, Conservator, Guardian, etc.
Service Determination Request (SDR)	A request to initiate a service; a request to modify an existing service, including to increase, reduce, eliminate, or otherwise change a service. The SDR can also be defined as a request to continue coverage of a service that the PACE Interdisciplinary Team (IDT) recommends be discontinued or reduced.

3

For 2022-2023 Review Only



Policy: PA.2022
Title: **Service Determination Request (SDR)**
Department: CalOptima Health PACE
Section: Not Applicable

CEO Approval: /s/

Effective Date: TBD
Revised Date: Not Applicable

Applicable to:
 Medi-Cal
 OneCare
 OneCare Connect
 PACE
 Administrative

1 **I. PURPOSE**

2
3 This Policy outlines the components of the CalOptima Health Program of All-Inclusive Care for the
4 Elderly (PACE) procedures for identifying and processing Service Determination Requests (SDR).
5

6 **II. POLICY**

7
8 A. Once the initial Plan of Care has been developed by the Interdisciplinary Team (IDT) in accordance
9 with CalOptima Health Policies PA.2001: Interdisciplinary Team (IDT) & Participant Assessments
10 and PA.2002: Care Planning and shared with the Participant, a SDR can be initiated by the
11 Participant or the Participant's designated Representative, if something they desire is not included in
12 the Plan of Care. This request may include but is not limited to:

- 13
14 1. A request to initiate a service;
15
16 2. A request to modify an existing service, including to increase, reduce, eliminate, or otherwise
17 change a service; or
18
19 3. A request to continue coverage of a service that the PACE organization is recommending be
20 discontinued or reduced.
21

22 B. A Service Determination Request (SDR) may only be made after the completion of the initial Plan
23 of Care has been created and may include all types of PACE-covered services, items, or drugs.
24

25 **III. PROCEDURE**

26
27 A. A Service Determination Request (SDR) may be initiated orally or in writing by the Participant or
28 the Participant's designated Representative.
29

30 B. Receipt of a SDR:

- 31
32 a. Any PACE staff or contractor of PACE that provides direct care to a Participant in the
33 Participant's residence, the PACE Center, or while transporting Participants may receive a
34 SDR from a Participant.

- 1
2 b. The person receiving the SDR needs to provide the SDR to the IDT as soon as possible, but
3 no later than three (3) calendar days from the time that the request was made.
4
5 c. The IDT must render a decision within three (3) calendar days from when IDT received the
6 request.
7

8 C. Plan of Care Reassessments in response to a SDR:
9

- 10 1. If a Participant (or his or her designated representative) believes that there is a need to initiate,
11 eliminate, or continue a particular service, the appropriate Participants of the IDT, as identified
12 by the IDT, will conduct a reassessment.
13
14 a. The IDT may conduct the reassessment via remote technology when the IDT determines
15 that the use of remote technology is appropriate, and the service request will likely be
16 deemed necessary to improve or maintain the Participant's overall health status and the
17 Participant or his or her designated representative agrees to the use of remote technology.
18
19 b. An in-person reassessment will be conducted when Participant or his or her designated
20 representative declines the use of remote technology.
21
22 c. Any reassessments, regardless of mode (face-to-face or telehealth) will require:
23
24 i. Approval of the revised Plan of Care from the Participant, or designated Representative.
25
26 ii. Documentation in the Participant's medical record in accordance with Section III.D. of
27 this Policy, and CalOptima Health Policy PA.6001: Medical Records Maintenance.
28
29 iii. Require a completed CalOptima Health PACE internal tracking/record keeping log
30 (Attachment A).
31
32 iv. Furnish any services included in the revised Plan of Care to the Participant as necessary
33 as the Participant's health condition requires.
34
35 2. The IDT will notify the Participant, or designated Representative, of its decision to approve, or
36 deny, the request from the Participant, or designated Representative, as expeditiously as the
37 Participant's condition requires, but no later than seventy-two (72) hours after the date the IDT
38 receives the request for reassessment.
39

40 D. Rendering SDR decisions by an individual IDT Participant:
41

- 42 a. An individual Participant of the IDT can approve a SDR in full, at the time of the request,
43 without needing to bring it to the full IDT for approval.
44
45 b. If the individual IDT Participant provides immediate approval of the SDR, a reassessment is
46 not required.
47
48 c. The individual IDT Participant must fulfill the following:
49
50 i. Provide the Participant with notice of the decision to approve a service in clear,
51 understandable language. This can be done either orally or in writing.
52

- 1 ii. Provide a timeline of when the Participant may expect to receive the requested service.
- 2
- 3 iii. Adhere to PACE Recordkeeping requirements in accordance with CalOptima Health
- 4 Policy PA.6001: Medical Records Maintenance and as provided in Section III.D.
- 5
- 6 d. If the individual Participant of the IDT is unable to provide full approval of the request
- 7 without modifications, the SDR must be submitted to the full IDT for consideration.
- 8

9 E. Extensions:

- 10 1. The IDT may extend the seventy-two (72) hour timeframe for notifying the Participant, or
- 11 designated Representative, of its decision to approve, or deny, the request by no more than five
- 12 (5) additional calendar days for either of the following reasons:
- 13
- 14 a. The Participant, or designated Representative, requests the extension.
- 15
- 16 b. The extension is in the participant's interest because the IDT needs additional information
- 17 from an individual not directly employed by PACE, that may change the IDT decision to
- 18 deny a service.
- 19
- 20 2. The IDT must document the circumstances that led to the extension and demonstrate how the
- 21 extension is in the participant's best interest.
- 22
- 23 a. The participant must be notified in writing no later than twenty-four (24) hours after the
- 24 IDT extends the timeframe. The reason for the delay must be clearly stated, explaining why
- 25 the extension is needed.
- 26
- 27 b. If the IDT is unable to reach a decision within the additional 5 calendar days of requesting
- 28 the extension, IDT must issue a denial of the SDR and notify the Participant/designated
- 29 representative.
- 30
- 31

32 F. Notifications of Approved SDR's:

- 33
- 34 a. Participant or designated Representative will be notified orally and/or in writing of the
- 35 approved request of the conditions of the approval, including when the Participant may
- 36 expect to receive the approved service.
- 37

38 G. Notification of Denied or Partially Denied SDR's:

- 39
- 40 1. The Participant or designated Representative will be notified orally and in writing of the denied
- 41 request using a Notice of Action document (NOA) (Attachment B).
- 42
- 43 a. The NOA will include:
- 44
- 45 i. The reason why the SDR was not necessary to maintain or improve the Participant's
- 46 overall health status, taking into account the Participant's medical, physical, emotional,
- 47 and social needs, and the results of the reassessment(s);
- 48
- 49 ii. The right to Appeal the decision;
- 50
- 51 iii. Information about the standard and expedited Appeals process; and
- 52

1 iv. An explanation of the right to, and conditions for, continuation of Appealed services
2 through the period of an Appeal.
3

4 H. Failure to meet Processing timeframes:

- 5
6 1. If the IDT fails to provide the Participant with timely notice of the resolution of the request or
7 does not furnish the services required by the revised Plan of Care this failure constitutes an
8 “adverse decision”, and the Participant’s request must be processed as an Appeal, in accordance
9 with CalOptima Health Policy PA.7002: Appeal Process.
10

11 I. Record Keeping:

- 12
13 1. The IDT will document, track, and maintain records related to all processing requirements for
14 the SDR including the PACE SDR IDT Internal Tracking Log (Attachment A) including:
15
16 a. The SDR request;
17
18 b. IDT’s identification of IDT Participant(s) to undertake the reassessment(s);
19
20 c. IDT determination;
21
22 d. Reassessment(s) conducted;
23
24 e. Information related to any extension, if applicable;
25
26 f. All notifications provided to the Participant/designated representative;
27
28 g. Provision of service(s) when SDR is approved;
29
30 h. Written requests for services will be maintained in their original form in the Participant’s
31 medical record; and
32
33 i. The record keeping requirement applies both in situations in which the SDR is approved by
34 an individual IDT Participant at the time it is made and when the determination is made by
35 the full IDT.
36

37 **IV. ATTACHMENT(S)**

- 38
39 A. PACE SDR IDT Internal Tracking Log
40 B. Notice of Action (NOA) for Service or Payment Request
41

42 **V. REFERENCE(S)**

- 43
44 A. CMS Final Rule
45 B. CalOptima Health Policy PA.2001: Interdisciplinary Team (IDT) & Participant Assessments
46 C. CalOptima Health Policy PA.2002: Care Planning
47 D. CalOptima Health Policy PA.6001: Medical Records Maintenance
48 E. CalOptima Health Policy PA.7002: Appeal Process
49 F. Title 42, Code of Federal Regulations (CFR), §460.121
50

51 **VI. REGULATORY AGENCY APPROVAL(S)**

52
53 None to Date

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VII. BOARD ACTION(S)

Date	Meeting
TBD	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	TBD	PA.2022	Service Determination Request	PACE

For 20220901 BOD Review Only

1 IX. GLOSSARY

2

Term	Definition
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Representative	A person who is acting on behalf of or assisting a Participant, and may include, but is not limited to, a family member, a friend, a CalOptima Health PACE staff member, or a person legally identified in a Power of Attorney for Health Care/Advanced Directive, Conservator, Guardian, etc.
Service Determination Request (SDR)	A request to initiate a service; a request to modify an existing service, including to increase, reduce, eliminate, or otherwise change a service. The SDR can also be defined as a request to continue coverage of a service that the PACE Interdisciplinary Team (IDT) recommends be discontinued or reduced.

3

For 2022-2023 Review Only



Notify PACE QI Dept.

SERVICE DELIVERY REQUESTS (SDRs)													
Team #	Date of Request	Patient Name:	Issue(s)/ Action Item(s):	Plan(s)/ Update(s):	Person(s) Responsible:	Date of Reassessment	Extension Taken? (Yes or No). If Yes- 1. Enter date IDT requests extension. 2. Enter date prt notified in writing of extension	Team Decision			Date Prt Notified of Decision	Date SDR Fulfilled (service received/started)	Reason/ Notes:
								Approved	Denied	Modified			



CalOptima Health
A Public Agency
13300 Garden Grove Blvd.
Garden Grove, CA 92843
☎ 714-468-1100
📞 TTY: 714-468-1063
🌐 caloptima.org

<Date>
<Participant's Name or Representative>
<C/o Participant's Name>
<Address>

RE: Notice of Action (NOA) for Service or Payment Request

Dear Mr./Ms. <Name>:

Your request of <insert date> for <insert brief description of requested service or payment for service> has been: Denied Deferred Modified for the reason(s) indicated below:

- Is not medically necessary by the Interdisciplinary Team (IDT)
- Requested services will not improve or contribute to sustaining your health
- An alternative service is provided to meet your care needs
- Did not meet authorization criteria
- Is not a benefit of the PACE Program
- Requires additional information or consult
- Requested service has potentially negative health and safety issues
- Other (please describe): _____

This decision was based on the following criteria or clinical guidelines:

If you do not agree with the action above, you have the right to appeal the decision. Please see the attached *"Information for Participants about the Appeals Process"* for your right to request further action. You may call your social worker or our <PACE Quality Improvement Department> at <1-714-468-1100> who will explain these processes to you. For the hearing impaired (TTY), please call <1-714-468-1063>.

Sincerely,

<Director or IDT Member>, <Professional Discipline>

Enclosures:

- Notice of Non-Discrimination Insert (Material ID: PACE_IR17_4)

cc: <Name and Address of Treating Provider>



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INFORMATION FOR PARTICIPANTS ABOUT THE APPEALS PROCESS

All of us at CalOptima Health Program of All-Inclusive Care for the Elderly (PACE) share responsibility for your care and your satisfaction with the services you receive. Our appeals process is designed to enable you and/or your representative the opportunity to respond to a decision made by the Interdisciplinary Team regarding your request for a service or payment of a service. At any time, you wish to file an appeal, we are available to assist you. If you do not speak English, a bilingual staff member or translation services will be available to assist you.

You will not be discriminated against because an appeal has been filed. CalOptima Health PACE will continue to provide you with all the required services during the appeals process. The confidentiality of your appeal will be maintained at all times throughout and after the appeals process and information pertaining to your appeal will only be released to authorized individuals.

When CalOptima Health PACE decides not to cover or pay for a service you want, you may take action to change our decision. The action you take — whether verbally or in writing — is called an “**appeal**.” You have the right to appeal any decision about our failure to approve, furnish, arrange for or continue what you believe are covered services or to pay for services that you believe we are required to pay.

You will receive written information on the appeals process at enrollment (see your Member Enrollment Agreement Terms and Conditions) and annually after that. You will also receive this information and necessary appeals forms whenever CalOptima Health PACE denies, defers or modifies a request for a service or request for payment.

Definitions:

An **appeal** is defined as a participant’s action taken with respect to the PACE organization’s noncoverage of, or nonpayment for, a service, including denials, reductions or termination of services.

A **representative** is the person who is acting on your behalf or assisting you, and may include, but is not limited to, a family member, a friend, a PACE employee or a person legally identified as Power of Attorney for Health Care/Advanced Directive, Conservator, Guardian, etc.

Standard and Expedited Appeals Processes: There are two types of appeals processes: standard and expedited. Both of these processes are described below.

If you request a **standard appeal**, your appeal must be filed within one-hundred-and eighty (180) calendar days of when your request for service or payment of service was denied, deferred or modified. This is the date which appears on the Notice of Action for Service or Payment Request. (The 180-day limit may be extended for good cause.) We will respond to your appeal as quickly as your health requires, but no later than thirty (30) calendar days after we receive your appeal.

If you believe that your life, health or ability to get well is in danger without the service you want, you or any treating physician may ask for an **expedited appeal**. If the treating physician asks for an expedited appeal for you, or supports you in asking for one, we will automatically make a decision on your appeal as promptly as your health requires, but no later than seventy-two (72) hours after we receive your request for an appeal. We may extend this time frame up to fourteen (14) days if you ask for the extension or if we justify to the Department of Health Care Services the need for more information and how the delay benefits you.

If you ask for an **expedited appeal** without support from a treating doctor, we will decide if your health condition requires us to make a decision on an expedited basis. If we decide to deny you an **expedited appeal**, we will let you know within seventy two (72) hours. If this happens, your appeal will be considered a standard appeal.

Note: For CalOptima Health PACE participants enrolled in Medi-Cal — CalOptima Health PACE will continue to provide the disputed service(s) if you choose to continue receiving the service(s) until the appeals process is completed. If our initial decision to NOT cover or reduce services is upheld, you may be financially responsible for the payment of disputed service(s) provided during the appeals process.

The information below describes the appeals process for you or your representative to follow should you or your representative wish to file an appeal:

1. If you or your representative has requested a service or payment for a service and CalOptima Health PACE denies, defers or modifies the request, you may appeal the decision. A written “*Notice of Action of Service or Payment Request*” (NOA) will be provided to you and/or your representative which will explain the reason for the denial, deferral or modification of your service request or request for payment.
2. You can make your appeal either verbally (in person or by phone) or in writing; ask any of the PACE Program staff of the center you attend to help you start the process. CalOptima Health PACE will make sure that you are provided with written information on the appeals process, and that your appeal is documented on the appropriate form. You will need to provide complete information of your appeal so the appropriate staff person can help to resolve your appeal in a timely and efficient manner. You or your representative may present or submit relevant facts and/or evidence for review. To submit relevant facts and/or evidence in writing, please send to the address listed below. Otherwise you or your representative may submit this information in person. If more information is needed, you will be contacted by the Quality Improvement Department who will assist you in obtaining the missing information.

3. If you wish to make your appeal by phone, you may contact our Quality Improvement Department at **1-714-468-1100** or toll-free at **1-855-785-2584** to request an appeal form and/or to receive assistance in filing an appeal. For the hearing impaired, please call TTY at **1-714-468-1082**.
4. If you wish to submit your appeal in writing, please ask a staff person for an appeal form. Please send your written appeal to:

Quality Improvement Department
CalOptima Health PACE
13300 Garden Grove Blvd
Garden Grove, CA 92843

5. You will be sent a written acknowledgement of receipt of your appeal within five (5) working days for a **standard** appeal. For and **expedited** appeal, we will notify you or your representative within one (1) business day by phone or in person that the request for an expedited appeal has been received.
6. The reconsideration of CalOptima Health PACE decision will be made by a person(s) not involved in the initial decision-making process in consultation with the Interdisciplinary Team. We will insure that this person(s) is both impartial and appropriately credentialed to make a decision regarding the necessity of the services you requested.
7. Upon CalOptima Health PACE completion of the review of your appeal, you or your representative will be notified in writing of the decision on your appeal. As necessary and depending on the outcome of the decision, CalOptima Health PACE will inform you and/or your representative of other appeal rights you may have if the decision is not in your favor. Please refer to the information described below.

Due Process Requirements:

Constitutional due process means your benefits may not be reduced or terminated without timely and adequate notice. Adequate notice must explain the reasons for the proposed action and allow a participant a chance for a hearing. CalOptima Health PACE participants with a visual impairment or other disabilities require the delivery of written materials in alternative formats. The Department of Health Care Services determined that notice in your selected alternative format or notice that is in compliance with the ADA, Section 504 of the Rehabilitation Act of 1973 and Government Code Section 11135 is considered adequate notice. CalOptima Health PACE may not deny, reduce, suspend or terminate services or treatments without offering adequate notice within proper legal timeframes. CalOptima Health PACE must assess the benefit deadline for participants who need the delivery of written materials in alternative formats, to take action from the adequate notice date, including all deadlines for appeals and aid paid pending.

CalOptima Health PACE participants must exhaust the internal appeal process and get notice that an adverse benefit determination has been upheld, before going on to a state hearing. However, if CalOptima Health PACE fails to offer adequate notice to a participant with a visual impairment or other disability who needs the delivery of written materials in an

alternative format, within the related federal or state timeframes, the CalOptima Health PACE participant is deemed to have exhausted the CalOptima Health PACE internal appeal process and may request a state hearing. CalOptima Health PACE is prohibited from requesting dismissal of a state hearing based on failure to exhaust the CalOptima Health PACE internal appeal process in such cases.

The Decision on Your Appeal:

If we decide fully in your favor on a **standard appeal** for a request for **service**, we are required to provide or arrange for services as quickly as your health condition requires, but no later than thirty (30) calendar days from when we received your request for an appeal. **If we decide in your favor** on a request for **payment**, we are required to make the requested payment within sixty (60) calendar days after receiving your request for an appeal.

If we do not decide fully in your favor on a **standard appeal** or if we fail to provide you with a decision within thirty (30) calendar days, you have the right to pursue an external appeal through either the Medicare or Medi-Cal program (see **Additional Appeal Rights**, below). We also are required to notify you as soon as we make a decision and also to notify the federal Center for Medicare and Medicaid Services and the Department of Health Care Services. We will inform you in writing of your **external** appeal rights under Medicare or Medi-Cal managed care, or both. We will help you choose which external program to pursue if both are applicable. We also will send your appeal to the appropriate external program for review.

If we decide fully in your favor on an **expedited appeal** we are required to get the service or give you the service as quickly as your health condition requires, but no later than seventy-two (72) hours after we received your request for an appeal.

If we do not decide in your favor on an **expedited appeal** or fail to notify you within seventy-two (72) hours, you have the right to pursue an external appeal process under either Medicare or Medicaid (see **Additional Appeal Rights** below). We are required to notify you as soon as we make a decision and also to notify the Center for Medicare and Medicaid Services and the Department of Health Care Services. We let you know in writing of your **external appeal** rights under the Medicare or Medi-Cal program, or both. We will help you choose which to pursue if both are applicable. We also will send your appeal to the appropriate external program for review.

Additional Appeal Rights Under Medi-Cal and Medicare

If we do not decide in your favor on your appeal or fail to provide you a decision within the required timeframe, you have additional appeal rights. Your request to file an external appeal can be made either verbally or in writing. The next level of appeal involves a new and impartial review of your appeal request through either the Medicare or Medi-Cal program.

The **Medicare program** contracts with an “Independent Review Organization” to provide external review on appeals involving PACE programs. This review organization is completely independent of our PACE organization.

The **Medi-Cal program** conducts their next level of appeal through the State hearing process. If you are enrolled in Medi-Cal, you can appeal if CalOptima Health PACE wants to reduce or stop a service you are receiving. Until you receive a final decision, you may choose to continue to receive the disputed service(s). However, you may have to pay for the service(s) if the decision is not in your favor.

If you are enrolled in **both Medicare and Medi-Cal OR Medi-Cal only**, we will help you choose which external appeal process you should follow. We also will send your appeal on to the appropriate external program for review.

If you are not sure which program you are enrolled in, ask us. The Medicare and Medi-Cal external appeal options are described below.

Medi-Cal External Appeals Process

If you are enrolled in **both Medicare and Medi-Cal OR Medi-Cal only**, and choose to appeal our decision using Medi-Cal's external appeals process, we will send your appeal to the California Department of Social Services. At any time during the appeals process, you may request a State hearing through:

California Department of Social Services
State Hearings Division
P.O. Box 944243, Mail Station 21-37
Sacramento, CA 94244-2430
Phone: (800) 743-8525
Facsimile: (833) 281-0905.
TTY: 1-800-952-8349

If you choose to request a State hearing, you must ask for it within ninety (90) days from the date of receiving the *Notice of Action (NOA) for Service or Payment Request* from CalOptima Health PACE.

You may speak at the State hearing or have someone else speak on your behalf such as someone you know, including a relative, friend or an attorney. You may also be able to get free legal help. Attached is a list of Legal Services offices in Orange County if you would like legal services assistance.

If the Administrative Law Judge's (ALJ) decision is in your favor of your appeal, CalOptima Health PACE will follow the judge's instruction as to the timeframe for providing you with services you requested or payment for services for a standard or expedited appeal.

If the ALJ's decision is **not** in your favor of your appeal, for either a standard or an expedited appeal, there are further levels of appeals, and we will assist you in pursuing your appeal.

Medicare External Appeals Process

If you are enrolled in **both Medicare and Medi-Cal OR Medicare only**, and choose to appeal our decision using Medicare's external appeals process, we will send your appeal file to the current contracted Medicare appeals entity to impartially review the appeal. The

contracted Medicare appeals entity will contact us with the results of their review. The contracted Medicare appeals entity will either maintain our original decision or change our decision and rule in your favor. The current Medicare appeals entity is:

Maximus Federal Services
Medicare Managed Care & PACE
Reconsideration Project
3750 Monroe Avenue, Suite 702
Pittsford, NY 14524-1302
Phone: 1-585-348-3300
Facsimile: 1-585-425-5292

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022 Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

7. Adopt Resolution to Replace and Rename Seats on the CalOptima Health Board of Directors' Member Advisory Committee

Contacts

Ladan Khamseh, Executive Director, Operations, (714) 246-8866

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

Recommended Actions

Adopt Resolution No. 22-0901-02 regarding three Member Advisory Committee (MAC) seats as follows:

1. Long-Term Services and Supports Representative renamed Member Advocate Representative;
2. Medical Safety Net Representative replaced with OneCare Member/Family Member Representative; and
3. Orange County Health Care Agency Representative replaced with OneCare Member/Family Member Representative with a two-year term.

Background

The CalOptima Health Board of Directors (Board) established the MAC by resolution on February 14, 1995, to provide input to the Board. The MAC is comprised of 15 voting members, with each seat representing a constituency or population that CalOptima Health serves. The Board is responsible for appointing all MAC members.

New regulations issued by the Centers for Medicare & Medicaid Services (CMS) require CalOptima Health to establish a MAC for the OneCare program. The regulation allows plans to either establish a new committee or use an existing committee to meet the regulatory requirement.

To meet this new requirement, the MAC recommends two of the 15 MAC seats be replaced with OneCare Member/Family Member Representative seats and the Long-Term Services and Supports Representative seat be renamed to Member Advocate Representative. The purpose of the proposed changes is to include representation of members enrolled in OneCare and solicit input on ways to improve access to covered services and coordination of services, among other topics.

Discussion

Consistent with the Board's policy of encouraging member and provider involvement in the ongoing refinement of CalOptima Health's programs, the MAC recommends that the Medical Safety Net Representative seat be replaced with a OneCare Member/Family Member Representative seat; the Health Care Agency Representative seat be replaced with an additional OneCare Member/Family Member Representative seat with a two-year term; and the Long-Term Services and Supports Representative seat be renamed to Member Advocate Representative, which was an existing seat on the

OneCare Connect MAC. The recommendation to the Board is based on CMS and Department of Health Care Services' (DHCS) guidance regarding 42 CFR § 422.107 (f) for dual eligible special needs plans that allow OneCare representatives to sit on the MAC in place of creating a separate committee for OneCare. At the August MAC and PAC joint meeting, MAC members considered the recommendation of replacing the three MAC seats, which are also represented on the PAC, and agreed to the recommended changes. There is no proposed change to the number of seats on the MAC.

With both committees now meeting jointly on a bi-monthly basis, changing the existing seats on the MAC, which have counterpart seats on the PAC, would accommodate two OneCare Member/Family Member Representative seats to address the requirements for the OneCare program, as well as maintain the existing representation of advisory seats. The PAC currently has Long-Term Services and Supports Representative, Medical Safety Net Representative, and Health Care Agency Representative seats, which allow for coverage for both committees. The Member Advocate Representative has been an existing seat on the OneCare Connect MAC and creating a similar seat on the MAC would allow for the current Long-Term Services and Supports Representative to advocate on behalf of all CalOptima Health members and provide Ombudsman support for the committee.

If the proposed changes are approved by the Board, CalOptima Health policy AA.1219a: Member Advisory Committee would be updated accordingly.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

The MAC recommends replacing two advisory seats with OneCare Member/Family Member Representative seats and renaming the Long-Term Services and Supports Representative seat to Member Advocate Representative to include representation of members enrolled in OneCare while meeting the new CMS/DHCS regulatory requirement.

Concurrence

Member Advisory Committee
James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Resolution Number 22-0901-02](#)

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date

RESOLUTION NO. 22-0901-02

RESOLUTION OF THE BOARD OF DIRECTORS ORANGE COUNTY HEALTH AUTHORITY d.b.a. CalOptima Health

APPROVE NAME CHANGES TO HEALTH CARE AGENCY REPRESENTATIVE STANDING SEAT, LONG-TERM SERVICES AND SUPPORTS REPRESENTATIVE SEAT, AND MEDICAL SAFETY NET REPRESENTATIVE SEAT

WHEREAS, the CalOptima Health Board of Directors established the Member Advisory Committee (MAC) pursuant to Resolution No. 2-14-95 to represent the constituencies served by CalOptima Health and to advise the Board of Directors and later amended to rename seats pursuant to Resolution No. 20-0507-01; and

WHEREAS, the members of the MAC recommend changing the name of the Long-Term Services and Supports Representative seat to Member Advocate Representative;

WHEREAS, the members of the MAC recommend replacing the standing Health Care Agency Representative seat with a OneCare Member or Family Member Representative seat with a two-year term and replacing the Medical Safety Net Representative seat with an additional OneCare Member/Family Member Representative seat.

NOW, THEREFORE, BE IT RESOLVED:

That the Board of Directors hereby approves the recommended name changes and replacements of the following MAC seats effective September 1, 2022:

1. The Health Care Agency Representative seat, which currently has a standing term, shall be replaced with the OneCare Member or Family Member Representative seat with a two-year term;
2. The Medical Safety Net Representative seat shall be replaced with a second OneCare Member or Family Member Representative seat with a two-year term; and
3. The Long-Term Services and Supports Representative shall be renamed as a Member Advocate Representative seat with a two-year term.

The seats comprising the MAC effective September 1, 2022 are now:

1. Adult Beneficiaries
2. Behavioral/Mental Health
3. Children
4. Consumer
5. Family Support
6. Foster Children

7. Medi-Cal Beneficiaries
8. Member Advocate
9. OneCare Member/Family Member
10. OneCare Member/Family Member
11. Orange County Social Services Agency (Standing Seat)
12. Persons with Disabilities
13. Persons with Special Needs
14. Recipients of CalWORKs
15. Seniors

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a. CalOptima Health, this 1st day of September 2022.

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

/s/ _____

Title: Chair, Board of Directors

Printed Name and Title: Andrew Do., Chair, Board of Directors

Attest:

/s/ _____

Sharon Dwiars, Clerk of the Board

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022 Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

8. Appoint the Chairs and Vice Chairs of the CalOptima Health Board of Directors' Member Advisory Committee and Provider Advisory Committee

Contacts

Ladan Khamseh, Executive Director, Operations, (714) 246-8866

Michael Gomez, Executive Director, Network Operations, (714) 347-3292

Recommended Actions

1. The Member Advisory Committee (MAC) recommends the appointment of:
 - A. Maura Byron as MAC Chair for a two-year term ending June 30, 2024; and
 - B. Christine Tolbert as MAC Vice Chair for a two-year term ending June 30, 2024.
2. The Provider Advisory Committee (PAC) recommends the appointment of:
 - A. Jena Jensen as PAC Chair for a two-year term ending June 30, 2024; and
 - B. Junelyn Lazo-Pearson, Ph.D. as PAC Vice Chair for a two-year term ending June 30, 2024.

Background

The CalOptima Health Board of Directors established the MAC and PAC by resolution on February 14, 1995, to serve solely in an advisory capacity, providing input and recommendations concerning CalOptima Health programs. The MAC is comprised of 15 voting members, including one standing member from the Orange County Social Services Agency. The PAC is comprised of 15 voting members, including one standing member from the Orange County Health Care Agency.

Pursuant to Resolution Nos. 95-0214 and 20-0806, the CalOptima Health Board of Directors is responsible for the appointment of MAC and PAC Chairs biennially from among appointed members. The Chair may serve a two-year term.

Pursuant to Resolution Nos. 16-0804 and 20-0806, the CalOptima Health Board of Directors is responsible for the appointment of MAC and PAC Vice Chairs biennially from among appointed members. The Vice Chair may serve a two-year term.

Discussion

In the months leading up to the August 11, 2022, joint MAC and PAC meeting, members of the MAC and PAC were asked to submit letters of interest for the Chair and Vice Chair positions to the advisory committees' staff. For the MAC, Maura Byron submitted a letter of interest for Chair, and Christine Tolbert submitted a letter of interest for Vice Chair. At the August 11, 2022, meeting, MAC members voted to recommend Maura Byron as Chair and Christine Tolbert as Vice Chair.

For the PAC, Jena Jensen submitted a letter of interest for Chair, and Junelyn Lazo-Pearson, Ph.D., submitted a letter of interest for Vice Chair. At the August 11, 2022, meeting, PAC members voted to recommend Jena Jensen as Chair and Dr. Lazo-Pearson as Vice Chair.

The recommended candidates for MAC Chair and Vice Chair are as follows, with information from their letters of interest:

MAC Chair Candidate

Maura Byron is the Executive Director of Family Support Network, where she assists families of children with complex health care needs to maneuver the special needs system and secure services. In addition, she responds to families' questions and provides peer and emotional support. She has been a member of the MAC since 2020, holding the Family Support seat. Ms. Byron has also served as a member of CalOptima Health's Whole-Child Model Family Advisory Committee (WCM FAC) since 2018, holding a Community-Based Organization seat. Previously, Ms. Byron served a two-year term as Chair of the WCM FAC while holding an Authorized Family Representative seat. She is currently Vice Chair of the MAC.

MAC Vice Chair Candidate

Christine Tolbert's current work for the State Council on Developmental Disabilities has allowed her to advocate for thousands of people dealing with an expansive number of medical and/or special needs conditions. Ms. Tolbert has helped transition people from the state hospital into the community, allowing them to access health care services through managed care. Ms. Tolbert was reappointed by the Board of Directors to the Persons with Special Needs seat and has served as MAC Chair since 2019.

The recommended candidates for PAC Chair and Vice Chair are as follows, with information from their letters of interest:

PAC Chair Candidate

Jena Jensen has served on the PAC since 2013, first as the Safety Net Representative and currently as the Hospital Representative. She is the Chief Government Relations Officer at Children's Hospital of Orange County (CHOC). CHOC has partnered with CalOptima Health since the agency's inception in 1993. Ms. Jensen's 30-year tenure with CHOC began in 1992, when she joined the hospital as Director of Marketing and Public Relations. She currently serves as CHOC's central resource for legislative advocacy as well as development and maintenance of relationships with federal, state and local elected officials, and government, community and opinion leaders. Ms. Jensen previously served as the PAC Chair from 2014-2016.

PAC Vice Chair Candidate

Dr. Junelyn Lazo-Pearson is the Executive Advisor to Advanced Behavioral Health, Inc., a CalOptima Health-contracted behavioral health group. She also serves part time as an adjunct professor for the Chicago School of Professional Psychology at the Irvine campus. Dr. Lazo-Pearson holds a Ph.D. in Developmental and Child Psychology and is a board-certified behavior

analyst through the Behavior Analyst Certification Board. A member of the PAC since 2018, she has served as Chair since 2020.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

The MAC and PAC held open nominations at the August 11, 2022, joint MAC and PAC meeting based on the letters of interest received, as per policies AA.1219a and AA. 1219b. There were no additional nominations from the floor. The MAC and PAC forward the recommended Chairs and Vice Chairs to the Board of Directors for consideration and appointment.

Concurrence

Member Advisory Committee
Provider Advisory Committee
James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022 **Regular Meeting of the CalOptima Health Board of Directors**

Consent Calendar

9. Appoint Physician Representative to the CalOptima Health Board of Directors' Provider Advisory Committee

Contacts

Michael Gomez, Executive Director, Network Operations, (714) 347-3292

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

Recommended Action

Appoint Theodore Heyming, M.D., as the Physician Representative on the Provider Advisory Committee (PAC) to fulfill an existing three-year term ending June 30, 2025.

Background

The CalOptima Health Board of Directors (Board) established the PAC by resolution on February 14, 1995, to provide input to the Board. The PAC is comprised of 15 voting members. Pursuant to Resolution No. 15-0806-03, PAC members serve three-year terms, except for the one standing seat, which is a representative from Orange County Health Care Agency. The CalOptima Health Board is responsible for the appointment of all PAC members. As of the end of the fiscal year on June 30, 2022, one PAC Physician Representative seat was still available for recruitment.

Discussion

CalOptima Health conducted recruitment to ensure that there would be a diverse applicant pool from which to choose physician candidates. Recruiting methods included sending emails to the Orange County Medical Association, physicians, health networks, and hospitals to reach all CalOptima Health providers for the open seat. CalOptima Health staff received two applications from interested physician candidates and submitted the applications to the Nominations Ad Hoc subcommittee for review and scoring of both applicants. The subcommittee consisted of PAC Chair Junie Lazo-Pearson and PAC members Andrew Inglis, M.D., and Jacob Sweidan, M.D., who each reviewed and scored the candidates for the open physician seat and forwarded the recommended candidate to the PAC for their consideration.

At the August 11, 2022, joint meeting with the Member Advisory Committee, the PAC accepted the recommended candidate as proposed by the Nominations Ad Hoc subcommittee by roll-call vote.

Information on both candidates for the Physician Representative seat on the PAC is as follows:

CalOptima Health Board Action Agenda Referral
Appoint Physician Representative to the CalOptima Health
Board of Directors' Provider Advisory Committee
Page 2

Physician Representative

Theodore Heyming, M.D. (Recommended)

Dr. Heyming is the Medical Director of Children's Hospital Orange County (CHOC) and an emergency room physician for both CHOC and Providence St. Joseph Hospital Orange. Dr. Heyming received his medical degree from University of California, Los Angeles and completed his postgraduate education and fellowship at Harbor-UCLA Medical Center in both emergency medicine and pediatric emergency medicine. Dr. Heyming also serves on the Orange County Medical Association committee and the Orange County Emergency Medical Services committee, which acts as an advisory committee to the Orange County Board of Supervisors and the Orange County Emergency Medical Services on all matters relating to emergency medical care in Orange County.

Connie Bartlett, D.O., FAAP

Dr. Bartlett is a general pediatrician at St. Joseph-St. Jude Heritage Medical Group, where she has practiced since 1996 as a primary care pediatrics physician. Dr. Bartlett received her Doctor of Osteopathy from Western University of Health and Sciences and completed her residency and internship at the University of California, Irvine. In addition to her role at St. Joseph-St. Jude Heritage Medical Group, Dr. Bartlett also serves as Medical Director at United Cerebral Palsy of Orange County.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

As stated in policy AA. 1219b, the PAC established a Nominations Ad Hoc subcommittee to review potential candidates for vacancies on the PAC. The PAC met on August 11, 2022, to discuss the subcommittee's recommended candidate and concurred. The PAC forwards the physician candidate to the Board for their consideration and appointment.

Concurrence

Provider Advisory Committee Nominations Ad Hoc
Provider Advisory Committee
James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date



CalOptima Health

Financial Summary

July 31, 2022

Board of Directors Meeting

September 1, 2022

Nancy Huang, Chief Financial Officer

Our Mission

To serve member health with excellence and dignity, respecting the value and needs of each person.

Our Vision

By 2027, remove barriers to health care access for our members, implement same-day treatment authorizations and real-time claims payments for our providers, and annually assess members' social determinants of health.

Update on New Fiscal Year 2022-23 Reports

- Net Asset Analysis
 - Monthly Financial Summary
 - Monthly Unaudited Financial Statements
- Digital Transformation Strategy – Funding Balance Tracking Summary
 - Monthly Unaudited Financial Statements

Financial Highlights: July 2022

Month-to-Date				Year-to-Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
921,186	915,530	5,656	0.6%	Member Months	921,186	915,530	5,656	0.6%
320,918,480	332,380,445	(11,461,965)	(3.4%)	Revenues	320,918,480	332,380,445	(11,461,965)	(3.4%)
304,171,182	310,688,167	6,516,985	2.1%	Medical Expenses	304,171,182	310,688,167	6,516,985	2.1%
14,432,774	16,903,723	2,470,949	14.6%	Administrative Expenses	14,432,774	16,903,723	2,470,949	14.6%
2,314,524	4,788,555	(2,474,031)	(51.7%)	Operating Margin	2,314,524	4,788,555	(2,474,031)	(51.7%)
4,903,897	590,835	4,313,062	730.0%	Non Operating Income (Loss)	4,903,897	590,835	4,313,062	730.0%
7,218,421	5,379,390	1,839,031	34.2%	Change in Net Assets	7,218,421	5,379,390	1,839,031	34.2%
94.8%	93.5%	1.3%		Medical Loss Ratio	94.8%	93.5%	1.3%	
4.5%	5.1%	0.6%		Administrative Loss Ratio	4.5%	5.1%	0.6%	
<u>0.7%</u>	<u>1.4%</u>	<u>(0.7%)</u>		Operating Margin Ratio	<u>0.7%</u>	<u>1.4%</u>	<u>(0.7%)</u>	
100.0%	100.0%	0.0%		Total Operating	100.0%	100.0%	0.0%	

Consolidated Performance: July 2022 (in millions)

	July		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Medi-Cal	2.3	6.0	(3.7)
OCC	(0.4)	(0.5)	0.1
OneCare	0.3	(0.6)	0.9
PACE	0.1	(0.1)	0.2
MSSP	0.0	(0.0)	0.0
Operating	2.3	4.8	(2.5)
<u>Inv/ Rent/Tax/Other Inc</u>	4.9	0.6	4.3
Non-Operating	4.9	0.6	4.3
TOTAL	7.2	5.4	1.8

FY 2022-23: Management Summary

- Change in Net Assets Surplus or (Deficit)
 - MTD: \$7.2 million, favorable to budget \$1.8 million or 34.2%
- Enrollment
 - MTD: 921,186 members, favorable to budget 5,656 or 0.6%
- Revenue
 - MTD: \$320.9 million, unfavorable to budget \$11.5 million or 3.4% driven by Medi-Cal (MC) line of business (LOB):
 - \$6.5 million due to Proposition 56 risk corridor and \$5.3 million from the COVID-19 risk corridor

FY 2022-23: Management Summary (cont.)

○ Medical Expenses

- MTD: \$304.2 million, favorable to budget \$6.5 million or 2.1% driven by MC LOB:
 - Provider Capitation expense favorable variance of \$5.0 million due primarily to Proposition 56
 - Medical Management expense favorable variance of \$2.2 million
 - Professional Claims expense favorable variance of \$1.2 million
 - Offset by Managed Long-Term Services and Supports (MLTSS) expense unfavorable variance of \$4.3 million due to Incurred But Not Reported (IBNR) claims

FY 2022-23: Management Summary (cont.)

- Administrative Expenses
 - MTD: \$14.4 million, favorable to budget \$2.5 million or 14.6%
 - Other Non-Salary expenses favorable variance of \$1.7 million
 - Salaries & Benefits expense favorable variance of \$0.7 million
- Non-Operating Income (Loss)
 - MTD: \$4.9 million, favorable to budget \$4.3 million or 730.0%
 - Favorable variance is due to a net realized gain in investments as decreases to 2 and 10-year treasury yields led to higher bond values

FY 2022-23: Key Financial Ratios

- Medical Loss Ratio (MLR)
 - MTD: Actual 94.8%, Budget 93.5%
- Administrative Loss Ratio (ALR)
 - MTD: Actual 4.5%, Budget 5.1%
- Balance Sheet Ratios
 - *Current ratio: 1.6
 - Board-designated reserve funds level: 1.79
 - Net-position: \$1.4 billion, including required Tangible Net Equity (TNE) of \$106.0 million

* Current ratio compares current assets to current liabilities. It measures CalOptima Health's ability to pay short-term obligations

Enrollment Summary: July 2022

Month-to-Date				Enrollment (by Aid Category)	Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
123,338	122,000	1,338	1.1%	SPD	123,338	122,000	1,338	1.1%
303,384	306,805	(3,421)	(1.1%)	TANF Child	303,384	306,805	(3,421)	(1.1%)
130,653	135,956	(5,303)	(3.9%)	TANF Adult	130,653	135,956	(5,303)	(3.9%)
3,257	3,313	(56)	(1.7%)	LTC	3,257	3,313	(56)	(1.7%)
331,276	318,012	13,264	4.2%	MCE	331,276	318,012	13,264	4.2%
11,876	11,716	160	1.4%	WCM	11,876	11,716	160	1.4%
903,784	897,802	5,982	0.7%	Medi-Cal Total	903,784	897,802	5,982	0.7%
14,203	14,663	(460)	(3.1%)	OneCare Connect	14,203	14,663	(460)	(3.1%)
2,764	2,615	149	5.7%	OneCare	2,764	2,615	149	5.7%
435	450	(15)	(3.3%)	PACE	435	450	(15)	(3.3%)
466	568	(102)	(18.0%)	MSSP	466	568	(102)	(18.0%)
921,186	915,530	5,656	0.6%	CalOptima Health Total	921,186	915,530	5,656	0.6%

* CalOptima Health Total does not include MSSP

Consolidated Revenue & Expenses: July 2022 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	MSSP	Consolidated
MEMBER MONTHS	560,632	331,276	11,876	903,784	14,203	2,764	435	466	921,186
REVENUES									
Capitation Revenue	147,705,351	\$ 117,587,839	\$ 20,802,649	\$ 286,095,840	\$ 27,510,785	\$ 3,444,138	\$ 3,600,772	\$ 266,945	\$ 320,918,480
Total Operating Revenue	147,705,351	117,587,839	20,802,649	286,095,840	27,510,785	3,444,138	3,600,772	266,945	320,918,480
MEDICAL EXPENSES									
Provider Capitation	43,749,191	50,875,489	7,075,982	101,700,663	11,660,428	887,832			114,248,923
Facilities	33,164,440	29,430,895	5,564,035	68,159,370	3,960,065	763,560	986,168		73,869,163
Professional Claims	22,857,112	14,379,095	1,767,326	39,003,533	1,308,965	192,018	834,701		41,339,217
Prescription Drugs	(38,593)	(70,124)		(108,717)	6,518,242	966,800	382,422		7,758,746
MLTSS	46,016,074	4,842,825	1,721,454	52,580,353	1,617,884		222,906	23,787	54,444,930
Incentive Payments	2,045,789	2,254,924	37,823	4,338,535	375,694	(5,751)	5,438		4,713,916
Medical Management	2,545,735	1,706,570	342,485	4,594,790	1,016,723	31,734	859,092	144,875	6,647,215
Other Medical Expenses	694,179	435,636	19,258	1,149,073					1,149,073
Total Medical Expenses	151,033,927	103,855,310	16,528,362	271,417,600	26,458,001	2,836,193	3,290,726	168,662	304,171,182
Medical Loss Ratio	102.3%	88.3%	79.5%	94.9%	96.2%	82.3%	91.4%	63.2%	94.8%
GROSS MARGIN	(3,328,576)	13,732,529	4,274,287	14,678,240	1,052,783	607,945	310,046	98,283	16,747,298
ADMINISTRATIVE EXPENSES									
Salaries & Benefits				9,091,927	632,871	127,954	138,553	80,747	10,072,052
Professional fees				465,197	(9,574)	53,785		1,333	510,742
Purchased services				751,177	103,380	12,899	50,282		917,737
Printing & Postage				427,226	28,598	6,018	5,398		467,240
Depreciation & Amortization				350,477			539		351,016
Other expenses				1,697,630	177		5,453	5,694	1,708,954
Indirect cost allocation & Occupancy				(441,793)	722,920	108,660	8,696	6,550	405,033
Total Administrative Expenses				12,341,841	1,478,373	309,315	208,920	94,325	14,432,774
Admin Loss Ratio				4.3%	5.4%	9.0%	5.8%	35.3%	4.5%
INCOME (LOSS) FROM OPERATIONS				2,336,399	(425,590)	298,631	101,126	3,958	2,314,524
INVESTMENT INCOME									5,625,457
NET RENTAL INCOME									125,262
TOTAL MCO TAX				(1,548)					(1,548)
TOTAL GRANT INCOME				(863,636)					(863,636)
OTHER INCOME				18,363					18,363
CHANGE IN NET ASSETS				\$ 1,489,577	\$ (425,590)	\$ 298,631	\$ 101,126	\$ 3,958	\$ 7,218,421
BUDGETED CHANGE IN NET ASSETS				5,996,125	(530,487)	(583,896)	(50,872)	(42,315)	5,379,390
VARIANCE TO BUDGET - FAV (UNFAV)				\$ (4,506,548)	\$ 104,897	\$ 882,527	\$ 151,998	\$ 46,273	\$ 1,839,031

Balance Sheet: As of July 2022

ASSETS

Current Assets	
Operating Cash	\$920,682,935
Short-term Investments	934,288,074
Capitation receivable	259,306,661
Receivables - Other	73,803,370
Prepaid expenses	25,064,275
Total Current Assets	2,213,145,315
Capital Assets	
Furniture & Equipment	48,105,334
Building/Leasehold Improvements	5,059,408
Construction in Progress	3,382,491
505 City Parkway West	52,373,356
500 City Parkway West	22,631,500
	131,552,089
Less: Accumulated Depreciation	(64,896,854)
Capital assets, net	66,655,235
Other Assets	
Restricted Deposit & Other	300,000
Homeless Health Reserve	40,636,739
Board-designated assets:	
Cash and Cash Equivalents	10,428,752
Investments	562,972,347
Total Board-designated Assets	573,401,100
Total Other Assets	614,337,839
TOTAL ASSETS	2,894,138,389
Deferred Outflows	
Contributions	1,931,845
Difference in Experience	2,353,671
Excess Earning	-
Changes in Assumptions	2,325,077
OPEB 75 Changes in Assumptions	2,486,000
Pension Contributions	529,000
TOTAL ASSETS & DEFERRED OUTFLOWS	2,903,763,982

LIABILITIES & NET POSITION

Current Liabilities	
Accounts Payable	\$25,537,345
Medical Claims liability	1,174,838,168
Accrued Payroll Liabilities	20,288,072
Deferred Revenue	8,531,686
Deferred Lease Obligations	89,166
Capitation and Withholds	193,529,485
Total Current Liabilities	1,422,813,922
Other (than pensions) post employment benefits liability	
	22,221,963
Net Pension Liabilities	251,405
Bldg 505 Development Rights	-
GASB Liability	-
TOTAL LIABILITIES	1,445,287,290
Deferred Inflows	
Excess Earnings	686,563
OPEB 75 Difference in Experience	4,822,000
Change in Assumptions	1,909,305
OPEB Changes in Assumptions	3,389,000
Net Position	
TNE	105,981,205
Funds in Excess of TNE	1,341,688,619
TOTAL NET POSITION	1,447,669,824
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	2,903,763,982

Board Designated Reserve and TNE Analysis: As of July 2022

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	233,016,319				
	Tier 1 - MetLife	231,711,573				
Board-designated Reserve		464,727,892	342,201,460	534,279,745	122,526,433	(69,551,852)
	Tier 2 - Payden & Rygel	54,426,365				
	Tier 2 - MetLife	54,246,842				
TNE Requirement		108,673,207	105,981,205	105,981,205	2,692,002	2,692,002
	Consolidated:	573,401,100	448,182,665	640,260,950	125,218,435	(66,859,850)
	<i>Current reserve level</i>	<i>1.79</i>	<i>1.40</i>	<i>2.00</i>		

Net Assets Analysis: As of July 2022

Category	Item Description	Resource Committed	Amount (millions)	%
	Total Net Position @ 07/31/2022:		\$1,447.7	100.0%
Resources Assigned:	Board Designated Reserve		573.4	39.6%
	Capital Assets, net of depreciation		66.7	4.6%
Resources Allocated, not yet Spent:	Homeless Health Initiative*	\$100.0	\$25.2	1.7%
	Intergovernmental Transfers (IGT)	111.7	18.3	1.3%
	Mind OC Grant	1.0	0.0	0.0%
	CalFresh Outreach Strategy	2.0	1.6	0.1%
	Digital Transformation and Workplace Modernization	100.0	100.0	6.9%
	Coalition of Orange County Community Health Centers	50.0	40.0	2.8%
	Subtotal:	\$364.7	\$185.1	12.8%
Resources Available for New Initiatives:	Homeless Health Initiative		40.6	
	Intergovernmental Transfers (IGT)		32.9	
	Unallocated/Unassigned**		549.0	
	Subtotal:		\$622.5	43.0%

* See Summary of Homeless Health Initiatives and Allocated Funds for list of Board approved initiatives

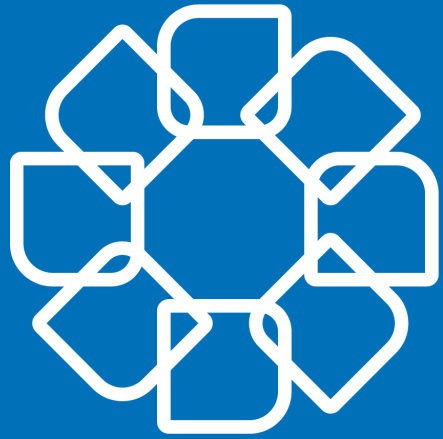
** Total unallocated reserve amount which can support approximately 49 days of CalOptima Health's current operations
[Back to Agenda](#)

Homeless Health Initiative and Allocated Funds: As of July 2022

	Amount
Program Commitment	\$100,000,000
Funds Allocation, approved initiatives:	
Enhanced Medi-Cal Services at the Be Well OC Regional Mental Health and Wellness Campus	11,400,000
Recuperative Care	8,250,000
Medical Respite	250,000
Day Habilitation (County for HomeKey)	2,500,000
Clinical Field Team Start-up & Federal Qualified Health Center (FQHC)	1,600,000
CalOptima Homeless Response Team	6,000,000
Homeless Coordination at Hospitals	10,000,000
CalOptima Days & QI Program - Homeless Clinic Access Program or HCAP	1,693,261
FQHC (Community Health Center) Expansion and HHI Support	570,000
HCAP Expansion for Telehealth and CFT On Call Days	1,700,000
Vaccination Intervention and Member Incentive Strategy	400,000
Street Medicine	8,000,000
Outreach and Engagement Team	7,000,000
Funds Allocation Total	\$59,363,261
Program Commitment Balance, available for new initiatives*	\$40,636,739

On June 27, 2019 at a Special Board meeting, the Board approved four funding categories. This report only lists Board approved projects.

* Funding sources of the remaining balance are IGT 8 and CalOptima Health's operating income, which must be used for Medi-Cal covered services for the Medi-Cal population



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UNAUDITED FINANCIAL STATEMENTS

July 31, 2022

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**CalOptima Health - Consolidated
Financial Highlights
For the One Month Ended July 31, 2022**

Month-to-Date				Year-to-Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
921,186	915,530	5,656	0.6%	Member Months	921,186	915,530	5,656	0.6%
320,918,480	332,380,445	(11,461,965)	(3.4%)	Revenues	320,918,480	332,380,445	(11,461,965)	(3.4%)
304,171,182	310,688,167	6,516,985	2.1%	Medical Expenses	304,171,182	310,688,167	6,516,985	2.1%
14,432,774	16,903,723	2,470,949	14.6%	Administrative Expenses	14,432,774	16,903,723	2,470,949	14.6%
2,314,524	4,788,555	(2,474,031)	(51.7%)	Operating Margin	2,314,524	4,788,555	(2,474,031)	(51.7%)
4,903,897	590,835	4,313,062	730.0%	Non Operating Income (Loss)	4,903,897	590,835	4,313,062	730.0%
7,218,421	5,379,390	1,839,031	34.2%	Change in Net Assets	7,218,421	5,379,390	1,839,031	34.2%
94.8%	93.5%	1.3%		Medical Loss Ratio	94.8%	93.5%	1.3%	
4.5%	5.1%	0.6%		Administrative Loss Ratio	4.5%	5.1%	0.6%	
<u>0.7%</u>	<u>1.4%</u>	(0.7%)		Operating Margin Ratio	<u>0.7%</u>	<u>1.4%</u>	(0.7%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

**CalOptima Health
Financial Dashboard
For the One Month Ended July 31, 2022**

MONTH - TO - DATE

Enrollment				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	903,784	897,802	↑ 5,982	0.7%
OneCare Connect	14,203	14,663	↓ (460)	(3.1%)
OneCare	2,764	2,615	↑ 149	5.7%
PACE	435	450	↓ (15)	(3.3%)
MSSP	466	568	↓ (102)	(18.0%)
Total*	921,186	915,530	↑ 5,656	0.6%

YEAR - TO - DATE

Year To Date Enrollment				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	903,784	897,802	↑ 5,982	0.7%
OneCare Connect	14,203	14,663	↓ (460)	(3.1%)
OneCare	2,764	2,615	↑ 149	5.7%
PACE	435	450	↓ (15)	(3.3%)
MSSP	466	568	↓ (102)	(18.0%)
Total*	921,186	915,530	↑ 5,656	0.6%

Change in Net Assets (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 1,490	\$ 5,996	↓ (4,506)	(75.2%)
OneCare Connect	(426)	(530)	↑ 104	19.6%
OneCare	299	(584)	↑ 883	151.2%
PACE	101	(51)	↑ 152	298.0%
MSSP	4	(42)	↑ 46	109.5%
Buildings	125	91	↑ 34	37.4%
Investment Income	5,625	500	↑ 5,125	1025.0%
Total	\$ 7,218	\$ 5,380	↑ 1,838	34.2%

Change in Net Assets (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 1,490	\$ 5,996	↓ (4,506)	(75.2%)
OneCare Connect	(426)	(530)	↑ 104	19.6%
OneCare	299	(584)	↑ 883	151.2%
PACE	101	(51)	↑ 152	298.0%
MSSP	4	(42)	↑ 46	109.5%
Buildings	125	91	↑ 34	37.4%
Investment Income	5,625	500	↑ 5,125	1025.0%
Total	\$ 7,218	\$ 5,380	↑ 1,838	34.2%

MLR			
	Actual	Budget	% Point Var
Medi-Cal	94.9%	93.1%	↑ 1.7
OneCare Connect	96.2%	95.4%	↑ 0.8
OneCare	82.3%	108.7%	↓ (26.4)

MLR			
	Actual	Budget	% Point Var
Medi-Cal	94.9%	93.1%	↑ 1.7
OneCare Connect	96.2%	95.4%	↑ 0.8
OneCare	82.3%	108.7%	↓ (26.4)

Administrative Cost (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 12,342	\$ 14,390	↑ \$ 2,048	14.2%
OneCare Connect	1,478	1,840	↑ 361	19.6%
OneCare	309	315	↑ 6	1.9%
PACE	209	262	↑ 53	20.3%
MSSP	94	96	↑ 2	2.1%
Total	\$ 14,433	\$ 16,904	↑ \$ 2,471	14.6%

Administrative Cost (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 12,342	\$ 14,390	↑ \$ 2,048	14.2%
OneCare Connect	1,478	1,840	↑ 361	19.6%
OneCare	309	315	↑ 6	1.9%
PACE	209	262	↑ 53	20.3%
MSSP	94	96	↑ 2	2.1%
Total	\$ 14,433	\$ 16,904	↑ \$ 2,471	14.6%

Total FTE's Month			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	1,134	1,293	159
OneCare Connect	168	197	29
OneCare	8	20	12
PACE	90	114	23
MSSP	18	23	5
Total	1,419	1,646	227

Total FTE's YTD			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	1,134	1,293	159
OneCare Connect	168	197	29
OneCare	8	20	12
PACE	90	114	23
MSSP	18	23	5
Total	1,419	1,646	227

MM per FTE			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	797	694	(102)
OneCare Connect	85	75	(10)
OneCare	333	129	(204)
PACE	5	4	(1)
MSSP	26	25	(1)
Total	649	556	(93)

MM per FTE			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	797	694	(102)
OneCare Connect	85	75	(10)
OneCare	333	129	(204)
PACE	5	4	(1)
MSSP	26	25	(1)
Total	649	556	(93)

Note:* Total membership does not include MSSP

**CalOptima Health - Consolidated
Statement of Revenues and Expenses
For the One Month Ended July 31, 2022**

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
MEMBER MONTHS	921,186		915,530		5,656	
REVENUE						
Medi-Cal	\$ 286,095,840	\$ 316.55	\$ 297,116,357	\$ 330.94	\$ (11,020,517)	\$ (14)
OneCare Connect	27,510,785	1,936.97	28,188,830	1,922.45	(678,045)	14.52
OneCare	3,444,138	1,246.07	3,083,629	1,179.21	360,509	66.86
PACE	3,600,772	8,277.64	3,738,112	8,306.92	(137,340)	(29.28)
MSSP	266,945	572.84	253,517	446.33	13,428	126.51
Total Operating Revenue	<u>320,918,480</u>	<u>348.38</u>	<u>332,380,445</u>	<u>363.05</u>	<u>(11,461,965)</u>	<u>(14.67)</u>
MEDICAL EXPENSES						
Medi-Cal	271,417,600	300.31	276,730,101	308.23	5,312,501	7.92
OneCare Connect	26,458,001	1,862.85	26,879,471	1,833.15	421,470	(29.70)
OneCare	2,836,193	1,026.12	3,352,345	1,281.97	516,152	255.85
PACE	3,290,726	7,564.89	3,526,770	7,837.27	236,044	272.38
MSSP	168,662	361.94	199,480	351.20	30,818	(10.74)
Total Medical Expenses	<u>304,171,182</u>	<u>330.20</u>	<u>310,688,167</u>	<u>339.35</u>	<u>6,516,985</u>	<u>9.15</u>
GROSS MARGIN	16,747,298	18.18	21,692,278	23.70	(4,944,980)	(5.52)
ADMINISTRATIVE EXPENSES						
Salaries and benefits	10,072,052	10.93	10,819,672	11.82	747,620	0.89
Professional fees	510,742	0.55	887,621	0.97	376,879	0.42
Purchased services	917,737	1.00	1,197,824	1.31	280,087	0.31
Printing & Postage	467,240	0.51	513,331	0.56	46,091	0.05
Depreciation & Amortization	351,016	0.38	525,900	0.57	174,884	0.19
Other expenses	1,708,954	1.86	2,434,437	2.66	725,483	0.80
Indirect cost allocation & Occupancy expense	405,033	0.44	524,938	0.57	119,905	0.13
Total Administrative Expenses	<u>14,432,774</u>	<u>15.67</u>	<u>16,903,723</u>	<u>18.46</u>	<u>2,470,949</u>	<u>2.79</u>
INCOME (LOSS) FROM OPERATIONS	2,314,524	2.51	4,788,555	5.23	(2,474,031)	(2.72)
INVESTMENT INCOME						
Interest income	2,930,225	3.18	500,000	0.55	2,430,225	2.63
Realized gain/(loss) on investments	(984,054)	(1.07)	-	-	(984,054)	(1.07)
Unrealized gain/(loss) on investments	3,679,286	3.99	-	-	3,679,286	3.99
Total Investment Income	<u>5,625,457</u>	<u>6.11</u>	<u>500,000</u>	<u>0.55</u>	<u>5,125,457</u>	<u>5.56</u>
NET RENTAL INCOME	125,262	0.14	90,835	0.10	34,427	0.04
TOTAL MCO TAX	(1,548)	-	-	-	(1,548)	-
TOTAL GRANT INCOME	(863,636)	(0.94)	-	-	(863,636)	(0.94)
OTHER INCOME	18,363	0.02	-	-	18,363	0.02
CHANGE IN NET ASSETS	<u>7,218,421</u>	<u>7.84</u>	<u>5,379,390</u>	<u>5.88</u>	<u>1,839,031</u>	<u>1.96</u>
MEDICAL LOSS RATIO	94.8%		93.5%		1.3%	
ADMINISTRATIVE LOSS RATIO	4.5%		5.1%		0.6%	

**CalOptima Health - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ended July 31, 2022**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Whole Child Model</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>MSSP</u>	<u>Consolidated</u>
MEMBER MONTHS	560,632	331,276	11,876	903,784	14,203	2,764	435	466	921,186
REVENUES									
Capitation Revenue	147,705,351	\$ 117,587,839	\$ 20,802,649	\$ 286,095,840	\$ 27,510,785	\$ 3,444,138	\$ 3,600,772	\$ 266,945	\$ 320,918,480
Total Operating Revenue	<u>147,705,351</u>	<u>117,587,839</u>	<u>20,802,649</u>	<u>286,095,840</u>	<u>27,510,785</u>	<u>3,444,138</u>	<u>3,600,772</u>	<u>266,945</u>	<u>320,918,480</u>
MEDICAL EXPENSES									
Provider Capitation	43,749,191	50,875,489	7,075,982	101,700,663	11,660,428	887,832			114,248,923
Facilities	33,164,440	29,430,895	5,564,035	68,159,370	3,960,065	763,560	986,168		73,869,163
Professional Claims	22,857,112	14,379,095	1,767,326	39,003,533	1,308,965	192,018	834,701		41,339,217
Prescription Drugs	(38,593)	(70,124)		(108,717)	6,518,242	966,800	382,422		7,758,746
MLTSS	46,016,074	4,842,825	1,721,454	52,580,353	1,617,884		222,906	23,787	54,444,930
Incentive Payments	2,045,789	2,254,924	37,823	4,338,535	375,694	(5,751)	5,438		4,713,916
Medical Management	2,545,735	1,706,570	342,485	4,594,790	1,016,723	31,734	859,092	144,875	6,647,215
Other Medical Expenses	694,179	435,636	19,258	1,149,073					1,149,073
Total Medical Expenses	<u>151,033,927</u>	<u>103,855,310</u>	<u>16,528,362</u>	<u>271,417,600</u>	<u>26,458,001</u>	<u>2,836,193</u>	<u>3,290,726</u>	<u>168,662</u>	<u>304,171,182</u>
Medical Loss Ratio	102.3%	88.3%	79.5%	94.9%	96.2%	82.3%	91.4%	63.2%	94.8%
GROSS MARGIN	(3,328,576)	13,732,529	4,274,287	14,678,240	1,052,783	607,945	310,046	98,283	16,747,298
ADMINISTRATIVE EXPENSES									
Salaries & Benefits				9,091,927	632,871	127,954	138,553	80,747	10,072,052
Professional fees				465,197	(9,574)	53,785		1,333	510,742
Purchased services				751,177	103,380	12,899	50,282		917,737
Printing & Postage				427,226	28,598	6,018	5,398		467,240
Depreciation & Amortization				350,477			539		351,016
Other expenses				1,697,630	177		5,453	5,694	1,708,954
Indirect cost allocation & Occupancy				(441,793)	722,920	108,660	8,696	6,550	405,033
Total Administrative Expenses				<u>12,341,841</u>	<u>1,478,373</u>	<u>309,315</u>	<u>208,920</u>	<u>94,325</u>	<u>14,432,774</u>
Admin Loss Ratio				4.3%	5.4%	9.0%	5.8%	35.3%	4.5%
INCOME (LOSS) FROM OPERATIONS				2,336,399	(425,590)	298,631	101,126	3,958	2,314,524
INVESTMENT INCOME									5,625,457
NET RENTAL INCOME									125,262
TOTAL MCO TAX				(1,548)					(1,548)
TOTAL GRANT INCOME				(863,636)					(863,636)
OTHER INCOME				18,363					18,363
CHANGE IN NET ASSETS				<u>\$ 1,489,577</u>	<u>\$ (425,590)</u>	<u>\$ 298,631</u>	<u>\$ 101,126</u>	<u>\$ 3,958</u>	<u>\$ 7,218,421</u>
BUDGETED CHANGE IN NET ASSETS				5,996,125	(530,487)	(583,896)	(50,872)	(42,315)	5,379,390
VARIANCE TO BUDGET - FAV (UNFAV)				<u>\$ (4,506,548)</u>	<u>\$ 104,897</u>	<u>\$ 882,527</u>	<u>\$ 151,998</u>	<u>\$ 46,273</u>	<u>\$ 1,839,031</u>

Note:* Total membership does not include MSSP

CalOptima Health
July 31, 2022 Unaudited Financial Statements

SUMMARY MONTHLY RESULTS:

- Change in Net Assets is \$7.2 million, \$1.8 million favorable to budget
- Operating surplus is \$2.3 million, with a surplus in non-operating income of \$4.9 million

Change in Net Assets by Line of Business (LOB) (\$ millions):

	July		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Medi-Cal	2.3	6.0	(3.7)
OCC	(0.4)	(0.5)	0.1
OneCare	0.3	(0.6)	0.9
PACE	0.1	(0.1)	0.2
MSSP	<u>0.0</u>	<u>(0.0)</u>	<u>0.0</u>
Operating	2.3	4.8	(2.5)
Inv/ Rent/Tax/Other Inc	<u>4.9</u>	<u>0.6</u>	<u>4.3</u>
Non-Operating	4.9	0.6	4.3
TOTAL	7.2	5.4	1.8

**CalOptima Health - Consolidated
Enrollment Summary
For the One Month Ended July 31, 2022**

Month-to-Date				Enrollment (by Aid Category)	Year-to-Date			
<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
123,338	122,000	1,338	1.1%	SPD	123,338	122,000	1,338	1.1%
303,384	306,805	(3,421)	(1.1%)	TANF Child	303,384	306,805	(3,421)	(1.1%)
130,653	135,956	(5,303)	(3.9%)	TANF Adult	130,653	135,956	(5,303)	(3.9%)
3,257	3,313	(56)	(1.7%)	LTC	3,257	3,313	(56)	(1.7%)
331,276	318,012	13,264	4.2%	MCE	331,276	318,012	13,264	4.2%
11,876	11,716	160	1.4%	WCM	11,876	11,716	160	1.4%
903,784	897,802	5,982	0.7%	Medi-Cal Total	903,784	897,802	5,982	0.7%
14,203	14,663	(460)	(3.1%)	OneCare Connect	14,203	14,663	(460)	(3.1%)
2,764	2,615	149	5.7%	OneCare	2,764	2,615	149	5.7%
435	450	(15)	(3.3%)	PACE	435	450	(15)	(3.3%)
466	568	(102)	(18.0%)	MSSP	466	568	(102)	(18.0%)
921,186	915,530	5,656	0.6%	CalOptima Total	921,186	915,530	5,656	0.6%
Enrollment (by Network)								
210,186	211,769	(1,583)	(0.7%)	HMO	210,186	211,769	(1,583)	(0.7%)
237,000	239,626	(2,626)	(1.1%)	PHC	237,000	239,626	(2,626)	(1.1%)
224,942	222,887	2,055	0.9%	Shared Risk Group	224,942	222,887	2,055	0.9%
231,656	223,520	8,136	3.6%	Fee for Service	231,656	223,520	8,136	3.6%
903,784	897,802	5,982	0.7%	Medi-Cal Total	903,784	897,802	5,982	0.7%
14,203	14,663	(460)	(3.1%)	OneCare Connect	14,203	14,663	(460)	(3.1%)
2,764	2,615	149	5.7%	OneCare	2,764	2,615	149	5.7%
435	450	(15)	(3.3%)	PACE	435	450	(15)	(3.3%)
466	568	(102)	(18.0%)	MSSP	466	568	(102)	(18.0%)
921,186	915,530	5,656	0.6%	CalOptima Total	921,186	915,530	5,656	0.6%

*Note: CalOptima Health Total does not include MSSP

CalOptima Health
Enrollment Trend by Network
Fiscal Year 2023

	July	August	September	October	November	December	January	February	March	April	May	June	YTD Actual	YTD Budget	Variance
HMOs															
SPD	11,237												11,237	10,936	301
TANF Child	58,966												58,966	59,606	(640)
TANF Adult	38,926												38,926	42,102	(3,176)
LTC	1												1		1
MCE	99,022												99,022	97,016	2,006
WCM	2,034												2,034	2,109	(75)
Total	210,186												210,186	211,769	(1,583)
PHCs															
SPD	7,040												7,040	6,995	45
TANF Child	158,385												158,385	160,054	(1,669)
TANF Adult	16,704												16,704	17,819	(1,115)
LTC													-		0
MCE	47,505												47,505	47,533	(28)
WCM	7,366												7,366	7,225	141
Total	237,000												237,000	239,626	(2,626)
Shared Risk Groups															
SPD	10,824												10,824	10,193	631
TANF Child	57,419												57,419	59,656	(2,237)
TANF Adult	40,518												40,518	41,278	(760)
LTC	2												2		2
MCE	114,819												114,819	110,370	4,449
WCM	1,360												1,360	1,390	(30)
Total	224,942												224,942	222,887	2,055
Fee for Service (Dual)															
SPD	82,253												82,253	82,759	(506)
TANF Child	1												1		1
TANF Adult	1,675												1,675	1,846	(171)
LTC	2,894												2,894	2,982	(88)
MCE	6,480												6,480	6,032	448
WCM	20												20	15	5
Total	93,323												93,323	93,634	(311)
Fee for Service (Non-Dual - Total)															
SPD	11,984												11,984	11,117	867
TANF Child	28,613												28,613	27,489	1,124
TANF Adult	32,830												32,830	32,911	(81)
LTC	360												360	331	29
MCE	63,450												63,450	57,061	6,389
WCM	1,096												1,096	977	119
Total	138,333												138,333	129,886	8,447
Grand Totals															
SPD	123,338												123,338	122,000	1,338
TANF Child	303,384												303,384	306,805	(3,421)
TANF Adult	130,653												130,653	135,956	(5,303)
LTC	3,257												3,257	3,313	(56)
MCE	331,276												331,276	318,012	13,264
WCM	11,876												11,876	11,716	160
Total MediCal MM	903,784												903,784	897,802	5,982
OneCare Connect	14,203												14,203	14,663	(460)
OneCare	2,764												2,764	2,615	149
PACE	435												435	450	(15)
MSSP	466												466	568	(102)
Grand Total	921,186												921,186	915,530	5,656

*Note: Grand Total does not include MSSP

ENROLLMENT:

Overall, July enrollment was 921,186

- Favorable to budget 5,656 or 0.6%
- Increased 6,540 or 0.7% from Prior Month (PM) (June 2022)
- Increased 73,772 or 8.7% from Prior Year (PY) (July 2021)

Medi-Cal enrollment was 903,784

- Favorable to budget 5,982 or 0.7%
 - Medi-Cal Expansion (MCE) favorable 13,264
 - Seniors and Persons with Disabilities (SPD) favorable 1,338
 - Whole Child Model (WCM) favorable 160
 - Temporary Assistance for Needy Families (TANF) unfavorable 8,724
 - Long-Term Care (LTC) unfavorable 56
- Increased 6,650 from PM

OneCare Connect enrollment was 14,203

- Unfavorable to budget 460 or 3.1%
- Decreased 212 from PM

OneCare enrollment was 2,764

- Favorable to budget 149 or 5.7%
- Increased 96 from PM

PACE enrollment was 435

- Unfavorable to budget 15 or 3.3%
- Increased 6 from PM

MSSP enrollment was 466

- Unfavorable to budget 102 or 18.0%
- No change from PM

**CalOptima Health
Medi-Cal
Statement of Revenues and Expenses
For the One Month Ending July 31, 2022**

Month				Year to Date					
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance	
903,784	897,802	5,982	0.7%	Member Months	903,784	897,802	5,982	0.7%	
Revenues									
286,095,840	297,116,357	(11,020,517)	(3.7%)	Medi-Cal Capitation Revenue	286,095,840	297,116,357	(11,020,517)	(3.7%)	
286,095,840	297,116,357	(11,020,517)	(3.7%)	Total Operating Revenue	286,095,840	297,116,357	(11,020,517)	(3.7%)	
Medical Expenses									
101,700,663	106,735,505	5,034,842	4.7%	Provider Capitation	101,700,663	106,735,505	5,034,842	4.7%	
68,159,370	68,421,185	261,815	0.4%	Facilities Claims	68,159,370	68,421,185	261,815	0.4%	
39,003,533	40,230,744	1,227,211	3.1%	Professional Claims	39,003,533	40,230,744	1,227,211	3.1%	
52,580,353	48,325,233	(4,255,120)	(8.8%)	MLTSS	52,580,353	48,325,233	(4,255,120)	(8.8%)	
(108,717)	-	108,717	0.0%	Prescription Drugs	(108,717)	-	108,717	0.0%	
4,338,535	4,694,188	355,653	7.6%	Incentive Payments	4,338,535	4,694,188	355,653	7.6%	
4,594,790	6,749,174	2,154,384	31.9%	Medical Management	4,594,790	6,749,174	2,154,384	31.9%	
1,149,073	1,574,072	424,999	27.0%	Other Medical Expenses	1,149,073	1,574,072	424,999	27.0%	
271,417,600	276,730,101	5,312,501	1.9%	Total Medical Expenses	271,417,600	276,730,101	5,312,501	1.9%	
14,678,240	20,386,256	(5,708,016)	(28.0%)	Gross Margin	14,678,240	20,386,256	(5,708,016)	(28.0%)	
Administrative Expenses									
9,091,927	9,527,547	435,620	4.6%	Salaries, Wages & Employee Benefits	9,091,927	9,527,547	435,620	4.6%	
465,197	840,460	375,263	44.6%	Professional Fees	465,197	840,460	375,263	44.6%	
751,177	1,029,845	278,668	27.1%	Purchased Services	751,177	1,029,845	278,668	27.1%	
427,226	383,818	(43,408)	(11.3%)	Printing & Postage	427,226	383,818	(43,408)	(11.3%)	
350,477	525,000	174,523	33.2%	Depreciation & Amortization	350,477	525,000	174,523	33.2%	
1,697,630	2,409,121	711,491	29.5%	Other Operating Expenses	1,697,630	2,409,121	711,491	29.5%	
(441,793)	(325,660)	116,133	35.7%	Indirect Cost Allocation, Occupancy	(441,793)	(325,660)	116,133	35.7%	
12,341,841	14,390,131	2,048,290	14.2%	Total Administrative Expenses	12,341,841	14,390,131	2,048,290	14.2%	
Operating Tax									
15,238,036	16,034,786	(796,750)	5.0%	Tax Revenue	15,238,036	16,034,786	(796,750)	5.0%	
15,239,583	16,034,786	795,203	5.0%	Tax Expense	15,239,583	16,034,786	795,203	5.0%	
(1,548)	-	(1,548)	0.0%	Total Operating Tax	(1,548)	-	(1,548)	0.0%	
Grant Income									
-	-	-	0.0%	Grant Revenue	-	-	-	0.0%	
863,636	-	(863,636)	0.0%	Grant Expense	863,636	-	(863,636)	0.0%	
(863,636)	-	(863,636)	0.0%	Total Grant Income	(863,636)	-	(863,636)	0.0%	
18,363	-	18,363	0.0%	Other Income	18,363	-	18,363	0.0%	
1,489,577	5,996,125	(4,506,548)	(75.2%)	Change in Net Assets	1,489,577	5,996,125	(4,506,548)	(75.2%)	
94.9%	93.1%	1.7%		Medical Loss Ratio	94.9%	93.1%	1.7%		
4.3%	4.8%	0.5%		Admin Loss Ratio	4.3%	4.8%	0.5%		

MEDI-CAL INCOME STATEMENT– JULY MONTH:

REVENUES of \$286.1 million are unfavorable to budget \$11.0 million driven by:

- Favorable volume related variance of \$2.0 million
- Unfavorable price related variance of \$13.0 million
 - \$6.5 million of Proposition 56 risk corridor reserve
 - \$5.3 million due to COVID-19 risk corridor estimates
 - \$1.8 million due to Enhanced Care Management (ECM) risk corridor estimates

MEDICAL EXPENSES of \$271.4 million are favorable to budget \$5.3 million driven by:

- Unfavorable volume related variance of \$1.8 million
- Favorable price related variance of \$7.2 million
 - Provider Capitation expense favorable variance of \$5.7 million due to Proposition 56 estimates
 - Medical Management expense favorable variance of \$2.2 million
 - Professional Claims expense favorable variance of \$1.5 million
 - Offset by Managed Long-Term Services and Supports (MLTSS) expense unfavorable variance of \$3.9 million due to Incurred But Not Reported (IBNR) claims

ADMINISTRATIVE EXPENSES of \$12.3 million are favorable to budget \$2.0 million driven by:

- Other Non-Salary expense favorable to budget \$1.6 million
- Salaries & Benefit expense favorable to budget \$0.4 million

CHANGE IN NET ASSETS is \$1.5 million for the month, unfavorable to budget \$4.5 million

CalOptima Health
OneCare Connect - Total
Statement of Revenue and Expenses
For the One Month Ending July 31, 2022

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
14,203	14,663	(460)	(3.1%)	Member Months	14,203	14,663	(460)	(3.1%)
				Revenues				
2,740,325	2,856,706	(116,381)	(4.1%)	Medi-Cal Revenue	2,740,325	2,856,706	(116,381)	(4.1%)
18,024,695	19,806,216	(1,781,521)	(9.0%)	Medicare Part C Revenue	18,024,695	19,806,216	(1,781,521)	(9.0%)
6,745,765	5,525,908	1,219,857	22.1%	Medicare Part D Revenue	6,745,765	5,525,908	1,219,857	22.1%
27,510,785	28,188,830	(678,045)	(2.4%)	Total Operating Revenue	27,510,785	28,188,830	(678,045)	(2.4%)
				Medical Expenses				
11,660,428	11,681,404	20,976	0.2%	Provider Capitation	11,660,428	11,681,404	20,976	0.2%
3,960,065	4,142,304	182,239	4.4%	Facilities Claims	3,960,065	4,142,304	182,239	4.4%
1,308,965	1,208,722	(100,243)	(8.3%)	Ancillary	1,308,965	1,208,722	(100,243)	(8.3%)
1,617,884	1,499,473	(118,411)	(7.9%)	MLTSS	1,617,884	1,499,473	(118,411)	(7.9%)
6,518,242	6,393,662	(124,580)	(1.9%)	Prescription Drugs	6,518,242	6,393,662	(124,580)	(1.9%)
375,694	557,477	181,783	32.6%	Incentive Payments	375,694	557,477	181,783	32.6%
1,016,723	1,396,429	379,706	27.2%	Medical Management	1,016,723	1,396,429	379,706	27.2%
26,458,001	26,879,471	421,470	1.6%	Total Medical Expenses	26,458,001	26,879,471	421,470	1.6%
1,052,783	1,309,359	(256,576)	(19.6%)	Gross Margin	1,052,783	1,309,359	(256,576)	(19.6%)
				Administrative Expenses				
632,871	912,879	280,008	30.7%	Salaries, Wages & Employee Benefits	632,871	912,879	280,008	30.7%
(9,574)	20,833	30,407	146.0%	Professional Fees	(9,574)	20,833	30,407	146.0%
103,380	109,606	6,226	5.7%	Purchased Services	103,380	109,606	6,226	5.7%
28,598	67,512	38,914	57.6%	Printing & Postage	28,598	67,512	38,914	57.6%
177	6,096	5,919	97.1%	Other Operating Expenses	177	6,096	5,919	97.1%
722,920	722,920	-	0.0%	Indirect Allocation, Occupancy	722,920	722,920	-	0.0%
1,478,373	1,839,846	361,473	19.6%	Total Administrative Expenses	1,478,373	1,839,846	361,473	19.6%
(425,590)	(530,487)	104,897	19.8%	Change in Net Assets	(425,590)	(530,487)	104,897	19.8%
96.2%	95.4%	0.8%		Medical Loss Ratio	96.2%	95.4%	0.8%	
5.4%	6.5%	1.2%		Admin Loss Ratio	5.4%	6.5%	1.2%	

ONECARE CONNECT INCOME STATEMENT – JULY MONTH:

REVENUES of \$27.5 million are unfavorable to budget \$0.7 million driven by:

- Unfavorable volume related variance of \$0.9 million
- Favorable price related variance of \$0.2 million

MEDICAL EXPENSES of \$26.5 million are favorable to budget \$0.4 million driven by:

- Favorable volume related variance of \$0.8 million
- Unfavorable price related variance of \$0.4 million

ADMINISTRATIVE EXPENSES of \$1.5 million are favorable to budget \$0.4 million

CHANGE IN NET ASSETS is **(\$0.4)** million, favorable to budget \$0.1 million

**CalOptima Health
OneCare
Statement of Revenues and Expenses
For the One Month Ending July 31, 2022**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
2,764	2,615	149	5.7%	Member Months	2,764	2,615	149	5.7%
				Revenues				
2,179,210	2,050,898	128,312	6.3%	Medicare Part C Revenue	2,179,210	2,050,898	128,312	6.3%
1,264,928	1,032,731	232,197	22.5%	Medicare Part D Revenue	1,264,928	1,032,731	232,197	22.5%
3,444,138	3,083,629	360,509	11.7%	Total Operating Revenue	3,444,138	3,083,629	360,509	11.7%
				Medical Expenses				
887,832	755,218	(132,614)	(17.6%)	Provider Capitation	887,832	755,218	(132,614)	(17.6%)
763,560	1,218,695	455,135	37.3%	Inpatient	763,560	1,218,695	455,135	37.3%
192,018	94,497	(97,521)	(103.2%)	Ancillary	192,018	94,497	(97,521)	(103.2%)
966,800	1,150,660	183,860	16.0%	Prescription Drugs	966,800	1,150,660	183,860	16.0%
(5,751)	24,924	30,675	123.1%	Incentive Payments	(5,751)	24,924	30,675	123.1%
31,734	108,351	76,617	70.7%	Medical Management	31,734	108,351	76,617	70.7%
2,836,193	3,352,345	516,152	15.4%	Total Medical Expenses	2,836,193	3,352,345	516,152	15.4%
607,945	(268,716)	876,661	326.2%	Gross Margin	607,945	(268,716)	876,661	326.2%
				Administrative Expenses				
127,954	125,477	(2,477)	(2.0%)	Salaries, Wages & Employee Benefits	127,954	125,477	(2,477)	(2.0%)
53,785	24,583	(29,202)	(118.8%)	Professional Fees	53,785	24,583	(29,202)	(118.8%)
12,899	14,693	1,794	12.2%	Purchased Services	12,899	14,693	1,794	12.2%
6,018	41,767	35,749	85.6%	Printing & Postage	6,018	41,767	35,749	85.6%
108,660	108,660	-	0.0%	Indirect Allocation, Occupancy	108,660	108,660	-	0.0%
309,315	315,180	5,865	1.9%	Total Administrative Expenses	309,315	315,180	5,865	1.9%
298,631	(583,896)	882,527	151.1%	Change in Net Assets	298,631	(583,896)	882,527	151.1%
82.3%	108.7%	(26.4%)		<i>Medical Loss Ratio</i>	82.3%	108.7%	(26.4%)	
9.0%	10.2%	1.2%		<i>Admin Loss Ratio</i>	9.0%	10.2%	1.2%	

**CalOptima Health
PACE
Statement of Revenues and Expenses
For the One Month Ending July 31, 2022**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
435	450	(15)	(3.3%)	Member Months	435	450	(15)	-3.3%
				Revenues				
2,778,177	2,856,370	(78,193)	(2.7%)	Medi-Cal Capitation Revenue	2,778,177	2,856,370	(78,193)	(2.7%)
658,097	690,371	(32,274)	(4.7%)	Medicare Part C Revenue	658,097	690,371	(32,274)	(4.7%)
164,499	191,371	(26,872)	(14.0%)	Medicare Part D Revenue	164,499	191,371	(26,872)	(14.0%)
3,600,772	3,738,112	(137,340)	(3.7%)	Total Operating Revenue	3,600,772	3,738,112	(137,340)	(3.7%)
				Medical Expenses				
859,092	1,103,603	244,511	22.2%	Medical Management	859,092	1,103,603	244,511	22.2%
986,168	891,494	(94,674)	(10.6%)	Facilities Claims	986,168	891,494	(94,674)	(10.6%)
709,133	895,786	186,653	20.8%	Professional Claims	709,133	895,786	186,653	20.8%
382,422	379,003	(3,419)	(0.9%)	Prescription Drugs	382,422	379,003	(3,419)	(0.9%)
222,906	65,345	(157,561)	(241.1%)	MLTSS	222,906	65,345	(157,561)	(241.1%)
125,568	185,810	60,242	32.4%	Patient Transportation	125,568	185,810	60,242	32.4%
5,438	5,729	292	5.1%	Incentive Payments	5,438	5,729	292	5.1%
3,290,726	3,526,770	236,044	6.7%	Total Medical Expenses	3,290,726	3,526,770	236,044	6.7%
310,046	211,342	98,704	46.7%	Gross Margin	310,046	211,342	98,704	46.7%
				Administrative Expenses				
138,553	174,448	35,895	20.6%	Salaries, Wages & Employee Benefits	138,553	174,448	35,895	20.6%
-	412	412	100.0%	Professional Fees	-	412	412	100.0%
50,282	43,680	(6,602)	(15.1%)	Purchased Services	50,282	43,680	(6,602)	(15.1%)
5,398	20,234	14,836	73.3%	Printing & Postage	5,398	20,234	14,836	73.3%
539	900	361	40.1%	Depreciation & Amortization	539	900	361	40.1%
5,453	10,072	4,619	45.9%	Other Operating Expenses	5,453	10,072	4,619	45.9%
8,696	12,468	3,772	30.3%	Indirect Cost Allocation, Occupancy	8,696	12,468	3,772	30.3%
208,920	262,214	53,294	20.3%	Total Administrative Expenses	208,920	262,214	53,294	20.3%
101,126	(50,872)	151,998	298.8%	Change in Net Assets	101,126	(50,872)	151,998	298.8%
91.4%	94.3%	(3.0%)		Medical Loss Ratio	91.4%	94.3%	(3.0%)	
5.8%	7.0%	1.2%		Admin Loss Ratio	5.8%	7.0%	1.2%	

CalOptima Health
Multipurpose Senior Services Program
Statement of Revenues and Expenses
For the One Month Ending July 31, 2022

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
466	568	(102)	(18.0%)	Member Months	466	568	(102)	(18.0%)
				Revenues				
266,945	253,517	13,428	5.3%	Medi-Cal Revenue	266,945	253,517	13,428	5.3%
266,945	253,517	13,428	5.3%	Total Operating Revenue	266,945	253,517	13,428	5.3%
				Medical Expenses				
144,875	166,522	21,647	13.0%	Medical Management	144,875	166,522	21,647	13.0%
23,787	32,958	9,171	27.8%	Waived Services	23,787	32,958	9,171	27.8%
144,875	166,522	21,647	13.0%	Total Medical Management	144,875	166,522	21,647	13.0%
23,787	32,958	9,171	27.8%	Total Waived Services	23,787	32,958	9,171	27.8%
168,662	199,480	30,818	15.4%	Total Program Expenses	168,662	199,480	30,818	15.4%
98,283	54,037	44,246	81.9%	Gross Margin	98,283	54,037	44,246	81.9%
				Administrative Expenses				
80,747	79,321	(1,426)	(1.8%)	Salaries, Wages & Employee Benefits	80,747	79,321	(1,426)	(1.8%)
1,333	1,333	(0)	(0.0%)	Professional Fees	1,333	1,333	(0)	(0.0%)
5,694	9,148	3,454	37.8%	Other Operating Expenses	5,694	9,148	3,454	37.8%
6,550	6,550	-	0.0%	Indirect Allocation, Occupancy	6,550	6,550	-	0.0%
94,325	96,352	2,027	2.1%	Total Administrative Expenses	94,325	96,352	2,027	2.1%
3,958	(42,315)	46,273	109.4%	Change in Net Assets	3,958	(42,315)	46,273	109.4%
63.2%	78.7%	(15.5%)		Medical Loss Ratio	63.2%	78.7%	(15.5%)	
35.3%	38.0%	2.7%		Admin Loss Ratio	35.3%	38.0%	2.7%	

CalOptima Health
Building 505 - City Parkway
Statement of Revenues and Expenses
For the One Month Ending July 31, 2022

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				Revenues				
-	-	-	0.0%	Rental Income	-	-	-	0.0%
-	-	-	0.0%	Total Operating Revenue	-	-	-	0.0%
				Administrative Expenses				
38,335	55,650	17,315	31.1%	Purchased Service	38,335	55,650	17,315	31.1%
209,850	224,250	14,400	6.4%	Depreciation & Amortization	209,850	224,250	14,400	6.4%
20,875	22,500	1,625	7.2%	Insurance Expense	20,875	22,500	1,625	7.2%
102,222	138,755	36,533	26.3%	Repair & Maintenance	102,222	138,755	36,533	26.3%
90,553	48,405	(42,148)	(87.1%)	Other Operating Expense	90,553	48,405	(42,148)	(87.1%)
(461,835)	(489,560)	(27,725)	(5.7%)	Indirect Allocation, Occupancy	(461,835)	(489,560)	(27,725)	(5.7%)
-	-	-	0.0%	Total Administrative Expenses	-	-	-	0.0%
-	-	-	0.0%	Change in Net Assets	-	-	-	0.0%

CalOptima Health
Building 500 - City Parkway
Statement of Revenues and Expenses
For the One Month Ending July 31, 2022

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				Revenues				
217,794	172,500	45,294	26.3%	Rental Income	217,794	172,500	45,294	26.3%
217,794	172,500	45,294	26.3%	Total Operating Revenue	217,794	172,500	45,294	26.3%
				Administrative Expenses				
-	-	-	0.0%	Professional Fees	-	-	-	0.0%
10,202	13,333	3,131	23.5%	Purchased Services	10,202	13,333	3,131	23.5%
-	-	-	0.0%	Depreciation & amortization	-	-	-	0.0%
-	2,733	2,733	100.0%	Insurance Expense	-	2,733	2,733	100.0%
40,781	25,666	(15,115)	-58.9%	Repair & Maintenance	40,781	25,666	(15,115)	-58.9%
41,548	39,933	(1,615)	-4.0%	Other Operating Expense	41,548	39,933	(1,615)	-4.0%
-	-	-	0.0%	Indirect Allocation, Ocucpancy	-	-	-	0.0%
92,532	81,665	(10,867)	(13.3%)	Total Administrative Expenses	92,532	81,665	(10,867)	(13.3%)
125,262	90,835	34,427	37.9%	Change in Net Assets	125,262	90,835	34,427	37.9%

OTHER INCOME STATEMENTS – JULY MONTH:

ONECARE INCOME STATEMENT

CHANGE IN NET ASSETS is \$0.3 million, favorable to budget \$0.9 million

PACE INCOME STATEMENT

CHANGE IN NET ASSETS is \$0.1 million, favorable to budget \$0.2 million

BUILDING 500

CHANGE IN NET ASSETS is \$0.1 million, favorable to budget \$34,427

CalOptima Health
Balance Sheet
July 31, 2022

ASSETS

Current Assets	
Operating Cash	\$920,682,935
Short-term Investments	934,288,074
Capitation receivable	259,306,661
Receivables - Other	73,803,370
Prepaid expenses	25,064,275

Total Current Assets	2,213,145,315
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Capital Assets	
Furniture & Equipment	48,105,334
Building/Leasehold Improvements	5,059,408
Construction in Progress	3,382,491
505 City Parkway West	52,373,356
500 City Parkway West	22,631,500
	131,552,089
Less: Accumulated Depreciation	(64,896,854)
Capital assets, net	66,655,235

Other Assets	
Restricted Deposit & Other	300,000
Homeless Health Reserve	40,636,739
Board-designated assets:	
Cash and Cash Equivalents	10,428,752
Investments	562,972,347
Total Board-designated Assets	573,401,100
Total Other Assets	614,337,839

TOTAL ASSETS	2,894,138,389
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Deferred Outflows	
Contributions	1,931,845
Difference in Experience	2,353,671
Excess Earning	-
Changes in Assumptions	2,325,077
OPEB 75 Changes in Assumptions	2,486,000
Pension Contributions	529,000

TOTAL ASSETS & DEFERRED OUTFLOWS	2,903,763,982
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LIABILITIES & NET POSITION

Current Liabilities	
Accounts Payable	\$25,537,345
Medical Claims liability	1,174,838,168
Accrued Payroll Liabilities	20,288,072
Deferred Revenue	8,531,686
Deferred Lease Obligations	89,166
Capitation and Withholds	193,529,485

Total Current Liabilities	1,422,813,922
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Other (than pensions) post employment benefits liability	22,221,963
Net Pension Liabilities	251,405
Bldg 505 Development Rights	-
GASB Liability	-

TOTAL LIABILITIES	1,445,287,290
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Deferred Inflows	
Excess Earnings	686,563
OPEB 75 Difference in Experience	4,822,000
Change in Assumptions	1,909,305
OPEB Changes in Assumptions	3,389,000

Net Position	
TNE	105,981,205
Funds in Excess of TNE	1,341,688,619

TOTAL NET POSITION	1,447,669,824
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TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	2,903,763,982
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CalOptima Health
Board Designated Reserve and TNE Analysis
as of July 31, 2022

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	233,016,319				
	Tier 1 - MetLife	231,711,573				
Board-designated Reserve		464,727,892	342,201,460	534,279,745	122,526,433	(69,551,852)
	Tier 2 - Payden & Rygel	54,426,365				
	Tier 2 - MetLife	54,246,842				
TNE Requirement		108,673,207	105,981,205	105,981,205	2,692,002	2,692,002
	Consolidated:	573,401,100	448,182,665	640,260,950	125,218,435	(66,859,850)
	<i>Current reserve level</i>	<i>1.79</i>	<i>1.40</i>	<i>2.00</i>		

CalOptima Health
Statement of Cash Flows
July 31, 2022

	Month-To-Date
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	7,218,421
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	211,200
Changes in assets and liabilities:	
Prepaid expenses and other	(2,472,021)
Catastrophic reserves	
Capitation receivable	143,754,554
Medical claims liability	(103,177,181)
Deferred revenue	427,642
Payable to health networks	314,856
Accounts payable	(26,779,542)
Accrued payroll	438,047
Other accrued liabilities	(3,006)
Net cash provided by/(used in) operating activities	19,932,969
GASB 68 CalPERS Adjustments	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Net Asset transfer from Foundation	-
Net cash provided by (used in) in capital and related financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in Investments	80,172,429
Change in Property and Equipment	(2,399)
Change in Restricted Deposit & Other	51
Change in Board designated reserves	(2,909,459)
Change in Homeless Health Reserve	-
Net cash provided by/(used in) investing activities	77,260,621
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	97,193,590
CASH AND CASH EQUIVALENTS, beginning of period	\$823,489,344
CASH AND CASH EQUIVALENTS, end of period	920,682,935

BALANCE SHEET – JULY MONTH:

ASSETS of \$2.9 billion decreased \$121.6 million from June or 4.0%

- Capitation Receivables decreased \$145.9 million due to the reclassification of the Department of Health Care Services (DHCS) overpayments from claims liability
- Operating Cash and Investments net increase of \$17.0 million is due to payment timing variability

LIABILITIES of \$1.4 billion decreased \$128.8 million from June or 8.2%

- Claims Liabilities decreased \$103.2 million due to timing of claim payments, changes in IBNR, and reclass of DHCS payments received to capitation receivable
- Accounts Payable decreased \$26.8 million due to the timing of payments for the quarterly premium tax

NET ASSETS of \$1.4 billion, increased \$7.2 million from June or 0.5%

**CalOptima Health - Consolidated
Net Assets Analysis
For the One Month Ended July 31, 2022**

Category	Item Description	Resource Committed	Amount (millions)	%
	Total Net Position @ 07/31/2022:		\$1,447.7	100.0%
Resources Assigned:	Board Designated Reserve		573.4	39.6%
	Capital Assets, net of depreciation		66.7	4.6%
Resources Allocated, not yet Spent:	Homeless Health Initiative*	\$100.0	\$25.2	1.7%
	Intergovernmental Transfers (IGT)	111.7	18.3	1.3%
	Mind OC Grant	1.0	0.0	0.0%
	CalFresh Outreach Strategy	2.0	1.6	0.1%
	Digital Transformation and Workplace Modernization	100.0	100.0	6.9%
	Coalition of Orange County Community Health Centers Grant	50.0	40.0	2.8%
	Subtotal:	\$364.7	\$185.1	12.8%
Resources Available for New Initiatives:	Homeless Health Initiative		40.6	
	Intergovernmental Transfers (IGT)		32.9	
	Unallocated/Unassigned		549.0	
	Subtotal:		\$622.5	43.0%

*See Summary of Homeless Health Initiatives and Allocated Funds for list of Board approved initiatives

CalOptima Health
Digital Transformation Strategy (\$100 million total reserve)
Funding Balance Tracking Summary
For the One Month Ended July 31, 2022

	FY 2022-23 Month-to-Date				FY 2022-23 Year-to-Date			
	Actual Spend	Approved Budget	Variance \$	Variance %	Actual Spend	Approved Budget	Variance \$	Variance %
Capital Assets (Cost, Information Only):								
I&O	-	7,379,000	7,379,000	100.0%	-	7,379,000	7,379,000	100.0%
Application Product Development and Support	-	5,589,000	5,589,000	100.0%	-	5,589,000	5,589,000	100.0%
Application Management	-	-	-	0.0%	-	-	-	0.0%
Total Capital Assets	-	12,968,000	12,968,000	100.0%	-	12,968,000	12,968,000	100.0%

Operating Expenses:								
Salaries, Wages & Benefits								
I&O	-	52,237	52,237	100.0%	-	52,237	52,237	100.0%
Application Product Development and Support	-	38,577	38,577	100.0%	-	38,577	38,577	100.0%
Application Management	-	73,667	73,667	100.0%	-	73,667	73,667	100.0%
Total Salaries, Wages & Benefits	-	164,481	164,481	100.0%	-	164,481	164,481	100.0%
Professional Fees								
I&O	-	20,833	20,833	100.0%	-	20,833	20,833	100.0%
Application Product Development and Support	-	129,000	129,000	100.0%	-	129,000	129,000	100.0%
Application Management	-	36,208	36,208	100.0%	-	36,208	36,208	100.0%
Total Professional Fees	-	186,041	186,041	100.0%	-	186,041	186,041	100.0%
Purchased Services								
I&O	-	13,333	13,333	100.0%	-	13,333	13,333	100.0%
Application Product Development and Support	-	-	-	0.0%	-	-	-	0.0%
Application Management	-	-	-	0.0%	-	-	-	0.0%
Total Purchased Services	-	13,333	13,333	100.0%	-	13,333	13,333	100.0%
Depreciation Expenses								
I&O	-	-	-	0.0%	-	-	-	0.0%
Application Product Development and Support	-	-	-	0.0%	-	-	-	0.0%
Application Management	-	-	-	0.0%	-	-	-	0.0%
Total Depreciation Expenses	-	-	-	0.0%	-	-	-	0.0%
Other Expenses								
I&O	-	248,500	248,500	100.0%	-	248,500	248,500	100.0%
Application Product Development and Support	-	19,415	19,415	100.0%	-	19,415	19,415	100.0%
Application Management	-	6,450	6,450	100.0%	-	6,450	6,450	100.0%
Total Other Expenses	-	274,365	274,365	100.0%	-	274,365	274,365	100.0%
Total Operating Expenses	-	638,220	638,220	100.0%	-	638,220	638,220	100.0%

Funding Balance Tracking:	Actual Spend	Approved Budget
Beginning Funding Balance	100,000,000	100,000,000
Less:		
FY2022-23	-	45,173,113
FY2023-24		
FY2024-25		
Ending Funding Balance	100,000,000	54,826,887

Summary of Homeless Health Initiatives and Allocated Funds As of July 31, 2022

	Amount
Program Commitment	\$ 100,000,000
 Funds Allocation, approved initiatives:	
Enhanced Medi-Cal Services at the Be Well OC Regional Mental Health and Wellness Campus	11,400,000
Recuperative Care	8,250,000
Medical Respite	250,000
Day Habilitation (County for HomeKey)	2,500,000
Clinical Field Team Start-up & Federal Qualified Health Center (FQHC)	1,600,000
CalOptima Homeless Response Team	6,000,000
Homeless Coordination at Hospitals	10,000,000
CalOptima Days & QI Program - Homeless Clinic Access Program or HCAP	1,693,261
FQHC (Community Health Center) Expansion and HHI Support	570,000
HCAP Expansion for Telehealth and CFT On Call Days	1,700,000
Vaccination Intervention and Member Incentive Strategy	400,000
Street Medicine	8,000,000
Outreach and Engagement Team	7,000,000
Funds Allocation Total	\$ 59,363,261
 Program Commitment Balance, available for new initiatives*	 \$ 40,636,739

On June 27, 2019 at a Special Board meeting, the Board approved four funding categories.

This report only lists Board approved projects.

* Funding sources of the remaining balance are IGT8 and CalOptima's operating income, which must be used for Medi-Cal covered services for the Medi-Cal population

**Budget Allocation Changes
Reporting Changes for July 2022**

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	No budget reallocations for July					2022-23

This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$100,000.
This is the result of Board Resolution No. 12-0301-01 which permits the CEO to make budget allocation changes within certain parameters.

Board of Directors Meeting September 1, 2022

Monthly Compliance Report

The purpose of this report is to provide compliance updates to CalOptima Health's Board of Directors including, but not limited to, updates on internal and health network monitoring and audits conducted by CalOptima's Audit & Oversight department, regulatory audits, privacy updates, fraud, waste, and abuse (FWA) updates, and any notices of non-compliance or enforcement action issued by regulators.

A. Updates on Regulatory Audits

1. OneCare and OneCare Connect

- 2021 CMS Program Audit/Independent Validation Audit (IVA) (applicable to OneCare and OneCare Connect):
 - *CalOptima is pending CMS' review and feedback on the IVA report.*
- Compliance Program Effectiveness (CPE) Audit (applicable to OneCare):
 - CMS (Medicare) requires CalOptima Health to undergo an independent audit of the effectiveness of its Compliance program on an annual basis.
 - Results are to be shared with its governing body.
 - CalOptima Health has engaged an independent consultant to conduct a CPE audit.
 - The audit will be conducted August through November 2022.
 - CPE audit results are used internally for evaluation and improvement (as needed) of the CalOptima Health Compliance program.

2. Medi-Cal

- 2024 Managed Care Plan (MCP) Operational Readiness Contract:

Update: CalOptima on-track to submit deliverables by August 12, 2022. On-track for all remaining deliverables.

Background – FYI Only

Throughout CY 2022 and CY 2023, MCPs, including CalOptima will be required to submit a series of contract readiness deliverables to DHCS for review and approval. Staff will implement the broad operational changes and contractual

requirements outlined in the Operational Readiness agreement to ensure compliance with all requirements by the January 1, 2024 contract effective date.

- 2021 DHCS Medical Audit:

Update: Draft report and exit conference pending.

Background – FYI Only

- Audit engagement notice received on October 7, 2021.
 - Review period was February 1, 2020 through December 31, 2021.
 - Scope:
 - Non-Seniors and Persons with Disabilities and SPD members.
 - Utilization management, case management and coordination of care, member's rights, quality management, access & availability, and administrative and organizational capacity.
 - DHCS selected Kaiser, Prospect, and FCMG to participate in various capacities.
 - Exit conference: February 4, 2022. DHCS discussed preliminary observations.
 - ***In partnership with the business areas, the Office of Compliance has worked to address preliminary observations, as appropriate.***
- 2022 Managed Care Entity (MCE) Program Integrity Review:

Update: Pending feedback or request from CMS or DHCS.

Background – FYI Only

- April 13, 2022, the DHCS notified CalOptima that it had been selected to provide feedback to the Centers for Medicare and Medicaid Services (CMS) in respect to CalOptima's internal Program Integrity (PI) efforts that are in place to ensure adequate oversight as well as to deter and address fraud, waste, and abuse (FWA).
 - Review period was the preceding 3 Federal Fiscal Year (FFYs).
 - Focused on CalOptima's Medi-Cal program. DHCS requested that CalOptima respond to a series of questions within the CMS Template and submit responses and supporting documentation to DHCS, which DHCS would then submit to CMS.
 - May 4, 2022, CalOptima provided its timely response to DHCS.
- 2022 Department of Managed Care (DMHC) Routine Examination:

Update: Final Report received. CAP accepted; audit closed.

Background – FYI Only

- Audit engagement notice received on February 9, 2022 for the 2022 DMHC Routine Examination.
 - Examination is routine and occurs every three (3) years.
- Scope included CalOptima's fiscal and administrative affairs and included an examination of CalOptima's financial reports.

- Exit conference: June 7, 2022
 - ***The Preliminary Report included one (1) deficiency relative to a required simple language change regarding DMHC notification in the event of cancellation of the fidelity bond.*** CalOptima did not rebut the finding, and responded to DMHC accordingly on June 30, 2022, ahead of the July 22nd deadline
 - ***On July 15, 2022, CalOptima received its Final Report which confirmed DMHC's acceptance to CalOptima's plan of action to correct the sole deficiency.*** CalOptima has reached agreement with DMHC with respect to the language changes to the fidelity bond and the timing of the changes. Once the changes have been made to the fidelity bond language, CalOptima will provide an updated copy to DMHC.
- The DMHC will publish CalOptima's Final Report on its public website. A copy of the Final Report has been made available to CalOptima's Board of Director Chairman. ***This audit is considered closed.***

B. Regulatory Notices of Non-Compliance

- CalOptima did not receive any notices of non-compliance from its regulators for the month of July 2022.

C. Updates on Internal and Health Network Monitoring and Audits

- Internal Audits:

Medi-Cal Customer Service Internal Audit

CalOptima's Audit and Oversight (A&O) department completed an internal audit on the following departments for the Medi-Cal line of business to assess their compliance with universe submission, validation of case documentation and timeliness standards:

- Customer Service
- Grievances and Appeals (GARS)
- Pharmacy
- Quality Improvement
- Utilization Management

Review Period: September 1, 2021- April 30, 2022

Audit tools and elements were derived from accrediting, regulatory and CalOptima contractual standards. For areas that scored below the 95% threshold, A&O issued a corrective action plan (CAP) request and is actively working with each department to remediate findings.

Customer Service (Call Inquiry and Exempt Grievances)

Measures	Files Reviewed	Compliant Files	Non-Compliant Files	Compliance Score
Inquiry (Call Logs)				
Misclassified	30	29	1	96.67%
File Review	29	27	2	93.10%
Universe	30	29	1	96.67%
Exempt Grievances				
Misclassified	30	30	0	100%
File Review	30	27	3	90%
Universe	30	29	1	96.67%

GARS (Appeals)

Measures	Files Reviewed	Compliant Files	Non-Compliant Files	Compliance Score
Appeals (Standard)				
Classification Score	15	15	0	100%
Standard Appeals Acknowledged ≤ 5 Calendar Days of Receipt	15	14	1	93.33%
Language Preference	15	13	2	86.67%
Appeals Involving Denied Medical Necessity	15	15	0	100%
Effectuation Timeliness	4	4	0	100%
Oral Notice of expedited appeal resolution	N/A	N/A	N/A	N/A
Member Notice Content	15	15	0	100%
Resolution of Appeals Resolved ≤ 30 Calendar Days of Receipt or 72 Hours Urgent	15	14	1	93.33%
Appeals (Expedited)				
Classification Score	15	15	0	100%
Standard Appeals Acknowledged ≤ 5 Calendar Days of Receipt	N/A	N/A	N/A	N/A
Language Preference	15	14	1	93.33%
Appeals Involving Denied Medical Necessity	15	13	2	86.67%
Effectuation Timeliness	4	4	0	100%
Oral Notice of expedited appeal resolution	15	9	6	60%
Member Notice Content	14	14	0	100%
Resolution of Appeals Resolved ≤ 30 Calendar Days of Receipt or 72 Hours Urgent	15	14	1	93.33%

GARS (Grievances)

Measures	Files Reviewed	Compliant Files	Non-Compliant Files	Compliance Score
Grievances (Standard)				
Universe Integrity	30	28	2	93.33%
Classification Score	30	30	0	100%
Grievance Acknowledged ≤ 5 Calendar Days of Receipt	30	30	0	100%
Language Preference	30	30	0	100%
Member Notice Content	30	25	5	83.33%
Resolution of Grievances: Standard: Resolved ≤ 30 Calendar Days of Receipt	30	28	2	93.33%
Grievances (Expedited)				
Universe Integrity	30	20	10	66.67%
Classification Score	30	30	0	100%
Expedited Grievances Verbally Acknowledged ≤ 24 Hours of Receipt	30	30	0	100%
Language Preference	30	30	0	100%
Oral Notice of Expedited Resolution	30	30	0	100%
Member Notice Content	30	25	5	83.33%
Expedited Grievances Resolved within ≤ 72 Hours of Receipt	30	29	1	96.67%

Pharmacy

Measures	Files Reviewed	Compliant Files	Non-Compliant Files	Compliance Score
Prior Authorizations (Routine)				
Universe Integrity	30	9	21*	30%*
Resolution Timeliness	30	18	12**	60%**
Provider and Member Notification Timeliness	30	30	0	100%
Clinical Decision-Making	30	29	1	97%
Processing Requirements	30	30	0	100%
Prior Authorizations (Expedited)				
Universe Integrity	30	0	30*	0%
Resolution Timeliness	30	28	2**	93%
Provider and Member Notification Timeliness	30	29	1	97%
Clinical Decision-Making	30	29	1	97%

Compliance Report
September 1, 2022

Processing Requirements	30	30	0	100%
Overall Timeliness Assessment				
Routine Resolution - less than or equal to 5 business days from receipt of all info, not to exceed 14 calendar days from receipt of request	2,487	2,108	379*	84.80%
Expedited Resolution - 72 hours from receipt of all info	1,479	1,459	20*	98.60%
Written Provider Notification TAT - within 24 hours of decision	3,966	3,955	11**	99.70%
Written Member Notification TAT - within 2 business days of decision	14 (denials only)	14	0	100%
Routine Resolution - less than or equal to 5 business days from receipt of all info, not to exceed 14 calendar days from receipt of request	2,487	2,108	379*	84.80%

Measures	Files Reviewed	Compliant Files	Non-Compliant Files	Compliance Score
Pharmacy Appeals (Standard)				
Clinical Decision-Making	7	6	1	86%
Pharmacy Appeals (Expedited)				
Clinical Decision-Making	1	1	1	100%
Timeliness Assessment - Pharmacy-Reviewed (Medical Appeals)				
Standard Appeal Resolution - within 30 calendar days of receipt	7	7	0	100%
Expedited Appeal Resolution - within 72 hours of receipt	1	1	0	100%
Acknowledgement Letter - sent to member within 5 calendar days of receipt	7	7	0	100%

Quality Improvement (Potential Quality of Care)

Measures	Files Reviewed	Compliant Files	Non-Compliant Files	Compliance Score
Potential Quality of Care (PQI)				
Universe Integrity	N/A	N/A	N/A	N/A
Timeliness	23	22	1	96%
Member Notification	20	4	16	20%
Provider Notification	23	23	0	100%
Clinical Decision Making	23	23	0	100%

Utilization Management

Measures	Files Reviewed	Compliant Files	Non-Compliant Files	Compliance Score
Post Stabilization Authorizations				
Universe Integrity	8	1	7	13%
File Classification	8	8	0	100%
Resolution Timeliness	8	5	3	63%
Provider and Member Notification Timeliness	8	1	7	13%
Clinical Decision-Making Review	8	8	0	100%
Processing Accuracy	8	8	0	100%
Written Response in Members Preferred Language	1	0	1	0%
Accuracy of Member Notice Content	1	0	1	0%

Measures	Files Reviewed	Compliant Files	Non-Compliant Files	Compliance Score
NEMT (Standard)				
Universe Integrity	30	29	1	97%
File Classification	30	29	1	97%
Resolution Timeliness	29	29	0	100%
Provider and Member Notification Timeliness	26	24	2	92%
Clinical Decision-Making Review	29	29	0	100%
Processing Accuracy	29	29	0	100%
Written Response in Members Preferred Language	1	1	0	100%
Accuracy of Member Notice Content	1	1	0	100%
NEMT (Urgent)				
Universe Integrity	30	30	0	100%
File Classification	30	30	0	100%
Resolution Timeliness	30	22	8	73%
Provider and Member Notification Timeliness	29	29	0	100%
Clinical Decision-Making Review	30	30	0	100%
Processing Accuracy	30	30	0	100%
Written Response in Members Preferred Language	0	0	0	N/A
Accuracy of Member Notice Content	0	0	0	N/A
Universe Integrity	30	30	0	100%

Utilization Management (cont.)

Measures	Files Reviewed	Compliant Files	Non-Compliant Files	Compliance Score
Prior Authorization (Standard)				
Universe Integrity	30	29	1	97%
File Classification	30	29	1	97%
Resolution Timeliness	29	29	0	100%
Provider and Member Notification Timeliness	26	24	2	92%
Clinical Decision-Making Review	29	29	0	100%
Processing Accuracy	29	29	0	100%
Written Response in Members Preferred Language	1	1	0	100%
Accuracy of Member Notice Content	1	1	0	100%
Prior Authorization (Urgent)				
Universe Integrity	30	30	0	100%
File Classification	30	30	0	100%
Resolution Timeliness	30	22	8	73%
Provider and Member Notification Timeliness	29	29	0	100%
Clinical Decision-Making Review	30	30	0	100%
Processing Accuracy	30	30	0	100%
Written Response in Members Preferred Language	0	0	0	N/A
Accuracy of Member Notice Content	0	0	0	N/A
Universe Integrity	30	30	0	100%

- Health Network Audits:

CalOptima’s Audit and Oversight (A&O) department completed annual audits on the following delegated health networks to assess their capabilities and performance with delegated activities:

- HPN-Regal Medical Group – July 1, 2021 – April 30, 2022

Audit tools and elements were derived from accrediting, regulatory and CalOptima contractual standards. For areas that scored below the 100% threshold, A&O issued a corrective action plan (CAP) request and is actively working with each health network to remediate findings.

Non-Clinical Policy Review

Delegated Entity	Access Availability	Claims	Compliance	Cultural & Linguistics	Customer Service	Grievance	Member Experience	Network Management	Provider Network Contracting	Provider Relations	Sub-Contractual
HPN-Regal	100%	100%	100%	100%	100%	N/A	N/A	N/A	98%	100%	NTR

Non-Clinical File Review

Delegated Entity	Claims, Approved	Claims, Denied	PDR' s	Customer Service	Grievance	Grievance, Exempt	Training, Provider	Training, Staff	Sub-Contractual (Delegated Entity)
HPN-Regal	94%	66%	94%	95%	N/A	N/A	0%	30%	N/A

Clinical Policy Review

Delegated Entity	Case Management	Case Management, Whole Child Model	Appeals	Medi-Cal Addendum	Quality Improvement	Utilization Management
HPN-Regal	100%	NTR	N/A	100%	N/A	100%

Clinical File Review

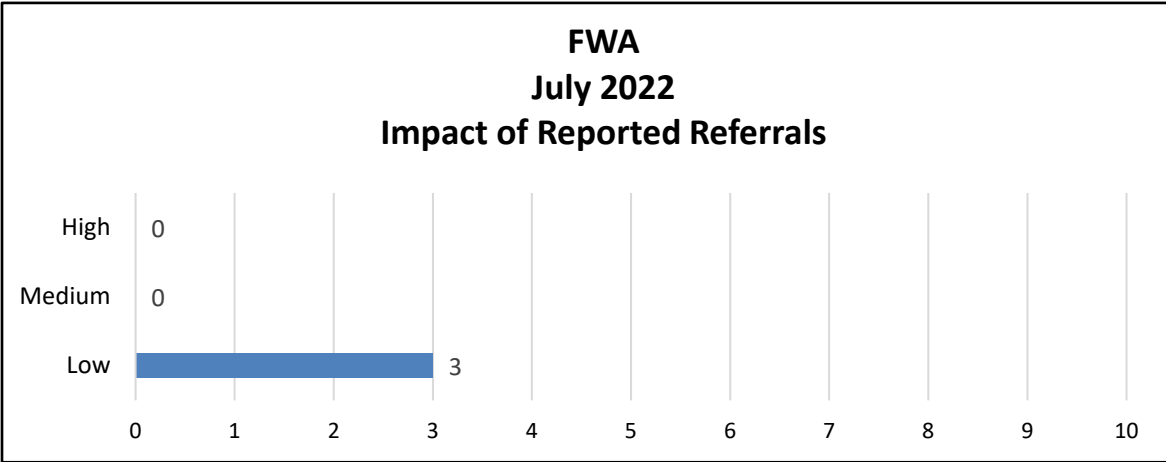
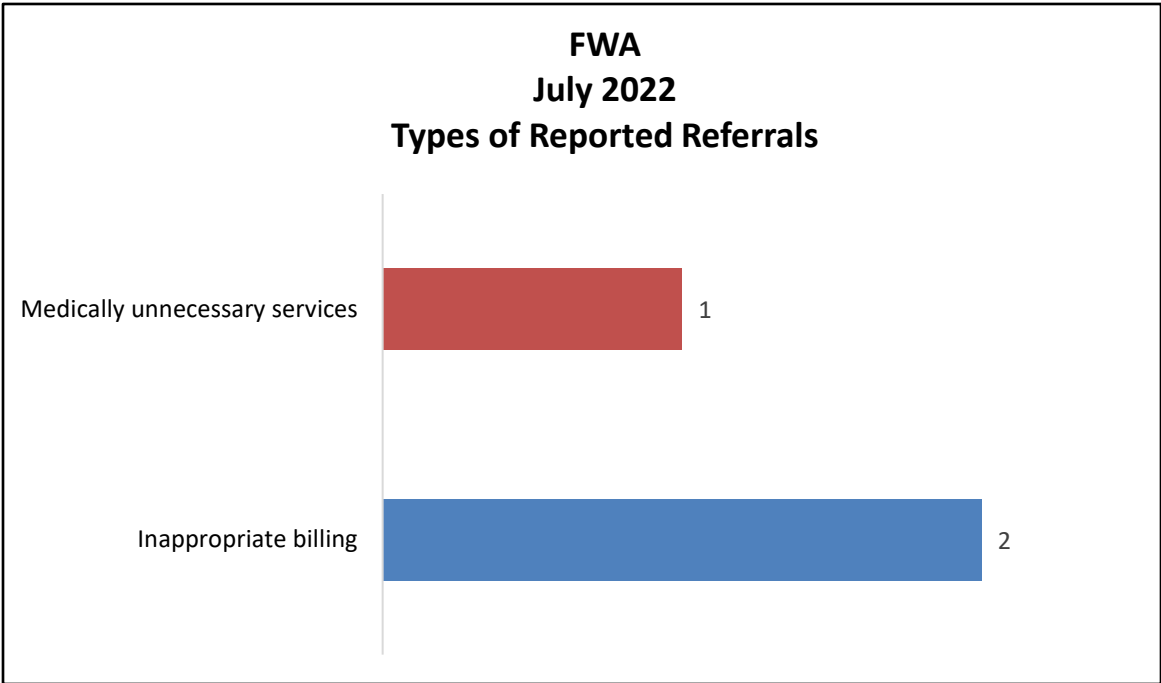
Delegated Entity	Blood Lead Screening	Case Management	Whole Child Model (MC)	Appeals (MC)	Community Support(s)	Expedited (MC)	SARAG (OCC)	NEMT (MC)	NOMNC	ODAG (OC)	PSA (MC)	Standard (MC)	Urgent Concurrent Denials (MC)
HPN-Regal	0%	35%	NTR	N/A	25%	50%	85%	100%	100%	N/A	NTR	53%	NTR

Credentialing and Recredentialing

Delegated Entity	Initial Credentialing File Review	Recredentialing File Review
HPN-Regal	95%	95%

Delegated Entity	Organizational Providers Initial File Review	Organizational Providers Recredentialing File Review
HPN-Regal	92%	88%

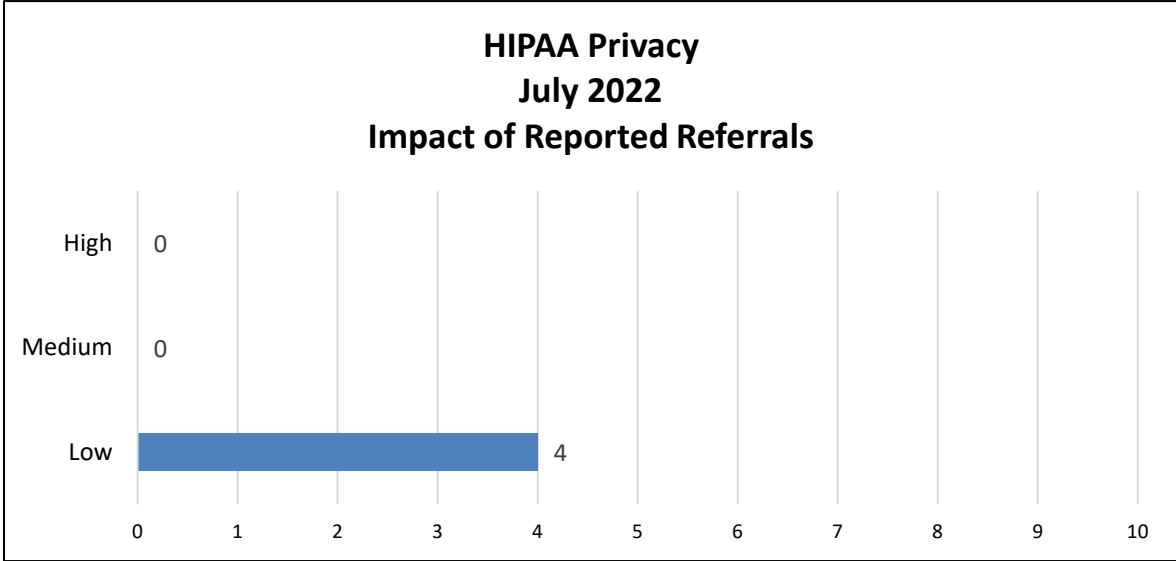
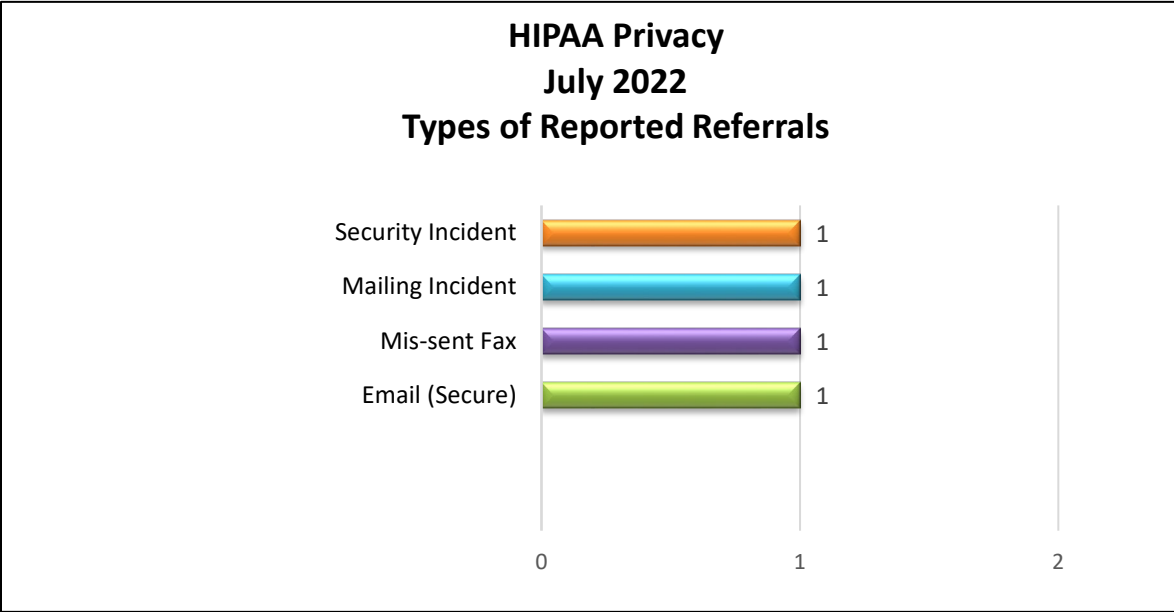
D. Fraud, Waste & Abuse (FWA) Investigations (July 2022)



Total Number of New Cases Referred to DHCS (State)	3
Total Number of New Cases Referred to DHCS and CMS*	0
Total Number of Referrals (Subjects) Reported to Regulatory Agencies	3

*Effective January 1, 2022, CMS implemented a new portal to report suspicious FWA. Any potential FWA *with impact to Medicare* is reported to both DHCS and CMS at the start of an investigation.

E. Privacy Update: (July 2022)



Total Number of Referrals Reported to DHCS (State)	4
Total Number of Referrals / Breaches Reported to DHCS and Office for Civil Rights (OCR)	0

MEMORANDUM

August 12, 2022

To: CalOptima Health

From: Potomac Partners DC & Strategic Health Care

Re: August Board of Directors Report

INFLATION REDUCTION ACT (BUDGET RECONCILIATION)

After months of negotiations, the Senate passed [H.R. 5376](#) – *Inflation Reduction Act of 2022* in a strict party-line vote. The House is expected to pass the final bill on August 12th and send to the President for signing. Democrats didn't get everything they wanted in health care, but the two largest wins are expected to benefit providers. The first is a three-year extension of the Affordable Care Act subsidies to help pay for health insurance for more than 8 million Americans. The second is a provision that will allow the Medicare program to negotiate some drug prices with pharmaceutical manufacturers. This Rx provision won't start until 2026 and will only cover a limited number of the most used drugs. An amendment to cap insulin at \$35 per month for individuals with commercial insurance failed in a close vote. A one-page summary of the bill can be found [here](#).

FISCAL YEAR 2023 APPROPRIATIONS

Senate Appropriations Committee Democrats posted their draft versions of the Fiscal Year 2023 (FY23) appropriations bills, reflecting nearly \$1.7 trillion in topline discretionary funding and essentially drafted without Republican support or involvement. Although these bills are not expected to receive any formal consideration in the Senate (at the Committee level or on the floor), they do represent Senate Democrats' opening salvo for upcoming negotiations on any final spending package for FY23. All official summaries, draft committee reports, and bill texts can be found [here](#).

Labor, Health and Human Services, Education

- **\$9.67 billion** for the Health Resources and Services Administration (HRSA), with \$951 million for the Maternal and Child Health Services Block Grant, \$318 million for nursing workforce development programs, and \$1.9 billion for Community Health Centers.

- **\$10.5 billion** for the Center for Disease Control and Prevention (CDC), equal to the FY23 House bill. This includes \$600 million in funds to improve public health infrastructure and capacity, \$200 million to modernize public health data surveillance and analytics, and \$860 million for the CDC's immunization program.
- **\$9.14 billion** for the Substance Abuse and Mental Health Services Administration (SAMHSA), \$60 million less than the amount allocated in the FY23 House bill.

US DECLARES MONKEYPOX A PUBLIC HEALTH EMERGENCY

Since first identified in the U.S. in May, the total number of cases has risen to 10,768, according to the latest data from the CDC. It's a sharp increase from less than 5,000 two weeks ago. The World Health Organization already declared Monkeypox a public health emergency of international concern (PHEIC) last month, and several states, including New York, California, and Illinois, declared their own emergencies to better respond to the outbreak. New York has 2,187 cases, California has 1,892 (up from 826 two weeks ago), and Illinois has 734 cases. Texas, Florida, and Georgia follow close behind. For the latest CDC data, click [here](#). For the press release, click [here](#).

HHS & DOJ GUIDANCE ON NON-DISCRIMINATION IN TELEHEALTH

On July 29th, U.S. Department of Health and Human Services (HHS) and U.S. Department of Justice (DOJ) issued guidance stating that telehealth accessibility is guaranteed to people with disabilities and limited English proficient persons under several laws, including the Americans with Disabilities Act (ADA) and Section 1557 of the Patient Protection and Affordable Care Act, the latter of which provides that covered health programs or activities provided by covered entities through electronic or information technology must be accessible to individuals with disabilities, unless doing so would result in undue financial and administrative burdens on or fundamentally alter the health program. Click [here](#) for the press release and [here](#) for the guidance.

CMS RE-COMMITS TO 60-DAY NOTICE BEFORE ENDING PUBLIC HEALTH EMERGENCY (PHE)

On a call with stakeholders this month, CMS officials addressed the planning underway to facilitate a smooth transition to a post-PHE environment, emphasizing again that there would be 60-days' notice provided before the PHE ends. CMS is reviewing the PHE waivers and flexibilities to determine the extent of its authority to continue any of them once the PHE ends and whether there is a need to do so. CMS is also planning to issue new regulations designed to help providers transition to a post-PHE environment. Additionally, CMS is developing an outreach and enrollment campaign to transition people who will continue to require coverage.

PROVIDER RELIEF FUND (PRF)

\$900 million in payments from the PRF have been made to 839 providers thus far in August, according to data from HRSA (click [here](#) for a state-by-state breakdown). California received a total of \$91,144,304 in August, spread across 128 providers. There is still over \$1B in the fund.

CMS RELEASES FIRST-EVER HOME & COMMUNITY BASED SERVICES QUALITY MEASURE SET

CMS has released the first-ever home- and community-based services (HCBS) quality measure set to promote consistent quality measurement within and across state Medicaid HCBS programs. The measure set is intended to provide insight into the quality of HCBS programs and enable states to measure and improve health outcomes for people relying on long-term services and support (LTSS) in Medicaid. The release of this voluntary measure set is also a critical step to promoting health equity among the millions of older adults and people with disabilities who need LTSS because of disabling conditions and chronic illnesses. For more information, click [here](#).



August 16, 2022

LEGISLATIVE UPDATE
Edelstein Gilbert Robson & Smith LLC

General Update

The Legislature returned from Summer Recess on August 1 and focused their first two weeks back in session on the fiscal committee deadline. For this deadline, all fiscal bills were required to pass out of the Appropriations Committee of the bill's second house by August 12 in order to keep moving through the legislative process.

To meet this deadline, both the Senate and Assembly Appropriations Committees held a "Suspense Hearing" on August 11 where they dispensed with hundreds of bills at once. For both houses, roughly 75% of bills on the Suspense File were passed by the respective Appropriations Committee either as is or with amendments, and about a quarter of the bills on the Suspense File were held in the Committee and will not move further this session.

With the fiscal deadline behind them, legislators now must pass the remaining bills off the floor of the second house and if applicable, the floor of the house of origin for concurrence, before the Legislature adjourns for final recess on August 31.

Legislation of Interest

AB 498 (Quirk-Silva) - CalOptima Health Board of Directors. As previously reported, AB 498 locks the CalOptima Health board positions into state statute. The measure also prohibits the County Supervisors and the lawyer/accountant board members from working for CalOptima Health, or any third-party entity that received money from CalOptima Health in the previous five years, for one year after leaving their board positions. Along with CalOptima Health staff, we have made several efforts to convince the author and sponsors to amend AB 498 to exclude or reduce the negative impact of the the third-party employment provision. We understand amendments are forthcoming to clarify that funds spent on reasonable administrative expenditures will not trigger this prohibition. While other requested amendments have not been accepted by the sponsors and author, we continue to push for additional changes.

AB 498 is awaiting a vote on the Senate floor. The bill must also be returned to the Assembly for a committee hearing and a floor vote to concur in the Senate amendments.

SB 1338 (Umberg) - CARE Court. SB 1338 establishes the Community Assistance, Recovery, and Empowerment (CARE) Court Program to provide comprehensive treatment, housing and support services to Californians with complex behavioral health care needs. This measure remains controversial with some because it allows homeless individuals to be confined against their will while they are evaluated to determine whether they would benefit from various social services.

SB 1338 is a priority for the Governor, and we expect the bill to pass in the coming weeks.

SB 1342 (Bates) - Older Adult Care Coordination. This bill would authorize counties to create a Multi-Disciplinary Team (MDT) for older adults that would allow county departments and aging services providers to exchange information to improve interagency care coordination and service delivery for older adults and their caregivers.

CalOptima Health submitted a support letter on this bill.

The bill passed out of the Assembly Appropriations Committee and will next come up for a vote on the Assembly floor.

2021–22 Legislative Tracking Matrix

Bill Number Author	Bill Summary	Bill Status	Position/Notes
COVID-19 (Coronavirus)			
<u>H.R. 4735</u> Axne (IA) <u>S. 2493</u> Bennet (CO)	<p>Provider Relief Fund Deadline Extension Act: Would delay the deadline by which providers must spend any funds received from the Provider Relief Fund (PRF) — created in response to the COVID-19 pandemic — until the end of 2021 or the end of the COVID-19 public health emergency (PHE), whichever occurs later. Funds that are unspent by any deadline must be repaid to the U.S. Department of Health and Human Services (HHS).</p> <p><i>Potential CalOptima Health Impact:</i> Increased financial stability for CalOptima Health’s contracted providers.</p>	<p>07/28/2021 Introduced; referred to committees</p>	<p>CalOptima Health: Watch</p>
<u>H.R. 5963</u> Spanberger (VA) <u>S. 3611</u> Shaheen (NH)	<p>Provider Relief Fund Improvement Act: Would delay the deadline by which providers must spend any funds received from the PRF until the end of the COVID-19 PHE. Would also direct HHS to distribute any funds remaining in the PRF by March 31, 2022. Finally, would allow workplace safety improvements as an allowable use of PRF dollars.</p> <p><i>Potential CalOptima Health Impact:</i> Increased financial stability for CalOptima Health’s contracted providers.</p>	<p>11/12/2021 Introduced; referred to committees</p>	<p>CalOptima Health: Watch</p>
<u>SB 1473</u> Pan	<p>COVID-19 Therapeutics Coverage: Effective immediately, would require a health plan to cover COVID-19 therapeutics provided by an in-network or out-of-network provider, without cost sharing or prior authorization requirements. Out-of-network claims must be reimbursed at the prevailing market rate, as set by future guidance.</p> <p><i>Potential CalOptima Health Impact:</i> Reimbursement for all in-network and out-of-network medical claims for COVID-19 therapeutics without utilization management controls.</p>	<p>08/11/2022 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/28/2022 Passed Assembly Health Committee</p> <p>04/21/2022 Passed Senate floor</p>	<p>CalOptima Health: Watch CAHP: Oppose Unless Amended</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Behavioral Health			
<u>H.R. 1368</u> Porter (CA) <u>S. 515</u> Warren (MA)	<p>Mental Health Justice Act: Would require HHS to award grants to states and local governments to hire, train and dispatch mental health professionals instead of law enforcement personnel to respond to behavioral health crises.</p> <p><i>Potential CalOptima Health Impact:</i> Increased access to behavioral health services for CalOptima Health members; decreased rates of arrest and incarceration.</p>	<p>02/25/2021 Introduced; referred to committees</p>	<p>CalOptima Health: Watch County of Orange: Support</p>
<u>H.R. 1914</u> DeFazio (OR) <u>S. 764</u> Wyden (OR)	<p>Crisis Assistance Helping Out On The Streets (CAHOOTS) Act: Would increase the Federal Medical Assistance Percentage (FMAP) for states to cover 24/7 community-based mobile crisis intervention services for those experiencing a mental health or substance use disorder (SUD) crisis from 85% to 95% for three years. Would also require HHS to issue an additional \$25 million in planning and evaluation grants to states.</p> <p><i>Potential CalOptima Health Impact:</i> Increased behavioral health and SUD services to CalOptima Health Medi-Cal members.</p>	<p>03/16/2021 Introduced; referred to committees</p>	<p><u>08/05/2021</u> CalOptima Health: Support</p>
<u>AB 552</u> Quirk-Silva	<p>Integrated School-Based Behavioral Health Partnership Program: Would establish the Integrated School-Based Behavioral Health Partnership Program to expand prevention and early intervention behavioral health services for students. This would allow a county mental health agency and local education agency to develop a formal partnership whereby county mental health professionals would deliver brief school-based services to any student who has, or is at risk of developing, a behavioral health condition or SUD.</p> <p><i>Potential CalOptima Health Impact:</i> Increased coordination with the Orange County Health Care Agency and school districts to ensure non-duplication of other school-based behavioral health services and initiatives.</p>	<p>08/11/2022 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/15/2022 Passed Senate Health Committee</p> <p>06/01/2022 Passed Senate Education Committee</p> <p>01/31/2022 Passed Assembly floor</p>	<p>CalOptima Health: Watch</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<p><u>SB 1019</u> Gonzalez</p>	<p>Mental Health Benefit Outreach and Education: Starting no later than January 1, 2024, would require a Medi-Cal managed care plan (MCP) to conduct annual outreach and education to beneficiaries and primary care physicians regarding covered mental health benefits while incorporating best practices in stigma reduction. The California Department of Health Care Services (DHCS) must review an MCP’s outreach and engagement plan for approval. Every three years, - DHCS would conduct an assessment of Medi-Cal beneficiaries’ experience with mental health services.</p> <p>Potential CalOptima Health Impact: Additional member and provider outreach activities by CalOptima Health staff.</p>	<p>08/11/2022 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/21/2022 Passed Assembly Health Committee</p> <p>05/26/2022 Passed Senate floor</p>	<p>CalOptima Health: Watch</p>
<p><u>SB 1338</u> Umberg</p>	<p>Community Assistance, Recovery, and Empowerment (CARE) Court Program: Would establish the CARE Court Program to facilitate delivery of mental health and SUD services to individuals with schizophrenia spectrum or other psychotic disorders who are unable to survive safely in the community. The program would connect a person in crisis with a court-ordered care plan for up to 12 months, with the option to extend an additional 12 months, as a diversion from homelessness, incarceration or conservatorship. Care plans could include court-ordered stabilization medications, wellness and recovery supports, and connection to social services and housing resources. Eligible individuals may be referred by family members, counties, behavioral health providers or first responders among others.</p> <p>Potential CalOptima Health Impact: Increased behavioral health and SUD services for eligible CalOptima Health members.</p>	<p>08/11/2022 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/28/2022 Passed Assembly Health Committee</p> <p>06/21/2022 Passed Assembly Judiciary Committee</p> <p>05/25/2022 Passed Senate floor</p>	<p>CalOptima Health: Watch CAHP: Concern</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Budget			
<u>H.R. 2471</u> DeLauro (CT)	<p>Consolidated Appropriations Act, 2022: Appropriates \$1.5 trillion to fund the United States federal government through September 30, 2022, including earmarks for the following projects in Orange County:</p> <ul style="list-style-type: none"> • <u>Children’s Hospital of Orange County:</u> \$325,000 to expand capacity for mental health treatment services and programs in response to the COVID-19 pandemic • <u>City of Huntington Beach:</u> \$500,000 to establish a mobile crisis response program • <u>County of Orange:</u> \$2 million to develop a second Be Well Orange County campus in the City of Irvine • <u>County of Orange:</u> \$5 million to develop a Coordinated Reentry Center to help justice-involved individuals with mental health conditions or SUDs reintegrate into the community • <u>North Orange County Public Safety Task Force:</u> \$5 million to expand homeless outreach and housing placement services <p>In addition, extends all current telehealth flexibilities in the Medicare program until approximately five months following the termination of the COVID-19 PHE.</p> <p>Potential CalOptima Health Impact: Increased coordination with the County of Orange and other community partners to support implementation of projects that benefit CalOptima Health members; continuation of all current telehealth flexibilities for CalOptima Health OneCare, OneCare Connect and Program of All-Inclusive Care for the Elderly (PACE).</p>	03/15/2022 Signed into law	CalOptima Health: Watch
<u>AB 178</u> Ting <u>SB 154</u> Skinner	<p>Budget Act of 2022: Makes appropriations for the government of the State of California for Fiscal Year (FY) 2022–23. Total spending is just over \$300 billion, of which \$234.4 billion is from the General Fund.</p> <p>Potential CalOptima Health Impact: Impacts are discussed in the enclosed Analysis of the Enacted Budget.</p>	06/30/2022 Signed into law	CalOptima Health: Watch
<u>AB 186</u> Committee on Budget	<p>Skilled Nursing Facility (SNF) Financing Reform Trailer Bill: Enacts budget trailer bill language containing the policy changes needed to implement FY 2022–23 budget expenditures regarding SNF financing.</p> <p>Potential CalOptima Health Impact: Impacts are discussed in the enclosed Analysis of the Enacted Budget.</p>	06/30/2022 Signed into law	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
SB 184 Committee on Budget and Fiscal Review	<p>Health Trailer Bill: Consolidates and enacts certain budget trailer bill language containing the policy changes needed to implement health-related expenditures in the FY 2022–23 state budget.</p> <p><i>Potential CalOptima Health Impact:</i> Impacts are discussed in the enclosed Analysis of the Enacted Budget.</p>	06/30/2022 Signed into law	CalOptima Health: Watch
Covered Benefits			
H.R. 56 Biggs (AZ)	<p>Patient Access to Medical Foods Act: Would expand the federal definition of medical foods to include food prescribed as a therapeutic option when traditional therapies have been exhausted or may cause adverse outcomes. Effective January 1, 2022, medical foods, as defined, would be covered by private health insurance providers and federal public health programs, including Medicare, TRICARE, Children’s Health Insurance Program (CHIP) and Medicaid, as a mandatory benefit.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefit for CalOptima Health’s lines of business.</p>	01/04/2021 Introduced; referred to committees	CalOptima Health: Watch
H.R. 1118 Dingell (MI)	<p>Medicare Hearing Aid Coverage Act of 2021: Effective January 1, 2022, would require Medicare Part B coverage of hearing aids and related examinations.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefit for CalOptima Health OneCare, OneCare Connect and PACE.</p>	02/18/2021 Introduced; referred to committees	CalOptima Health: Watch
H.R. 4187 Schrier (WA)	<p>Medicare Vision Act of 2021: Effective January 1, 2024, would require Medicare Part B coverage of vision services, including eyeglasses, contact lenses, routine eye examinations and fittings.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefits for CalOptima Health OneCare and PACE.</p>	06/25/2021 Introduced; referred to committees	CalOptima Health: Watch
H.R. 4311 Doggett (TX) S. 2618 Casey (PA)	<p>Medicare Dental, Vision, and Hearing Benefit Act of 2021: Effective no sooner than January 1, 2022, would require Medicare Part B coverage of the following benefits:</p> <ul style="list-style-type: none"> • <u>Dental:</u> Routine dental cleanings and examinations, basic and major dental services, emergency dental care, and dentures • <u>Vision:</u> Routine eye examinations, eyeglasses, contact lenses and low vision devices • <u>Hearing:</u> Routine hearing examinations, hearing aids and related examinations <p>The Senate version would also increase the Medicaid FMAP for hearing, vision and dental services to 90%.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefits for CalOptima Health OneCare, OneCare Connect and PACE; higher federal funding rate for current Medi-Cal benefits.</p>	07/01/2021 Introduced; referred to committees	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>H.R. 4650</u> Kelly (IL)	<p>Medicare Dental Coverage Act of 2021: Effective January 1, 2025, would require Medicare Part B coverage of dental and oral health services, including routine dental cleanings and examinations, basic and major dental treatments, and dentures.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefits for CalOptima Health OneCare and PACE.</p>	07/22/2021 Introduced; referred to committees	CalOptima Health: Watch
<u>AB 1929</u> Gabriel	<p>Violence Preventive Services: Would add violence prevention services as a covered Medi-Cal benefit to reduce the rate of violent injury and trauma as well as promote recovery, stabilization and improved health outcomes.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefit for CalOptima Health Medi-Cal members.</p>	<p>08/11/2022 Assembly concurrent; enrolled to the Governor</p> <p>08/08/2022 Passed Senate floor</p> <p>05/25/2022 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 1930</u> Arambula	<p>Perinatal Services: Would require Medi-Cal coverage of additional perinatal assessments and services as developed by the California Department of Public Health and additional stakeholders for beneficiaries up to one year postpartum. A nonlicensed perinatal worker could deliver such services if supervised by an enrolled Medi-Cal provider or a non-enrolled community-based organization (CBO) if a Medi-Cal provider is available for billing.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefit for CalOptima Health Medi-Cal members up to one-year postpartum.</p>	<p>08/11/2022 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/15/2022 Passed Senate Health Committee</p> <p>05/26/2022 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 2697</u> Aguiar-Curry	<p>Community Health Workers (CHWs) and Promotores: Would add preventive services provided by CHWs and promotores as a Medi-Cal covered benefit. Services include health education, navigation and advocacy for the purpose of preventing disease, prolonging life and promoting physical and behavioral health. CHWs would qualify to provide services upon completion of a certification program or after three years of analogous work experience. Medi-Cal MCPs would conduct annual benefit education to beneficiaries and providers as well as complete an assessment of CHW and promotores need and capacity no later than July 1, 2023, and every three years thereafter.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefit for CalOptima Health Medi-Cal members; additional member and provider outreach activities; additional network adequacy analyses.</p>	<p>08/11/2022 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/29/2022 Passed Senate Health Committee</p> <p>05/25/2022 Passed Assembly floor</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 245</u> Gonzalez	Abortion Services: Would prohibit a health plan from imposing Medi-Cal cost-sharing on all abortion services, including any pre-abortion or follow-up care, no sooner than January 1, 2023. In addition, a health plan and its delegated entities may not require a prior authorization or impose an annual or lifetime limit on such coverage. Potential CalOptima Health Impact: Modified Utilization Management (UM) procedures for a covered Medi-Cal benefit.	03/22/2022 Signed into law	CalOptima Health: Watch CAHP: Oppose
<u>SB 912</u> Limón	Biomarker Testing: No later than July 1, 2023, would add biomarker testing, including whole genome sequencing, as a Medi-Cal covered benefit to diagnose, treat or monitor a disease. Potential CalOptima Health Impact: New covered benefit for CalOptima Health Medi-Cal members.	08/11/2022 Passed Assembly Appropriations Committee; referred to Assembly floor 06/21/2022 Passed Assembly Health Committee 05/25/2022 Passed Senate floor	CalOptima Health: Watch CAHP: Oppose Unless Amended
Medi-Cal Eligibility and Enrollment			
<u>H.R. 1738</u> Dingell (MI) <u>S. 646</u> Brown (OH)	Stabilize Medicaid and CHIP Coverage Act of 2021: Would provide 12 months of continuous eligibility and coverage for any Medicaid or CHIP beneficiary. Potential CalOptima Health Impact: Increased number of CalOptima Health Medi-Cal members.	03/10/2021 Introduced; referred to committees	CalOptima Health: Watch ACAP: Support
<u>H.R. 5610</u> Bera (CA) <u>S. 3001</u> Van Hollen (MD)	Easy Enrollment in Health Care Act: To streamline and increase enrollment into public health insurance programs, would allow taxpayers to request their federal income tax returns include a determination of eligibility for Medicaid, CHIP or advance premium tax credits to purchase insurance through a health plan exchange. Taxpayers could also consent to be automatically enrolled into any such program or plan if they would be subject to a zero net premium. Potential CalOptima Health Impact: Increased number of CalOptima Health Medi-Cal members.	10/19/2021 Introduced; referred to committees	CalOptima Health: Watch ACAP: Support
<u>H.R. 6636</u> Trone (MD) <u>S. 2697</u> Cassidy (LA)	Due Process Continuity of Care Act: Would allow states to extend Medicaid coverage to inmates who are awaiting trial and have not been convicted of a crime. Potential CalOptima Health Impact: If DHCS exercises option and requires enrollment into managed care, increased number of CalOptima Health Medi-Cal members.	08/10/2021 Introduced; referred to committees	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 2680</u> Arambula	<p>Community Health Navigator Program: Would require DHCS to create the Community Health Navigator Program, starting January 1, 2023, to issue direct grants to qualified CBOs to conduct targeted outreach, enrollment and access activities for Medi-Cal-eligible individuals and families.</p> <p><i>Potential CalOptima Health Impact:</i> Increased number of CalOptima Health Medi-Cal members.</p>	<p>08/11/2022 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/30/2022 Passed Senate Health Committee</p> <p>05/25/2022 Passed Assembly floor</p>	CalOptima Health: Watch
Medi-Cal Operations and Administration			
<u>AB 498</u> Quirk-Silva	<p>CalOptima Health Board of Directors: Would remove the December 31, 2022, sunset date for the current structure of the CalOptima Health Board of Directors (Board). In addition, for one year following their Board service, would prohibit all Board members from lobbying CalOptima Health and would prohibit members in the Supervisorial and accounting/legal seats from being employed by CalOptima Health or any third-party entity that has received funds from CalOptima Health within the previous five years. Finally, would prohibit members in a Supervisorial seat from being appointed to any other Board seat for one year following their Board service.</p> <p><i>Potential CalOptima Health Impact:</i> Permanent continuation of the current Board structure; new employment restrictions for one year following service on the Board.</p>	<p>08/08/2022 Rereferred to Senate floor</p> <p>06/29/2022 Passed Senate Finance and Governance Committee; referred to Senate Appropriations Committee</p> <p>06/22/2022 Passed Senate Health Committee</p>	CalOptima Health: Watch
<u>AB 1355</u> Levine	<p>Medi-Cal Independent Medical Review (IMR) System: Effective January 1, 2023, would establish an IMR system for County Organized Health Systems (COHS) without a Knox-Keene license from the California Department of Managed Health Care (DMHC). Specifically, DHCS would enter into an interagency agreement with DMHC so that every Medi-Cal beneficiary enrolled in a COHS would be eligible to submit appeals through the DMHC IMR process. As a result, every Medi-Cal MCP would provide access to an IMR.</p> <p><i>Potential CalOptima Health Impact:</i> Implementation of an additional Grievance and Appeals process for CalOptima Health Medi-Cal and PACE.</p>	<p>08/11/2022 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/14/2022 Passed Senate Judiciary Committee</p> <p>06/01/2022 Passed Senate Health Committee</p> <p>01/27/2022 Passed Assembly floor</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1400</u> Kalra, Lee, Santiago	<p>California Guaranteed Health Care for All: Would create the California Guaranteed Health Care for All program (CalCare) to provide a comprehensive universal single-payer health care benefit for all California residents. Would require CalCare cover a wide range of medical benefits and other services and would incorporate the health care benefits and standards of CHIP, Medi-Cal, Medicare, the Knox-Keene Act, and ancillary health care or social services covered by regional centers for people with developmental disabilities.</p> <p>Potential CalOptima Health Impact: Unknown but potentially significant impacts to the Medi-Cal delivery system and MCPs, including changes to administration, covered benefits, eligibility, enrollment, financing and organization.</p>	<p>01/31/2022 Died on Assembly floor</p>	CalOptima Health: Watch CAHP: Oppose
<u>AB 1937</u> Patterson	<p>Out-of-Pocket Pregnancy Costs: No later than July 1, 2023, would require DHCS to reimburse pregnant Medi-Cal beneficiaries up to \$1,250 for out-of-pocket pregnancy costs, including birth and infant care classes, midwife and doula services, lactation support, prenatal vitamins, lab tests or screenings, prenatal acupuncture or acupressure, and medical transportation.</p> <p>Potential CalOptima Health Impact: Increased financial stability for CalOptima Health Medi-Cal members who are currently or were recently pregnant.</p>	<p>04/29/2022 Died in Assembly Health Committee</p>	CalOptima Health: Watch
<u>AB 1944</u> Lee	<p>Brown Act Flexibilities: Would extend certain Brown Act flexibilities, temporarily enacted in response to the COVID-19 PHE, until January 1, 2030, regardless of the existence of a PHE. Specifically, teleconferencing locations for any members of a legislative body would not need to be identified or publicly accessible.</p> <p>If exercising these flexibilities, a legislative body must comply with the following requirements:</p> <ul style="list-style-type: none"> • A quorum of members must participate in person at a single location identified on the agenda and publicly accessible. • The agenda must identify which members are teleconferencing. • Members of the public must have access to a video stream of the primary meeting location. • Members of the public must be able to provide public comment via in-person, audio-visual or call-in options. <p>Potential CalOptima Health Impact: Continued ability for members of the Board and advisory committees to participate in meetings by teleconference; modified posting and noticing requirements for the Clerk of the Board.</p>	<p>07/01/2022 Died in Senate Governance and Finance Committee</p> <p>05/26/2022 Passed Assembly floor</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1995</u> Arambula	<p>Medi-Cal Premium and Copayment Elimination: Would eliminate Medi-Cal premiums for low-income children whose family income exceeds 160% federal poverty level (FPL), working disabled persons with incomes less than 250% FPL and pregnant women and infants enrolled in the Medi-Cal Access Program. Would also eliminate copayments for all Medi-Cal beneficiaries.</p> <p>Potential CalOptima Health Impact: Increased financial stability for CalOptima Health Medi-Cal members.</p>	<p>08/12/2022 Died in Senate Appropriations Committee</p> <p>06/15/2022 Passed Senate Health Committee</p> <p>05/26/2022 Passed Assembly floor</p>	CalOptima Health: Watch LHPC: Support
<u>AB 2077</u> Calderon	<p>Medi-Cal Personal Needs Allowance: No later than July 1, 2024, would increase the monthly income that a Medi-Cal beneficiary residing in a long-term care (LTC) facility or receiving PACE services is allowed to retain from \$35 to \$80. Beneficiaries must contribute remaining income as a share of cost to the facility before Medi-Cal pays remaining expenses.</p> <p>Potential CalOptima Health Impact: Increased financial stability for CalOptima Health PACE participants and CalOptima Health Medi-Cal members residing in LTC facilities with a share of cost.</p>	<p>08/11/2022 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/08/2022 Passed Senate Health Committee</p> <p>05/25/2022 Passed Assembly floor</p>	CalOptima Health: Watch CalPACE: Support LHPC: Support
<u>AB 2449</u> Rubio, B.	<p>Brown Act Flexibilities: Would extend certain Brown Act flexibilities, temporarily enacted in response to the COVID-19 PHE, until January 1, 2026, regardless of the existence of a PHE. Specifically, teleconferencing locations for any members of a legislative body would not need to be identified or publicly accessible. If exercising these flexibilities, a legislative body must comply with the following requirements:</p> <ul style="list-style-type: none"> • A quorum of members must participate in person at a single location identified on the agenda and publicly accessible. • Teleconferencing members must participate through audio and visual technology. • Members of the public must be able to provide public comment via in-person, two-way audiovisual platform or two-way telephonic service with a live meeting webcast. • Members may only teleconference due to a medical emergency for themselves or their family, or, at no more than two meetings per calendar year, another “just cause” for remote participation, such as a caregiving need, contagious illness, disability or travel while on official business. <p>Potential CalOptima Health Impact: Continued ability for members of the Board and advisory committees to participate in meetings by teleconference; modified posting and noticing requirements for the Clerk of the Board.</p>	<p>08/01/2022 Rereferred to Senate floor</p> <p>06/28/2022 Passed Senate Judiciary Committee; referred to Senate Appropriations Committee</p> <p>06/22/2022 Passed Senate Governance and Finance Committee</p> <p>05/26/2022 Passed Assembly floor</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 2724</u> Arambula	<p>Alternate Health Care Service Plan: No sooner than January 1, 2024, would authorize DHCS to contract directly with an Alternate Health Care Service Plan (AHCSP) as a Medi-Cal MCP in any county. An AHCSP is a nonprofit health plan with at least four million enrollees statewide that owns or operates pharmacies and provides medical services through an exclusive contract with a single medical group in each region. Currently, Kaiser Permanente (Kaiser) is the only AHCSP. Enrollment into Kaiser would be limited to the following Medi-Cal beneficiaries:</p> <ul style="list-style-type: none"> • Previous AHCSP enrollees and their immediate family members • Dually eligible for Medi-Cal and Medicare benefits • Foster youth • A share of default enrollments when a Medi-Cal MCP is not selected <p>Potential CalOptima Health Impact: <i>De facto</i> termination of the COHS model; Kaiser as an additional Medi-Cal MCP in Orange County; increased coordination with Kaiser on various Medi-Cal and community initiatives; decreased number of CalOptima Health Medi-Cal members; increased percentage of CalOptima Health members who are high-risk.</p>	<p>06/30/2022 Signed into law</p>	<p>04/07/2022 CalOptima Health: Oppose Unless Amended</p> <p>LHPC: Oppose</p>
<u>SB 250</u> Pan	<p>Prior Authorization “Deemed Approved” Status: Beginning January 1, 2024, would require a health plan to review a provider’s prior authorization requests to determine eligibility for “deemed approved” status, which would exempt the provider from prior authorization requirements for any plan benefit for one year. A provider would qualify if the health plan approved at least 90% of their prior authorization requests for the same service within the past year.</p> <p>Potential CalOptima Health Impact: Implementation of new UM procedures to assess provider appeals rates and exempt certain providers from UM requirements.</p>	<p>08/12/2022 Died in Assembly Appropriations Committee</p> <p>06/28/2022 Passed Assembly Health Committee</p> <p>06/01/2021 Passed Senate floor</p>	<p>CalOptima Health: Watch CAHP: Oppose</p>
<u>SB 858</u> Wiener	<p>Health Plan Civil Penalties: Would increase the civil penalty amount that DMHC could levy on a health plan from no more than \$2,500 per violation to no more than \$25,000 per violation. The penalty amount would be adjusted annually, beginning January 1, 2024.</p> <p>Potential CalOptima Health Impact: Increased financial penalties for CalOptima Health OneCare and PACE.</p>	<p>08/11/2022 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/28/2022 Passed Assembly Health Committee</p> <p>05/24/2022 Passed Senate floor</p>	<p>CalOptima Health: Watch CAHP: Oppose</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 923</u> Wiener	<p>TGI Inclusive Care Act: No later than January 1, 2024, would require Medi-Cal MCP and PACE organization staff in direct contact with beneficiaries to complete cultural competency training to help provide inclusive health care services for individuals who identify as transgender, gender diverse or intersex (TGI). In addition, no later than July 31, 2023, would require a Medi-Cal MCP and PACE organization to identify in its provider directory any in-network providers who share that they offer gender-affirming services. Finally, no later than January 1, 2025, would require the California Health and Human Services Agency to implement a quality standard that measures patient experience with TGI cultural competency.</p> <p>Potential CalOptima Health Impact: Additional training requirement for member-facing CalOptima Health employees; additional requirement for provider directory publication.</p>	<p>08/11/2022 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/21/2022 Passed Assembly Health Committee</p> <p>05/23/2022 Passed Senate floor</p>	CalOptima Health: Watch
Older Adult Services			
<u>H.R. 3173</u> DelBene (WA) <u>S. 3018</u> Marshall (KS)	<p>Improving Seniors’ Timely Access to Care Act: Would require Medicare Advantage (MA) plans to issue real-time decisions for routine prior authorization requests. HHS would determine and biannually update the definitions of “real-time” and “routine.” In addition, HHS would establish electronic prior authorization transmission standards for MA plans.</p> <p>Potential CalOptima Health Impact: Modified UM procedures and timelines for CalOptima Health OneCare.</p>	<p>05/13/2021 Introduced; referred to committees</p>	CalOptima Health: Watch
<u>H.R. 4131</u> Dingell (MI) <u>S. 2210</u> Casey (PA)	<p>Better Care Better Jobs Act: Would make permanent the enhanced 10% FMAP for Medicaid home- and community-based services (HCBS) enacted by the American Rescue Plan Act of 2021. Would also provide states with \$100 million in planning grants to develop HCBS infrastructure and workforces. Additionally, would make permanent spousal impoverishment protections for those receiving HCBS.</p> <p>Potential CalOptima Health Impact: Continuation of current federal funding rate for HCBS; expansion of HCBS opportunities.</p>	<p>06/24/2021 Introduced; referred to committees</p>	CalOptima Health: Watch NPA: Support
<u>H.R. 4941</u> Blumenauer (OR)	<p>PACE Part D Choice Act of 2021: Would allow a Medicare-only PACE participant to opt out of drug coverage provided by the PACE program and instead enroll in a standalone Medicare Part D prescription drug plan that results in equal or lesser out-of-pocket costs. PACE programs would be required to educate their participants about this option.</p> <p>Potential CalOptima Health Impact: Increased enrollment into CalOptima Health PACE by Medicare-only beneficiaries due to decreased out-of-pocket costs.</p>	<p>08/06/2021 Introduced; referred to committees</p>	CalOptima Health: Watch NPA: Support

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<p><u>H.R. 6770</u> Dingell (MI)</p> <p><u>S. 1162</u> Casey (PA)</p>	<p>PACE Plus Act: Would increase the number of PACE programs nationally by making it easier for states to adopt PACE as a model of care and providing grants to organizations to start PACE centers or expand existing PACE centers.</p> <p>Would incentivize states to expand the number of seniors and people with disabilities eligible to receive PACE services beyond those deemed to require a nursing home level of care. Would provide states a 90% FMAP to cover the expanded eligibility.</p> <p>Potential CalOptima Health Impact: Subject to further DHCS authorization, expanded eligibility for CalOptima Health PACE; additional federal funding to expand the size and/or service area of a current PACE center or to establish a new PACE center(s).</p>	<p>04/15/2021 Introduced; referred to committees</p>	<p>CalOptima Health: Watch NPA: Support</p>
<p><u>H.R. 6823</u> Brownley (CA)</p> <p><u>S. 3854</u> Moran (KS)</p>	<p>Elizabeth Dole Home and Community Based Services for Veterans and Caregivers Act: Would require Veterans Affairs (VA) medical centers to establish partnerships with PACE organizations to enable veterans to access PACE services through their VA benefits.</p> <p>Potential CalOptima Health Impact: Increased number of CalOptima Health PACE participants; increased care coordination for CalOptima Health PACE participants who are veterans.</p>	<p>07/19/2022 Passed House Committee on Veterans' Affairs; referred to House floor</p>	<p>CalOptima Health: Watch NPA: Support</p>
<p><u>S. 3626</u> Casey</p>	<p>PACE Expanded Act: To increase access to and the affordability of PACE, would allow PACE organizations to set premiums individually for Medicare-only beneficiaries consistent with their health status. Would also allow individuals to enroll in PACE at any time during the month. In addition, would simplify and expedite the process for organizations to apply for the following:</p> <ul style="list-style-type: none"> • New PACE program • New centers for an existing PACE program • Expanded service area for an existing PACE center <p>Finally, would allow pilot programs to test the PACE model of care with new populations not currently eligible to participate in PACE.</p> <p>Potential CalOptima Health Impact: Increased number of CalOptima Health PACE participants; expanded eligibility criteria; new premium development procedure; simplified process to establish new PACE centers.</p>	<p>02/10/2022 Introduced; referred to committee</p>	<p>CalOptima Health: Watch NPA: Support</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 1342</u> Bates	<p>Older Adult Care Coordination: Would allow a county and/or an Area Agency on Aging to create a multi-disciplinary team (MDT) for county departments and aging service providers to exchange information about older adults to better address their health and social needs. By eliminating data silos, MDTs could develop coordinated case plans for wraparound services, provide support to caregivers and improve service delivery.</p> <p>Potential CalOptima Health Impact: Participation in Orange County’s MDT; improved care coordination for CalOptima Health’s older adult members.</p>	<p>08/11/2022 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/21/2022 Passed Assembly Aging and Long-Term Care Committee</p> <p>05/25/2022 Passed Senate floor</p>	<p>03/29/2022 CalOptima Health: Support</p> <p>County of Orange: Sponsor/Support</p>
Pharmacy			
<u>SB 853</u> Wiener	<p>Medication Access Act: Effective January 1, 2023, would require a health plan to cover a prescribed medication for the duration of any internal and external appeals if the drug was previously covered for the beneficiary by any health plan.</p> <p>Potential CalOptima Health Impact: Modified UM and Grievance and Appeals requirements for prescribed drugs covered by CalOptima Health; increased CalOptima Health costs for drug coverage.</p>	<p>08/12/2022 Died in Assembly Appropriations Committee</p> <p>06/28/2022 Passed Assembly Health Committee</p> <p>05/25/2022 Passed Senate floor</p>	<p>CalOptima Health: Watch</p> <p>CAHP: Oppose</p>
<u>SB 958</u> Limón	<p>Medication and Patient Safety Act of 2022: Would prohibit health plans from arranging for “brown bagging” or “white bagging,” as follows, except under certain limited conditions:</p> <ul style="list-style-type: none"> • “Brown bagging” involves specialty pharmacies dispensing an infused or injected medication directly to a patient who transports it to a provider for administration. • “White bagging” involves specialty pharmacies distributing such medications to a provider ahead of a patient’s visit. <p>Potential CalOptima Health Impacts: Increased CalOptima Health costs and decreased member access for certain physician-administered drugs covered by CalOptima Health.</p>	<p>07/01/2022 Died in Assembly Health Committee</p> <p>05/25/2022 Passed Senate floor</p>	<p>CalOptima Health: Watch</p> <p>CAHP: Oppose</p> <p>LHPC: Oppose Unless Amended</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Providers			
<u>AB 2581</u> Salas	<p>Behavioral Health Provider Credentialing: Effective January 1, 2023, would require health plans to process credentialing applications from mental health and SUD providers within 60 days of receipt.</p> <p><i>Potential CalOptima Health Impact:</i> Modified provider credentialing processes for Quality Improvement staff.</p>	<p>08/11/2022 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/08/2022 Passed Senate Health Committee</p> <p>05/23/2022 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 2659</u> Patterson	<p>Midwife Access: Would require a Medi-Cal MCP to include at least one licensed midwife (LM), certified-nurse midwife (CNM) and alternative birth center specialty clinic in each county within its provider network. An MCP would be exempt if such providers or centers are not located within the county or do not accept Medi-Cal payments. An MCP must reimburse an out-of-network provider who accepts the Medi-Cal fee-for-service rate.</p> <p><i>Potential CalOptima Health Impact:</i> Additional provider contracting and credentialing; increased access to midwifery services for CalOptima Health Medi-Cal members.</p>	04/29/2022 Died in Assembly Health Committee	CalOptima Health: Watch
<u>SB 966</u> Limón	<p>Clinic Providers: Effective 60 days following the termination of the COVID-19 PHE, would allow Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) to be reimbursed for visits with an associate clinical social worker or associate marriage and family therapist when supervised by a licensed behavioral health practitioner.</p> <p><i>Potential CalOptima Health Impact:</i> Increased member access to behavioral health providers at contracted FQHCs.</p>	<p>08/11/2022 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/14/2022 Passed Assembly Health Committee</p> <p>05/25/2022 Passed Senate floor</p>	CalOptima Health: Watch LHPC: Support

Bill Number Author	Bill Summary	Bill Status	Position/Notes
SB 987 Portantino	<p>California Cancer Care Equity Act: Would require a Medi-Cal MCP to make a good faith effort to contract directly with at least one National Cancer Institute Designated Cancer Center in each county — where one exists — within the MCP’s service area. In addition, an MCP must inform a beneficiary within seven days of a complex cancer diagnosis regarding their ability to request a referral to a Cancer Center. DHCS would establish payment rates for MCPs and Cancer Centers that do not already have an agreed-upon rate.</p> <p>Potential CalOptima Health Impact: Modified UM procedures for CalOptima Health Medi-Cal members referred to the UCI Health Chao Family Comprehensive Cancer Center; increased access to cancer care.</p>	<p>08/11/2022 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/28/2022 Passed Assembly Health Committee</p> <p>05/24/2022 Passed Senate floor</p>	CalOptima Health: Watch LHPC: Oppose
Reimbursement Rates			
AB 1892 Flora	<p>California Orthotic and Prosthetic Patient Access and Fairness Act: Would require reimbursement for prosthetic and orthotic appliances and durable medical equipment (DME) to be at least 80% of the lowest maximum allowance for California established by the federal Medicare program.</p> <p>Potential CalOptima Health Impact: Increased cost to CalOptima Health Medi-Cal due to higher reimbursement to DME providers; adjustment to DHCS capitation rates.</p>	<p>08/12/2022 Died in Senate Appropriations Committee</p> <p>06/08/2022 Passed Senate Health Committee</p> <p>05/25/2022 Passed Assembly floor</p>	CalOptima Health: Watch
AB 2458 Weber	<p>Whole Child Model (WCM) Reimbursement Rates: Effective January 1, 2023, would increase provider reimbursement rates for WCM services by 25% if provided at a medical practice in which at least 30% of pediatric patients are Medi-Cal beneficiaries.</p> <p>Potential CalOptima Health Impact: Increased cost to CalOptima Health Medi-Cal due to higher reimbursement to WCM providers; adjustment to DHCS capitation rates.</p>	<p>05/20/2022 Died in Assembly Appropriations Committee</p> <p>03/22/2022 Passed Assembly Health Committee</p>	CalOptima Health: Watch
Social Determinants of Health			
H.R. 379 Barragan (CA) S. 104 Smith (MN)	<p>Improving Social Determinants of Health Act of 2021: Would require the Centers for Disease Control and Prevention (CDC) to establish a social determinants of health (SDOH) program to coordinate activities to improve health outcomes and reduce health inequities. CDC would be required to consider SDOH in all relevant grant awards and other activities as well as issue new grants of up to \$50 million to health agencies, nonprofit organizations and/or institutions of higher education to address or study SDOH.</p> <p>Potential CalOptima Health Impact: Increased availability of federal grants to address SDOH.</p>	<p>01/21/2021 Introduced; referred to committees</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<p><u>H.R. 943</u> McBath (GA)</p> <p><u>S. 851</u> Blumenthal (CT)</p>	<p>Social Determinants for Moms Act: Would require HHS to convene a task force to coordinate federal efforts on social determinants of maternal health as well as award grants to address SDOH, eliminate disparities in maternal health and expand access to free childcare during pregnancy-related appointments. Would also extend postpartum eligibility for the Special Supplemental Nutrition Program for Women, Infants, and Children from six months postpartum to two years postpartum.</p> <p><i>Potential CalOptima Health Impact:</i> Additional federal guidance or requirements as well as increased availability of federal grants to address social factors affecting maternal health.</p>	<p>02/08/2021 Introduced; referred to committees</p>	<p>CalOptima Health: Watch</p>
<p><u>H.R. 2503</u> Bustos (IL)</p> <p><u>S. 3039</u> Young (IN)</p>	<p>Social Determinants Accelerator Act of 2021: Would establish the Social Determinants Accelerator Interagency Council to award state and local health agencies up to 25 competitive grants totaling no more than \$25 million (House version) or \$10 million (Senate version) as well as provide technical assistance to improve coordination of medical and non-medical services to a targeted population of high-need Medicaid beneficiaries.</p> <p><i>Potential CalOptima Health Impact:</i> Increased availability of federal grants to address the SDOH of members with complex needs.</p>	<p>07/15/2021 Passed Subcommittee on Health of the House Committee on Energy and Commerce; referred to full Committee</p>	<p>CalOptima Health: Watch</p>
<p><u>H.R. 3894</u> Blunt Rochester (DE)</p>	<p>Collecting and Analyzing Resources Integral and Necessary for Guidance (CARING) for Social Determinants Act of 2021: Would require the Centers for Medicare & Medicaid Services (CMS) to update guidance at least once every three years to help states address SDOH in Medicaid and CHIP programs.</p> <p><i>Potential CalOptima Health Impact:</i> Increased opportunities for CalOptima Health to address SDOH.</p>	<p>12/08/2021 Passed House floor; referred to Senate Committee on Finance</p>	<p>CalOptima Health: Watch</p>
<p><u>H.R. 4026</u> Burgess (TX)</p>	<p>Social Determinants of Health Data Analysis Act of 2021: Would require the Comptroller General of the United States to submit a report to Congress outlining the actions taken by HHS to address SDOH. The report would include an analysis of interagency efforts, barriers and potential duplication of efforts as well as recommendations on how to foster private-public partnerships to address SDOH.</p> <p><i>Potential CalOptima Health Impact:</i> Increased opportunities for CalOptima Health to address SDOH.</p>	<p>11/30/2021 Passed House floor; referred to Senate Committee on Health, Education, Labor, and Pensions</p>	<p>CalOptima Health: Watch</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 17</u> Pan	<p>Racial Equity Advisory and Accountability Commission: Would establish the independent Racial Equity Advisory and Accountability Commission to develop a Racial Equity Framework containing guidelines and strategies for advancing racial equity across the state government by January 1, 2024. Upon the Commission’s request, each state agency would be required to prepare a report outlining progress toward achieving the goals of the Racial Equity Framework.</p> <p><i>Potential CalOptima Health Impact:</i> Increased reporting requirements to DHCS.</p>	<p>08/11/2022 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>06/30/2021 Passed Assembly Accountability and Administrative Review Committee</p> <p>06/02/2021 Passed Senate floor</p>	CalOptima Health: Watch
Telehealth			
<u>H.R. 366</u> Thompson (CA)	<p>Protecting Access to Post-COVID-19 Telehealth Act of 2021: Would allow HHS to waive or modify any telehealth service requirements in the Medicare program during a national disaster or PHE and for 90 days after one is terminated. Would also permit Medicare reimbursement for telehealth services provided by an FQHC or RHC as well as allow patients to receive telehealth services in the home without restrictions.</p> <p><i>Potential CalOptima Health Impact:</i> Continuation and expansion of certain telehealth flexibilities allowed during the COVID-19 pandemic for CalOptima Health OneCare, OneCare Connect and PACE.</p>	<p>01/19/2021 Introduced; referred to committees</p>	CalOptima Health: Watch
<u>H.R. 1332</u> Carter (GA) <u>S. 368</u> Scott (SC)	<p>Telehealth Modernization Act of 2021: Would permanently extend certain current Medicare telehealth flexibilities enacted temporarily in response to the COVID-19 pandemic. Specifically, would permanently allow the following:</p> <ul style="list-style-type: none"> • FQHCs and RHCs may serve as the site of a telehealth provider • Beneficiaries may receive all telehealth services at any location, including their own homes • CMS may retain and expand the list of covered telehealth services • CMS may expand the types of providers eligible to provide telehealth services <p><i>Potential CalOptima Health Impact:</i> Continuation of certain telehealth flexibilities allowed during the COVID-19 pandemic for CalOptima Health OneCare, OneCare Connect and PACE.</p>	<p>02/23/2021 Introduced; referred to committees</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>H.R. 2166</u> Sewell (AL)	<p>Ensuring Parity in MA and PACE for Audio-Only Telehealth Act of 2021: Would require CMS to include audio-only telehealth diagnoses in the determination of risk adjustment payments for MA and PACE plans during the COVID-19 PHE.</p> <p><i>Potential CalOptima Health Impact:</i> For CalOptima Health OneCare, OneCare Connect and PACE, members' risk scores and risk adjustment payments would accurately reflect diagnoses.</p>	03/23/2021 Introduced; referred to committees	<u>08/05/2021</u> CalOptima Health: Support ACAP: Support NPA: Support
<u>H.R. 2903</u> Thompson (CA) <u>S. 1512</u> Schatz (HI)	<p>Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT) for Health Act of 2021: Would expand telehealth services for those receiving Medicare benefits and remove restrictions in the Medicare program that prevent physicians from using telehealth technology. Specifically, would:</p> <ul style="list-style-type: none"> • Remove all geographic restrictions for telehealth services • Allow beneficiaries to receive telehealth in their own homes, in addition to other locations determined by HHS • Remove restrictions on the use of telehealth in emergency medical care • Allow FQHCs and RHCs to provide telehealth services <p><i>Potential CalOptima Health Impact:</i> Continuation and expansion of telehealth flexibilities for CalOptima Health OneCare, OneCare Connect and PACE.</p>	04/28/2021 Introduced; referred to committees	CalOptima Health: Watch
<u>H.R. 3447</u> Smith (MO)	<p>Permanency for Audio-Only Telehealth Act: Would permanently extend the following current flexibilities, which have been temporarily authorized by CMS during the COVID-19 PHE:</p> <ul style="list-style-type: none"> • Medicare providers may be reimbursed for providing certain services via audio-only telehealth, including evaluation and management, behavioral health and SUD services, or any other service specified by HHS. • Medicare beneficiaries may receive telehealth services at any location, including their homes. <p><i>Potential CalOptima Health Impact:</i> Permanent continuation of certain telehealth flexibilities for CalOptima Health OneCare, OneCare Connect and PACE.</p>	05/20/2021 Introduced; referred to committees	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>H.R. 4058</u> Matsui (CA) <u>S. 2061</u> Cassidy (LA)	<p>Telemental Health Care Access Act of 2021: Would remove the requirement that Medicare beneficiaries be seen in-person within six months of being treated for behavioral health services via telehealth.</p> <p><i>Potential CalOptima Health Impact:</i> For CalOptima Health OneCare and OneCare Connect, decreased in-person behavioral health encounters and increased telehealth behavioral health encounters.</p>	<p>06/22/2021 Introduced; referred to committees</p>	<p>CalOptima Health: Watch</p>
<u>H.R. 7573</u> Axne (IA) <u>S. 3593</u> Cortez Masto (NV)	<p>Telehealth Extension and Evaluation Act: Would extend current Medicare telehealth payments authorized temporarily in response to the COVID-19 pandemic for two additional years following the termination of the PHE. Would require HHS to study the impact of telehealth flexibilities and report its recommendations for permanent telehealth policies to Congress.</p> <p><i>Potential CalOptima Health Impact:</i> Continuation of telehealth flexibilities for CalOptima Health OneCare, OneCare Connect and PACE.</p>	<p>02/08/2022 Introduced; referred to committee</p>	<p>CalOptima Health: Watch</p>
<u>S. 150</u> Cortez Masto (NV)	<p>Ensuring Parity in MA for Audio-Only Telehealth Act of 2021: Would require CMS to include audio-only telehealth diagnoses in the determination of risk adjustment payments for MA plans during the COVID-19 PHE.</p> <p><i>Potential CalOptima Health Impact:</i> For CalOptima Health OneCare and OneCare Connect, members' risk scores and risk adjustment payments would accurately reflect diagnoses.</p>	<p>02/02/2021 Introduced; referred to committee</p>	<p>CalOptima Health: Watch ACAP: Support NPA: Support</p>
<u>AB 32</u> Aguiar-Curry	<p>Medi-Cal Telehealth Payment and Flexibilities: Would modify the permanent Medi-Cal telehealth policy recently implemented by SB 184, the Health Trailer Bill for the FY 2022–23 Enacted State Budget. Specifically, Medi-Cal providers, including FQHCs and RHCs, may establish a new patient using audio-only and asynchronous store and forward modalities. In addition, DHCS would be required to evaluate the benefits of Medi-Cal telehealth services by July 2025.</p> <p><i>Potential CalOptima Health Impact:</i> Continuation and modification of certain telehealth flexibilities for CalOptima Health Medi-Cal and PACE.</p>	<p>08/11/2022 Passed Senate Appropriations Committee; referred to Senate floor</p> <p>06/29/2022 Passed Senate Health Committee</p> <p>06/01/2021 Passed Assembly floor</p>	<p>CalOptima Health: Watch CAHP: Concern</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Youth Services			
H.R. 66 Buchanan (FL)	Comprehensive Access to Robust Insurance Now Guaranteed (CARING) for Kids Act: Would permanently extend authorization and funding of CHIP and associated programs, including the Medicaid and CHIP express lane eligibility option, which enables states to expedite eligibility determinations by referencing enrollment in other public programs. <i>Potential CalOptima Health Impact:</i> Continuation of current federal funding and eligibility requirements for CalOptima Health Medi-Cal members eligible under CHIP.	01/04/2021 Introduced; referred to committee	CalOptima Health: Watch
H.R. 1390 Wild (PA) S. 453 Casey (PA)	Children’s Health Insurance Program Pandemic Enhancement and Relief (CHIPPER) Act: Would retroactively extend CHIP’s temporary 11.5% FMAP increase, enacted by the HEALTHY KIDS Act (2018), from September 30, 2020, until September 30, 2022, to meet increased health care needs during the COVID-19 PHE. <i>Potential CalOptima Health Impact:</i> Increased federal funds for CalOptima Health Medi-Cal members eligible under CHIP.	02/25/2021 Introduced; referred to committees	CalOptima Health: Watch

Two-Year Bills

The following bills did not meet the deadline to be passed by both houses of the State Legislature in 2021 but are still eligible for reconsideration in 2022:

- SB 316 (Eggman)
- SB 562 (Portantino)

2021 Signed Bills

- H.R. 1868 (Yarmuth [KY])
- AB 128 (Ting)
- AB 133 (Committee on Budget)
- AB 161 (Ting)
- AB 164 (Ting)
- AB 361 (Rivas)
- AB 1082 (Waldron)
- SB 48 (Limón)
- SB 65 (Skinner)
- SB 129 (Skinner)
- SB 171 (Committee on Budget and Fiscal Review)
- SB 221 (Wiener)
- SB 306 (Pan)
- SB 510 (Pan)

2021 Vetoed Bills

- AB 369 (Kamlager)
- AB 523 (Nazarian)
- SB 365 (Caballero)
- SB 682 (Rubio)

Information in this document is subject to change as bills proceed through the legislative process.

ACAP: Association for Community Affiliated Plans
CAHP: California Association of Health Plans
CalPACE: California PACE Association
LHPC: Local Health Plans of California
NPA: National PACE Association

Last Updated: August 16, 2022

2022 Federal Legislative Dates

January 3	117th Congress, Second Session convenes
April 11–2	Spring recess
August 1–12	Summer recess for House
August 8–September 5	Summer recess for Senate
December 10	Second Session adjourns

2022 State Legislative Dates

January 3	Legislature reconvenes
January 14	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2021
January 21	Last day for any committee to hear and report to the floor any bill introduced in that house in 2021
January 31	Last day for each house to pass bills introduced in that house in 2021
February 18	Last day for legislation to be introduced
April 7–18	Spring recess
April 29	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2022
May 6	Last day for policy committees to hear and report to the floor any non-fiscal bills introduced in that house in 2022
May 20	Last day for fiscal committees to hear and report to the floor any bills introduced in that house in 2022
May 23–27	Floor session only
May 27	Last day for each house to pass bills introduced in that house in 2022
June 15	Budget bill must be passed by midnight
July 1	Last day for policy committees to hear and report bills in their second house to fiscal committees or the floor
July 1–August 1	Summer recess
August 12	Last day for fiscal committees to report bills in their second house to the floor
August 15–31	Floor session only
August 25	Last day to amend bills on the floor
August 31	Last day for each house to pass bills; final recess begins upon adjournment
September 30	Last day for Governor to sign or veto bills passed by the Legislature

Source: 2022 State Legislative Deadlines, California State Assembly: <http://assembly.ca.gov/legislativedeadlines>

About CalOptima Health

CalOptima Health is a county organized health system that administers health insurance programs for low-income children, adults, seniors and people with disabilities. As Orange County’s community health plan, our mission is to serve member health with excellence and dignity, respecting the value and needs of each person. We provide coverage through four major programs: Medi-Cal, OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan), OneCare (Medicare Advantage Special Needs Plan) and the Program of All-Inclusive Care for the Elderly (PACE).

FY 2022–23 California State Budget: Analysis of the Enacted Budget

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Background

On January 10, 2022, Gov. Gavin Newsom released the Fiscal Year (FY) 2022–23 Proposed State Budget with total spending at \$286.4 billion, including \$213.1 billion General Fund (GF). The proposed budget also estimated a \$45.7 billion surplus and proposed \$34.6 billion in budget reserves, which could be attributed to federal COVID-19 stimulus funding and higher than expected tax receipts.

On May 13, 2022, Gov. Newsom released the FY 2022–23 Revised Budget Proposal (May Revise) at a total of \$300.7 billion, including \$227.4 billion in GF spending, representing an increase of \$14.3 billion compared to the January Proposed Budget due to further revenue growth. The May Revise included an even larger \$49.2 billion discretionary surplus and \$37.1 billion in budget reserves.

To meet the constitutionally obligated deadline to pass a balanced budget, on June 14, 2022, the Senate and Assembly passed Senate Bill (SB) 154, the Budget Act of 2022, a preliminary state budget representing the Legislature’s counterproposal to the May Revise. The Legislature’s Budget included a spending plan of \$300 billion, including \$235.5 billion GF.

Following negotiations with the Legislature, Gov. Newsom signed into law the preliminary state budget (SB 154) on June 27 and the final budget revisions (Assembly Bill [AB] 178) on June 30. On the same day, he signed the consolidated Health Trailer Bill (SB 184) and the Skilled Nursing Facility (SNF) Financing Reform Trailer Bill (AB 186) containing the statutory policy changes needed to implement health-related budget expenditures. Together, these bills represent the Enacted Budget for FY 2022–23, effective July 1, 2022.

Overview

In summary, the enacted budget appropriates a total of just over \$300 billion, of which \$234.4 billion is from the GF. This represents an increase of \$37.4 billion compared with the FY 2021–22 enacted budget. Specifically, the budget includes \$135.5 billion (\$36.6 billion GF) in Medi-Cal spending, an 11.2% increase from the current FY, with an assumption that Medi-Cal caseload will increase by 0.6% to 14.5 million beneficiaries as redeterminations resume this FY following termination of the COVID-19 public health emergency (PHE). Based on a record-high budget surplus, the budget allocates 93% towards one-time spending initiatives and \$37.2 billion for reserves. Major components included in the enacted budget that may impact CalOptima are discussed below.



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Behavioral Health

The Enacted Budget includes significant investments in behavioral health, particularly for children and youth. As expected, there is ongoing funding towards implementing the Children and Youth Behavioral Health Initiative (CYBHI), including the following components in FY 2022–23:

- Dyadic services as a new Medi-Cal benefit, as discussed later
- Evidence-based behavioral health practices
- School behavioral health partnerships and capacity
- Statewide behavioral health services platform and related e-consult service and provider training

While some CYBHI initiatives are directly managed by DHCS, CalOptima's Behavioral Health Integration department may still be involved in guiding certain programs or coordinating member access.

In addition, the budget includes an extra \$290 million in one-time funding over three years to address urgent needs and emergent issues in children's behavioral health through the following initiatives:

- Wellness and mindfulness programs
- Parent training and education
- Digital supports for remote assessment and intervention
- School-based crisis response pilots to prevent youth suicide
- Peer-to-peer support programs

A total of \$8 million in one-time finding is also allocated for National Suicide Prevention Lifeline crisis centers to prepare for the implementation of the 9-8-8 calling code on July 16, 2022.

Finally, to address the immediate housing and treatment needs of those with serious behavioral health conditions, the budget also includes \$1.5 billion over two years to purchase and install tiny homes for immediate behavioral health bridge housing.

California Advancing and Innovating Medi-Cal (CalAIM)

The Enacted Budget includes \$3.1 billion (\$1.2 billion GF) in FY 2022–23 to implement CalAIM. CalAIM initiatives being implemented in FY 2022–23 continue to include:

- Discontinuation of the Cal MediConnect pilot program and transition to exclusively aligned Dual Eligible Special Needs Plans (D-SNPs)
- Population Health Management (PHM) program
- Pre-release Medi-Cal eligibility screenings and 90+ days of targeted in-reach services
- Providing Access and Transforming Health (PATH) initiative

Updates include the identification of additional aid codes that will transition from Medi-Cal fee-for-service (FFS) to managed care starting January 1, 2023, expanding in-reach services for justice-involved individuals to include full-scope Medi-Cal pharmacy benefits and delaying the launch of statewide PHM service from January 1, 2023, until July 1, 2023.

In addition to \$1.8 billion of previously allocated PATH funding, the budget provides an additional \$50 million (\$16 million GF) for counties and correctional entities to support capacity building, technical assistance, collaboration and planning. While plans are not eligible for this funding, CalOptima is expected to coordinate PATH and CalAIM Incentive Payment Program investments with the County of Orange.

COVID-19

As the COVID-19 pandemic enters its endemic phase, the budget allocates \$1.9 billion to ensure ongoing pandemic response and preparedness for potential future surges of additional COVID-19 variants. This includes investments towards vaccinations (including boosters), rapid and school-based testing, enhanced surveillance, test to treat therapeutics and medical surge staffing.

In addition, with the PHE expected to terminate in the coming months, the budget includes funding to ensure continuity of Medi-Cal coverage as eligibility redeterminations resume. Funding supports additional county workloads, Health Enrollment Navigators expansion and media and outreach campaigns to collect updated member contact information. CalOptima is separately executing its own member communication strategies.

Finally, the budget permanently extends certain COVID-19 flexibilities that have proven to be beneficial to Medi-Cal beneficiaries regardless of the existence of a pandemic. These include the following, though additional flexibilities may be identified at a later date:

- Separate payments to Federally Qualified Health Centers (FQHCs) for COVID-19 vaccinations
- 10% rate increase for Intermediate Care Facilities for Developmentally Disabled (ICF-DD)
- Medicare reimbursement rates for the COVID-19 vaccine, COVID-19 lab services and oxygen and respiratory durable medical equipment
- Presumptive Medi-Cal eligibility for older adults and individuals with disabilities

Housing and Homelessness

Building off a \$12 billion multiyear investment to address homelessness as part of last year's enacted budget, this year's budget includes an additional \$2 billion multiyear affordable housing package, including investments in the Multifamily Housing Program, Housing Accelerator Program, Farmworker Housing Program, Accessory Dwelling Unit financing and Veterans Housing and Homelessness Prevention Program. The budget also includes \$700 million over two years for local jurisdictions to address encampments through short- and long-term rehousing strategies.

Contingent on passage of implementing legislation (SB 1338), the budget sets aside funding for the governor's proposed Community Assistance, Recovery, and Empowerment (CARE) Court. CARE Court would facilitate delivery of mental health and substance use disorder services to individuals with schizophrenia spectrum or other psychotic disorders who lack medical decision-making capabilities. The program would connect a person in crisis with a court-ordered care plan for up to 24 months as a diversion from homelessness, incarceration or conservatorship. Care plans could include court-ordered stabilization medications, wellness and recovery supports, and connection to social services and a housing plan. It is not yet known how Medi-Cal managed care plans (MCPs) may be involved in the delivery or coordination of care to their members.

Inflation Relief

In an effort to provide direct relief for rising costs due to inflation, the budget includes a \$17 billion relief package, which includes the following elements:

- \$1.3 billion for retention payments of up to \$1,500 each for hospital and SNF workers
- Permanent extension of the State Premium Subsidy Program to provide financial assistance for individuals purchasing health care coverage through Covered California

These are expected to result in direct positive impacts to CalOptima's health networks and providers as well as members who churn on and off of Medi-Cal eligibility.

Kaiser Medi-Cal Contract

As part of the budget packet, Gov. Newsom also signed into law AB 2724, which authorizes DHCS to enter into a direct, statewide contract with Kaiser Permanente to provide Medi-Cal services in any county, starting January 1, 2024. If the Centers for Medicare and Medicaid Services approves DHCS' waiver request, the contract is expected to result in significant negative impacts to

CalOptima and its members and providers as well as the broader safety net health system. CalOptima and the County of Orange adopted positions of Oppose Unless Amended to prohibit a direct contract in counties with County Organized Health Systems (COHS), but the final bill still applies to COHS counties.

Medi-Cal Benefits

The Enacted Budget includes additional funding for several new Medi-Cal benefits.

As referenced earlier, the budget funds the implementation of dyadic services, effective January 1, 2023. Similar to Parent-Child Interaction Therapy, currently managed by the Orange County Health Care Agency (HCA), dyadic care provides integrated physical and behavioral health screening and services to the whole family. The goal of providing dyadic care is to improve access to preventive and coordinated care for children, rates of immunization completion, social-emotional health services, developmentally appropriate parenting and maternal mental health.

In addition, 24/7 mobile crisis intervention services will become a Medi-Cal benefit implemented through county behavioral health systems as soon as January 1, 2023. It is expected that HCA may operate this benefit out of the Be Well OC campus. While not provided by MCPs, this new benefit may still require increased coordination and follow-up care by CalOptima and its contracted providers.

The budget also delays implementation of the doula benefit from July 1, 2022, until January 1, 2023, and provides funding to increase the maximum reimbursement rate from an average of \$450 to \$1,094 per birth for doula services. Lastly, effective July 1, 2022, annual cognitive health assessments become a Medi-Cal benefit for beneficiaries ages 65 years and older if they are ineligible under Medicare.

Medi-Cal Eligibility

Notably, the budget expands full-scope Medi-Cal benefits to income-eligible adults ages 26–49 regardless of immigration status no later than January 1, 2024. This will extend eligibility to include all ages following prior action to expand coverage for those under age 26 as of January 1, 2020, and those ages 50 and older as of May 1, 2022. Along with the latter expansion, this proposal could increase CalOptima's membership by approximately 75,000–80,000 individuals.

The budget also continues to include \$53 million (\$19 million GF) funding to eliminate Medi-Cal premiums for approximately 500,000 higher-income pregnant women,

children and disabled working adults covered under the Children's Health Insurance Program (CHIP), Medi-Cal Access Program (MCAP) and 250% Working Disabled Program.

Additionally, trailer bill language authorizes continuous Medi-Cal eligibility for children up to 5 years of age, beginning January 1, 2025, preventing disenrollment regardless of changes in family income. DHCS will also expand the Children's Presumptive Eligibility Program by allowing all Medi-Cal providers to enroll children under 19 years of age into Medi-Cal through the presumptive eligibility process.

No sooner than January 1, 2025, seniors and persons with disabilities who qualify for Medi-Cal under Medically Needy criteria will have reduced share of cost requirements by increasing the Medi-Cal Maintenance Need Income Level to match the income eligibility limit for Medi-Cal without a share of cost. As a result of CalAIM, these share of cost beneficiaries are currently covered under Medi-Cal FFS, as of January 1, 2022.

Provider Payments

The Enacted Budget includes \$700 million over five years for Equity and Practice Transformation Payments, which are one-time provider payments focused on advancing equity, reducing COVID-19-driven care gaps, supporting upstream interventions to address social determinants of health and improving quality in maternity, children's preventive and integrated behavioral health care. It is anticipated that some if not all of these payments will flow through Medi-Cal MCPs, though key details on implementation have not been shared.

A new Workforce and Quality Incentive Program will provide \$280 million in directed payments to SNFs that meet quality benchmarks or who have demonstrated substantial improvement. Medi-Cal MCPs will coordinate program implementation and issue payments. Other changes to SNF payments include:

- New reimbursement rate structure, beginning January 1, 2023
- Average 4% annual rate increase
- One-year extension of the temporary 10% rate increase effective during the COVID-19 PHE

The budget continues nearly all Proposition 56 supplemental payment programs, with several transferring to the GF to allow for ongoing funding regardless of fluctuations in Proposition 56 revenues. However, the Value Based Payment program still sunsetted on June 30, 2022, and the Behavioral Health

Integration program is still set to sunset on December 31, 2022. The budget made permanent the Medi-Cal Physician and Dentist Loan Repayment Program, also funded through Proposition 56, and provided additional funds from the GF for FY 2022–23.

The Enacted Budget also eliminates most remaining Great Recession-era ("AB 97") Medi-Cal rate cuts for 35 additional provider types and services, effective either July 1, 2022, or January 1, 2023.

Telehealth

To build off telehealth flexibilities adopted during the COVID-19 pandemic, the budget authorizes a permanent telehealth policy that allows Medi-Cal providers, including FQHCs, to be reimbursed for both video and audio-only telehealth encounters at the same rate as an in-person visit. Providers must still provide an option for in-person visits. However, a new Medi-Cal patient relationship may not be established via audio-only telehealth.

Miscellaneous

The Enacted Budget also includes the following provisions that may impact CalOptima:

- \$351.6 million over four years for workforce development, including:
 - » \$200 million for the behavioral health workforce
 - » \$76 million for the primary care, clinic and reproductive health workforce
 - » \$75.6 million for the public health workforce
- \$350 million over three years to recruit, train and certify 25,000 new community health workers by 2025, with specialized training to work with those who are justice-involved, unhoused, older adults or disabled
- \$200 million to improve access to reproductive health services
- \$101 million to expand medication-assisted treatment to help address the opioid crisis
- \$100 million for the CalRX Biosimilar Insulin Initiative to create public-private partnerships to increase generic insulin manufacturing and lower insulin costs
- \$50 million over two years for technical assistance grants and capacity development programs for small and under-resourced providers to improve data exchange capabilities
- Development of an Alternative Payment Model for FQHCs, optionally allowing them to transition from a volume-based to value-based reimbursement methodology, no sooner than January 1, 2024
- Reclassification of diabetic products, including continuous glucose monitors, as pharmacy benefits covered under Medi-Cal Rx, effective July 1, 2022

Next Steps

The Legislature will continue to advance budget trailer bills and policy bills through the legislative process. Bills with funding allocated in the Enacted Budget are likely to be passed and signed into law. The Legislature has until August 31 to pass legislation, and Gov. Newsom has until September 30 to either sign or veto that legislation. Additionally, state agencies will begin implementing the policies enacted through the budget. Staff will continue to monitor these policies and provide updates regarding issues that have a significant impact to CalOptima.

About CalOptima

CalOptima, a county organized health system (COHS), is the single plan providing guaranteed access to Medi-Cal for all eligible individuals in Orange County and is responsible for almost all medical acute services, including custodial long-term care. CalOptima is governed by a locally appointed Board of Directors, which represents the diverse interests that impact Medi-Cal.

If you have any questions, please contact GA@caloptima.org.

**Board of Directors Meeting
September 1, 2022**

CalOptima Health Community Outreach Summary — August and September 2022

Background

CalOptima Health is committed to serving the community by sharing information with current and potential members and strengthening relationships with community partners. To this end, CalOptima Health attends community coalitions, collaborative meetings, and advisory groups, and supports our community partners' public activities.

CalOptima Health's participation in public activities promotes:

- Member interaction/enrollment in a CalOptima Health program
- Community awareness of CalOptima Health
- Partnerships that increase positive visibility and relationships with community organizations

CalOptima Health continues to participate in public activities virtually in most instances with limited in-person attendance. Participation includes providing CalOptima Health Medi-Cal educational materials and, if criteria are met, financial support and/or CalOptima Health-branded items.

Community Outreach Highlight

Due to the increasing numbers of COVID-19 cases, CalOptima Health is engaging with Anaheim Elementary School District and Santa Ana Unified School District to increase access to COVID-19 vaccines for school-aged children and the community. The focus is to vaccinate children age 5 and older and protect our neighbors as they go back to school and before the COVID winter. Given past trends, COVID rates and their impact on the community and the health care system become more prevalent in the winter, it is imperative that the community is immunized at this time to be able to protect those around them. The first COVID-19 vaccine events took place in August at Theodore Roosevelt Elementary School in Anaheim. The next event will take place September 17 at Key Elementary School, in Anaheim. Discussions with the Santa Ana Unified School District are taking place to determine dates for COVID-19 vaccine clinics in Santa Ana, where CalOptima Health has the highest concentration of members. CalOptima will host a resource table at these vaccine events to share information about CalOptima Health, Medi-Cal programs, services and support services. The County of Orange Social Services agency will also be on site for Medi-Cal, CalFresh and CalWORKS. These efforts are aimed at increasing vaccination rates among our members and build partnerships with community stakeholders.

Summary of Public Activities

As of July 26, CalOptima Health plans to participate in, organize or convene 54 public activities in August and September. In August, there will be 29 public activities that include 14 virtual community/collaborative meetings, two community-based presentations, 11 community events, one Health Network Forum and one Cafecito meeting. In September, there will be 25 public activities that include 16 virtual community/collaborative meetings, two community-based presentations, six community events and one Health Network Forum. A summary of CalOptima Health's participation in community events throughout Orange County is attached.

Endorsements

CalOptima Health provided zero endorsements since the last reporting period (e.g., letters of support, program/public activity events with support or use of name/logo). Endorsement requests must meet the requirements of CalOptima Health's Policy AA.1214: Guidelines for Endorsements by CalOptima, for Letters of Support and Use of CalOptima Name and Logo. More information about policy requirements can be found at:

<https://www.caloptima.org/en/About/CommunityRelations/CommunityOutreach.aspx>.

For additional information or questions, contact CalOptima Health Community Relations Manager Tiffany Kaaiakamanu at 657-235-6872 or tkaaiakamanu@caloptima.org.

Updated 2022-07-26

List of community events hosted by community partners and CalOptima Health in August and September 2022:

August 2022			
8/2 5–8 p.m.	National Night Out hosted by the Garden Grove Police Department† Garden Grove Police Department 11301 Acacia Pkwy., Garden Grove	At least two staff members attended (in-person).	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
8/4 10 a.m.–2 p.m.	Celebrating Families Resource Fair hosted by PHFE WIC† Santa Ana East WIC 1701 S. Grand Ave., Santa Ana	At least one staff member attended (in-person).	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
8/4 4–5 p.m.	CalOptima Health Medi-Cal Overview Presentation in Spanish The Eli Home 1175 N. East St., Anaheim	At least one staff member presented (in-person).	<ul style="list-style-type: none"> • Community-based organization presentation • Open to members only
8/4 5–7:30 p.m.	Back-to-School Backpack Giveaway Event hosted by The Delhi Center† The Delhi Center 505 E. Center Ave., Santa Ana	At least one staff member attended (in-person).	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
8/10 4–7 p.m.	Health and Enrollment Fair hosted by The OC Community Health Centers† Families Together Orange County Community Health Center 661 W. First St., Tustin	At least one staff member attended (in-person).	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
8/11 6–9 p.m.	20th Anniversary Celebration hosted by the Buena Clinton Youth and Family Center† The Buena Clinton Youth and Family Center 12661 Sunswep Ave., Garden Grove	At least two staff members attended (in-person). Sponsorship fee: \$1,000; included a resource table, being featured on a banner during the event, speaking opportunity, photo opportunity with dignitaries and recognition of sponsorship with a plaque.	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
8/13 9 a.m.–1 p.m.	Health and Enrollment Fair hosted by OC Community Health Centers† Share Ourselves Community Health Center 1550 Superior Ave., Costa Mesa	At least one staff member attended (in-person).	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
8/18 9–11 a.m.	Health Network Forum* Virtual	At least 10 staff members attended.	<ul style="list-style-type: none"> • Forum • Open to health and human service providers
8/18 2– 6 p.m.	Vaccine Event hosted by CalOptima Health, Anaheim Elementary School District, CHOC and OC Health Care Agency*	At least 10 staff members attended.	<ul style="list-style-type: none"> • Health/resource fair • Open to the public

* CalOptima Health Hosted

† Exhibitor/Attendee

Attachment to the September 1, 2022, CalOptima Health Community Outreach Summary

	Theodore Roosevelt Elementary School 1600 E. Vermont Ave., Anaheim		
8/20 12–4 p.m.	Community Health Fair hosted by the Anaheim Marketplace† The Anaheim Marketplace 1440 S. Anaheim Blvd., Anaheim	At least two staff members attended (in-person). Sponsorship fee: \$1,000; included a resource table, opportunity to place a banner at the event, organization’s name mentioned in all social media advertising, live announcements, and advertisements during the event entertainment, and (14) 30-second brand spots on the KWIZ/La Ranchera stream prior to the event.	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
8/20 9 a.m.–1 p.m.	Back-to-School Family Resource Fair† Ikea 1475 S. Coast Dr., Costa Mesa	At least one staff member attended (in-person).	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
8/23 9–10:30 a.m.	InfoSeries: A National and Local Snapshot on Family Homelessness * Virtual	At least five staff members attended.	<ul style="list-style-type: none"> • Forum • Open to community stakeholders; register prior to event
8/24 9–11 a.m.	Health and Wellness Fair hosted by the Whitten Center† Whitten Community Center 900 S. Melrose St., Placentia	At least one staff member attended.	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
8/25 5–6 p.m.	CalOptima Health Medi-Cal Overview Presentation in Spanish Ponderosa Park Family Resource Center 320 E. Orangewood Ave., Anaheim	At least one staff member presented (in-person).	<ul style="list-style-type: none"> • Community-based organization presentation • Open to members only
8/27 10 a.m.–2 p.m.	Dia de los Ninos/Day of the Child and Resource Fair hosted by Boys and Girls Clubs of Central Orange Coast and Bikers Against Child Abuse† Boys & Girls Club of Santa Ana 950 W. Highland St., Santa Ana	At least one staff member to attend (in-person).	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
8/30 9–10:30 a.m.	Cafecito Meeting* Virtual	At least five staff members attended.	<ul style="list-style-type: none"> • Steering committee meeting • Open to collaborative members
September 2022			
9/9 8 a.m.–3:15 p.m.	Annual SoCal Alzheimer's Disease Research Conference hosted by UCI MIND† Irvine Marriott 18000 Von Karmen Ave, Irvine	At least one staff member to attend (in-person). Sponsorship fee: \$1,000; includes a resource table, four general admission tickets, logo and link on event website and logo on signage during break.	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
9/10 9 a.m.–12 p.m.	Out of the Darkness Community Walk hosted by the American Foundation for Suicide Prevention† UC Irvine-Aldrich Park	At least one staff member attended (in-person). Sponsorship fee: \$1,000; includes a resource table at the walk, placement of agency's logo on the event's t-shirts and website, and agency's name in event host's newsletter.	<ul style="list-style-type: none"> • Health/resource fair • Open to the public

* CalOptima Health Hosted
† Exhibitor/Attendee

Attachment to the September 1, 2022, CalOptima Health Community Outreach Summary

9/12 9–10 a.m.	CalOptima Health Medi-Cal Overview Presentation in Spanish Whitten Community Center 900 S. Melrose St., Placentia	At least one staff member to present (in-person).	<ul style="list-style-type: none"> • Community-based organization presentation • Open to members only
9/14 1–2 p.m.	CalOptima Health Medi-Cal Overview Presentation in English Key Elementary 2000 W. Ball Rd., Anaheim	At least two staff members to present (in-person).	<ul style="list-style-type: none"> • Community-based organization presentation • Open to members only
9/15 9–11 a.m.	Health Network Forum* Virtual	At least 10 staff members to attend.	<ul style="list-style-type: none"> • Forum • Open to health and human service providers
9/17 10 a.m.–1 p.m.	Active Living Expo hosted by the Huntington Beach Council on Aging† Senior Center in Central Park 18041 Goldenwest St., Huntington Beach	At least one staff member to attend (in-person). Sponsorship fee: \$1,000; includes a resource table at the event, agency's name listed on the event banner, a half-page ad in the event program, a link to agency's website from the host website for six months, placement of agency's name/logo on banner at senior center, logo on event's Passport to Health, agency's banner displayed in prominent area of the center the week before the event, recognition of sponsorship from main stage during event and in the Surf City Break and a press release from City of Huntington Beach distributed to county and local press, and a healthy living hospitality basket.	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
9/17 9 a.m.–1 p.m.	Vaccine Event hosted by CalOptima Health, Anaheim Elementary School District, CHOC, and OC Health Care Agency* Key Elementary School 2000 W. Ball Rd., Anaheim	At least 10 staff members to attend (in-person).	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
9/24 11 a.m.–2 p.m.	Celebration Recovery Picnic hosted by the Mental Health Association Orange County† Hart Park 701 S. Glassell St., Orange	At least one staff member to attend (in-person). Sponsorship fee: \$250; includes a resource booth and agency's logo/name on event flyers.	<ul style="list-style-type: none"> • Health/resource fair • Open to the public
9/28 10 a.m.–1 p.m.	Knowledge and Health Fair hosted by the Costa Mesa Senior Center† Costa Mesa Senior Center 695 W. 19th St., Costa Mesa	At least one staff member to attend (in-person). Registration fee: \$200; includes resource table at event, table sign displaying organization's name and placement of organization's name on the Knowledge and Health Fair expo passport.	<ul style="list-style-type: none"> • Health/resource fair • Open to the public

These sponsorship request(s) and community event(s) met the requirements of CalOptima Health Policy AA.1223: Participation in Community Events Involving External Entities. More information about policy requirements can be found at:

<https://www.caloptima.org/en/About/CommunityRelations/CommunityOutreach.aspx>

* CalOptima Health Hosted
† Exhibitor/Attendee

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022

Regular Meeting of the CalOptima Health Board of Directors

Report Item

11. Approve Actions Related to the Housing and Homelessness Incentive Program

Contact

Michael Hunn, Chief Executive Officer, (657) 900-1481

Recommended Actions

1. Authorize the Chief Executive Officer (CEO) to submit the Housing and Homelessness Incentive Program (HHIP) investment plan to the Department of Health Care Services (DHCS).
2. Authorize reallocation of up to \$40.1 million from the following Board of Directors (Board)-approved categories within the restricted Homeless Health Initiatives Reserve to provide investment funding related to homeless initiatives included in the HHIP:
 - a. \$5.1 million from “Clinic health care services in all homeless shelters.”
 - b. \$2.0 million from “Authorize mobile health team to respond to all homeless providers.”
 - c. \$13.0 million from “Residential support services and housing navigation.”
 - d. \$20.0 million from “Extend recuperative care for homeless individuals with chronic physical health issue.”

Background/Discussion

DHCS established the HHIP to be implemented from January 1, 2022, to December 31, 2023. HHIP aims to improve health outcomes and access to whole person care services by addressing housing insecurity and instability as a social determinant of health for the Medi-Cal population.

In April 2022, CalOptima Health submitted a letter of intent to DHCS to participate in HHIP. DHCS responded that CalOptima Health is eligible to receive up to \$83,755,557 in incentive payment over a two-year period. The HHIP incentive payments are based on Medi-Cal managed care plan (MCP) performance and demonstrated progress in tackling housing and homelessness needs. On June 30, 2022, CalOptima Health submitted a local homelessness plan to DHCS that identified housing, service gaps, and included a needs assessment.

In June 2022, DHCS added a new deliverable that requires Medi-Cal MCPs participating in HHIP to develop and submit a HHIP investment plan. The Investment Plan is intended to describe the strategy, funding activities, and investments required to achieve HHIP goals. Staff have engaged with internal and external stakeholders to develop a strategy. CalOptima Health’s proposed strategy aligns recommended investment funding levels with the three priority areas identified by DHCS.

DHCS Priority Area	Recommended CalOptima Health Investment Funding Level (Not to exceed amount)
Delivery of services and member engagement <ul style="list-style-type: none">• Member experience real time feedback platform	\$3,600,000

Infrastructure to coordinate and meet member housing needs <ul style="list-style-type: none"> • Service hubs in each service area 	\$15,500,000
Partnerships and capacity to support referrals for services <ul style="list-style-type: none"> • Discharge planning 	\$21,000,000
Total	\$40,100,000

CalOptima Health is committed to supporting the delivery of care to Medi-Cal members experiencing homelessness. In order to implement HHIP, CalOptima will need to fund the investment plan. In April 2019, the Board created a \$100 million restricted homeless health reserve to support delivery of care to Medi-Cal members experiencing homelessness, the Homeless Health Initiatives Reserves. At the June 27, 2019, meeting, the Board approved an allocation of \$60 million within the \$100 million Homeless Health Initiatives Reserve across four (4) categories for new initiatives. As of July 2022, CalOptima Health has \$40.6 million in the Homeless Health Initiatives Reserve that has not been allocated to new initiatives within the four (4) Board-approved categories. Staff proposes to utilize up to \$40.1 million of this amount to provide investment funding to implement the proposed HHIP Investment Plan.

Homeless Health Initiatives Reserve Category	Board Allocation	Unallocated Amount	Proposed Reallocated Amount	Balance
Clinic health care services in all homeless shelters	\$10 million	\$5.6 million	\$5.1 million	\$0.5 million
Authorize mobile health team to respond to all homeless providers	\$10 million	\$2 million	\$2 million	\$0
Residential support services and housing navigation	\$20 million	\$13 million	\$13 million	\$0
Extend recuperative care for homeless individuals with chronic physical health issue	\$20 million	\$20 million	\$20 million	\$0
Total	\$60 million	\$40.6 million	\$40.1 million	\$0.5 million

Staff request that the Board authorize the CEO to submit the HHIP Investment Plan to DHCS and approve reallocation of \$40.1 million from the Homeless Health Initiatives Reserve. After DHCS approves the HHIP Investment Plan, staff will return to the Board to request additional authorization to operationalize the HHIP in Orange County. In addition, staff will provide reports to the Board tracking and reporting on DHCS-required measures and updates on the status of the amount and receipt of incentive payments from DHCS.

Fiscal Impact

The recommended actions have no additional fiscal impact. A reallocation of up to \$40.1 million from the Homeless Health Initiatives Reserve approved by the Board on June 27, 2019, will fund this action.

Rationale for Recommendation

CalOptima Health is committed to investing in the local homeless continuum of care and advancing the community's ability to address homelessness. By approving allocation funds from Homeless Health Initiatives reserve to support the HHIP Investment Plan, CalOptima Health will improve the delivery and coordination of health and housing services and achieve the goal of reducing homelessness for Medi-Cal members.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022 Regular Meeting of the CalOptima Health Board of Directors

Report Item

12. Approve Modifications to CalOptima Health's Purchasing Policy

Contact

Nancy Huang, Chief Financial Officer, (657) 235-6935

Recommended Action

Approve modifications to CalOptima Health Policy GA.5002: Purchasing.

Background

California Government Code section 54202 requires that local agencies adopt policies and procedures, including bidding regulations governing the purchase of supplies and equipment by the local agency. The CalOptima Health Board of Directors (Board) may delegate certain authority to staff to execute decisions provided there is adequate transparency and safeguards to guide the use of the delegated authority and prevent abuse.

On September 10, 1996, the Board adopted CalOptima Health Policy GA.5002: Purchasing to provide guidance on the procurement of all goods and services related to CalOptima Health's operations. This policy was last revised on June 7, 2018.

Discussion

Staff, with the assistance of legal counsel, reviewed the policy to ensure its provisions align with federal and state statutory and regulatory requirements and reflect CalOptima Health's current operational processes.

The following provides an overview of policy changes that are substantive in nature. In addition, there are other non-substantive changes (e.g., formatting, spelling, punctuation, capitalization, minor clarifying language, and/or grammatical changes) that are reflected in the redline attachment.

- The modified policy standardizes and applies the same thresholds to all purchases (i.e., purchases of goods and non-medical professional services and public works projects, capital projects, computer hardware, software and other peripheral equipment and related services, and telecommunications goods and services). Staff updated the requisition limits based on the updated threshold amounts and employee positions.
- Informal and Formal Bidding: Staff reviewed federal regulations, with the assistance of legal counsel, and recommends increases to the informal and formal bid thresholds with some additional policy provisions. The details of these increases are found in the table below:

	Current Policy	Proposed Changes
Informal Bid	Purchases of \$10,000 per vendor per fiscal year.	Micro purchases: Purchases valued at under \$50,000 per vendor per fiscal year. <ul style="list-style-type: none"> • CalOptima Health will annually self-certify its \$50,000 micro purchase limit through a Chief Executive Officer (CEO) memorandum.
	<ul style="list-style-type: none"> • Goods and Non-Medical Professional Services: Purchases between \$10,000 and \$50,000 per vendor per fiscal year. • Public Works Projects and Computer Equipment and Telecommunications Goods and Services: Purchases between \$10,000 and \$100,000 per vendor per fiscal year. 	Small purchases: Purchases valued from \$50,000 to \$250,000 per vendor per fiscal year. <ul style="list-style-type: none"> • Purchases will require solicitation of at least two (2) informal bids and/or quotations from known suppliers.
Formal Bidding	<ul style="list-style-type: none"> • Goods and Non-Medical Professional Services: Purchases greater than \$50,000 per vendor per fiscal year. • Public Works Projects and Computer Equipment and Telecommunications Goods and Services: Purchases greater than \$100,000 per vendor per fiscal year. 	Purchases greater than \$250,000 per vendor per fiscal year.

- The modified policy addresses Leveraged Procurement Agreements to allow CalOptima Health to leverage the buying power of the State of California.
- The modified policy includes other revisions to reflect current operational processes and removes duplicative or obsolete language. The procedures related to this policy will be addressed through internal desktop procedures.

Fiscal Impact

The recommended action to modify CalOptima Health GA.5002 is operational in nature and has no additional fiscal impact beyond what was included in the CalOptima Health Fiscal Year 2022-23 Operating and Capital Budgets.

Rationale for Recommendation

Updates to the CalOptima Health Purchasing policy is recommended to ensure compliance and to enhance the efficiency of CalOptima's operations and governance.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Proposed Revised CalOptima Health Policy GA.5002: Purchasing \(redlined and clean\)](#)

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date



Policy: GA.5002
Title: **Purchasing**
Department: Finance
Section: Not Applicable

CEO Approval: /s/

Effective Date: 09/10/1996
Revised Date: TBD

Applicable to: Medi-Cal
 OneCare
 PACE
 Administrative

1
2 **I. PURPOSE**
3

4 This policy establishes the organization and administration of a unified, fair, and effective process for
5 the procurement of goods and services essential to the operations of CalOptima Health, and may be
6 amended from time to time in order that it remains consistent with current best business practices. This
7 policy applies to the procurement of goods and services for all CalOptima Health programs including
8 Federal Awards Subject to OMB A-133 Single Audit Requirements.
9

10 **II. POLICY**
11

- 12 A. ~~A.~~ Unless exempted by this policy herein and/or applicable law, the Chief Financial Officer (CFO)
13 or ~~his or her~~their designee, with the assistance of the Purchasing Vendor Management Department,
14 is charged with the authority and responsibility for the following:
15
16 1. Acquiring equipment, supplies and services for all departments in an economical, expeditious
17 and reasonable manner, in accordance with this policy;
18
19 2. Identifying qualified vendors and developing and promoting good vendor relationships;
20
21 3. Educating and training employees and vendors on this policy and the purchasing process;
22
23 4. Providing assistance to departments in preparing specifications and in analysis of bids received;
24 and
25
26 5. Awarding contracts and assuring vendor performance through contract administration.
27
28 B. ~~B.~~ A requisition for purchase of supplies, equipment or services, ~~including Public Works projects,~~
29 shall be approved only by a person who has been properly authorized in accordance with this policy.
30 The Board of Directors has delegated requisition authority to the Chief Executive Officer (CEO).
31 The ~~Chief Executive Officer~~CEO has further delegated that authority and in the amounts provided
32 below. Any person in a position delegated authority below may appoint a designee of the same level
33 or higher, in writing, to act in ~~his or her~~their stead when that person is unavailable. The

Purchasing Vendor Management Department shall have full authority to question the quality, quantity, kind, and source of materials and services being requisitioned.

- C. ~~C.~~ Requisition Approval Limits – Goods and Non-Medical Professional Services ~~except as specified in D. and E. below~~ Public Works Projects

Employee Position	Authority Approval Limit
Manager	\$ 1,000
Director	10,000
Executive Director or Officer	100,000
<u>CEO or Chief Executive Operating Officer (COO)</u>	Over 100,000

- D. ~~D.~~ Requisition Approval Limits – Public Works Capital Projects

<u>Employee Position</u>	<u>Authority Approval Limit</u>
<u>Manager</u>	<u>\$ _____ 0</u>
<u>Director</u>	<u>_____ 0</u>
<u>Executive Director or Officer</u>	<u>100,000</u>
<u>CEO or COO</u>	<u>Over 100,000</u>

- E. Requisition Approval Limits – Computer Hardware, Software and Other Peripheral Equipment and Related Services (collectively “Computer Equipment”) and Telecommunications Goods and Services

Employee Position	Authority Approval Limit
Facilities Manager	\$ 10,000
Facilities Director	50,000
Chief Administrative <u>Executive Director or Officer</u>	100,000
Chief Executive Officer <u>CEO or COO</u>	Over 100,000

- ~~E.~~ Requisition Approval Limits – Computer Hardware, Software and Services Telecommunications Goods and Services

Employee Position	Authority Limit
I.S. Manager	\$ 10,000
I.S. Director	– 50,000
I.S. Executive Director, Chief Information Officer	100,000
Chief Executive Officer	– Over 100,000

1 F. Funding for all requisitions shall be approved by the Board of Directors through:

- 2
- 3 1. The annual operating or capital budget;
- 4
- 5 2. Specific Board action; or
- 6
- 7 3. A Budget Allocation Change, in accordance with CalOptima Health Policy GA.5003:
- 8 ~~Budgets~~Budget and Operations Forecasting.
- 9

10 G. To enable the Board of Directors to consider approval through the operating and capital budgets, the

11 budget submission must meet the requirements outlined in CalOptima Health Policy GA.3202:

12 CalOptima Health Signature Authority.

13

14 H. ~~H.~~ Signature authorization for contracts, agreements, leases, and/or purchase orders resulting from

15 this policy is addressed in CalOptima Health Policy GA.3202: CalOptima Health Signature

16 Authority. ~~For all CalOptima contracts requiring the vendor's signature, CalOptima authorized~~

17 ~~signature representatives shall sign the contract documents only after the contract documents have~~

18 ~~been signed by the vendor.~~

19

20 I. Informal Bidding

21

- 22 1. Set forth below are the generally accepted methods of purchasing, which may be adjusted from
- 23 time to time for CalOptima Health's Best Interest and to reflect current best business practices.
- 24 All formal and informal requests for prices in the form of bids, quotations or proposals for all
- 25 materials, services and equipment purchased, must be made by the Purchasing Vendor
- 26 Management Department, unless otherwise delegated by the Purchasing Vendor Management
- 27 Department in writing. Pre-qualified vendor relationships shall be reviewed periodically, at least
- 28 every five (5) years, to ensure consistency in quality, service and competitive pricing. For the
- 29 purposes of this policy, the response to any request for prices, requests for quotations or
- 30 invitations for bids shall collectively be referred to as a "bid" or "bids."
- 31

- 32
- 33 2. Micro purchases: Purchases of Goods and Non-Medical Professional Services as specified in
- 34 Section II. C. and Public Works projects as specified in Section II. D. Projects, Capital Projects
- 35 and Computer Hardware, Software and Services Equipment and Telecommunications Goods and
- 36 Services as specified in Section II.E. above, valued at under ~~ten~~ fifty thousand dollars (\$50,000)
- 37 per vendor per fiscal year, not including applicable taxes and freight charges, referred to as
- 38 micro purchases, may be made without solicitation of bids if the Vendor Management
- 39 Department considers the purchase price to be reasonable based on research, experience, and
- 40 purchase history. The Vendor Management Department will distribute micro purchases
- 41 equitably among qualified suppliers to the maximum extent practicable.
- 42

- 43 a. Pursuant to 2 C.F.R. § 200.320, CalOptima Health has increased its upper limit for micro
- 44 purchases, from the \$10,000 limit provided in the Federal Acquisition Regulation to
- 45 \$50,000, based on an evaluation of its internal controls, its risk, and this Purchasing Policy.
- 46 The \$50,000 limit is not prohibited under state or local laws or regulations. CalOptima
- 47 Health must annually self-certify its \$50,000 micro purchase limit by way of a CEO
- 48 Memorandum.
- 49

1 b. The CEO shall self-certify by way of a CEO Memorandum each fiscal year.

2
3 c. The self-certification shall include a justification for the \$50,000 limit, as well as supporting
4 documentation showing CalOptima Health's eligibility for the increased limit.

5
6 2.3. Small purchases: Purchases of Goods and Non-Medical Professional Services and Public Works
7 projects and Computer Equipment and Telecommunications Goods and Services valued from
8 fifty thousand dollars (\$50,000) to two hundred fifty thousand dollars (\$250,000) per vendor per
9 fiscal year, not including applicable taxes and freight charges, referred to as small
10 procurements, may be made on a discretionary basis without solicitation of bids. The
11 Purchasing Department may establish pre-qualified vendor relationships for common small
12 purchases to leverage pricing to the maximum extent practicable. purchases, require solicitation
13 of at least two (2) informal bids and/or quotations from known suppliers.

14
15 ~~1. Purchases of Goods and Services as specified in Section II. C. above valued from ten thousand~~
16 ~~dollars (\$10,000) to fifty thousand dollars (\$50,000) per vendor per fiscal year, or between ten~~
17 ~~thousand dollars (\$10,000) and one hundred thousand dollars (\$100,000) per vendor per fiscal~~
18 ~~year for computer equipment and telecommunications goods and services, not including~~
19 ~~applicable taxes and freight charges, require solicitation of at least two (2) informal bids and/or~~
20 ~~quotations from known suppliers.~~

21
22 ~~3.4. Purchases for Public Works projects and Computer Hardware, Software and Services and~~
23 ~~Telecommunications Goods and Services specified in Section II.D. and Section II. E. above~~
24 ~~valued from ten thousand dollars (\$10,000) or more per vendor per fiscal year, or one hundred~~
25 ~~thousand dollars or more for computer equipment and telecommunications goods and services~~
26 ~~to \$100,000, excluding taxes and freight charges, shall be made in accordance with this policy~~
27 ~~under Section(s) II. M., or L. as applicable. Such purchases require solicitation of at least two~~
28 ~~(2) informal bids and/or quotations from known suppliers. Contracts for software licenses or~~
29 ~~software maintenance agreements, or computer equipment purchases must be approved in~~
30 ~~writing by the Information Services Department.~~

31
32 ~~2. Public Works Projects shall be procured in accordance with the limits and procedures of Section~~
33 ~~II.M.~~

34
35 4.5. Contracts for the provision of healthcare services must be coordinated by the Provider
36 Operations Department with approval of an appropriate signing party under CalOptima Health
37 Policy GA.3202: CalOptima Health Signature Authority, within limits delegated by the Board
38 of Directors, and with approval of the contract template and any deviations therefrom by the
39 Legal Counsel.

40
41 J. J.—Formal Bidding

42
43 1. Provisions Applicable to Purchasing purchases of Goods and Non-Medical Professional Services
44 and Public Works projects, Capital Projects and Computer Equipment and Telecommunications
45 Goods and Services shall be made by Request for Quotations (RFQ), Request for Proposals
46 (RFP), Request for Qualifications (RFQu), or Invitations for Bid (IFB).

47
48 ~~a.—Unless exempted in Section II.J.2 below, or by applicable law, purchases of items under~~
49 ~~Section II.C., including any purchase of goods, material, supplies or non-professional~~

1 services (e.g., printing, graphic design, mail processing, janitorial, or hard copy file storage,
2 etc.) to be furnished, sold, or leased to CalOptima, involving an expenditure of more than
3 Goods and Non-Medical Professional Services and Public Works projects, Capital Projects
4 and Computer Equipment and Telecommunications Goods and Services valued at more
5 than two hundred fifty thousand dollars (\$50250,000). ~~Shall be procured using a formal~~
6 ~~request for bids in the form of formal Request for Quotations, Requests for Proposal and/or~~
7 ~~Invitations for Bid.~~

8
9 a. ~~Unless exempted in Section II.J.2 below or by applicable law, Public Works projects under~~
10 ~~Section II.D. and the purchase of Computer Hardware, Software and Services and~~
11 ~~Telecommunications Goods and Services under Section II.E. valued at more than one~~
12 ~~hundred thousand dollars (\$100,000)) per vendor per fiscal year shall be procured using a~~
13 ~~formal request for bids in the form of a formal RFQ, RFP, RFQu or IFB, as provided in~~
14 ~~Sections II.M. and II.L., respectively.~~

15
16 a.b. ~~Public Works projects~~ involving construction or demolition, including tenant
17 improvements, when required shall include detailed plans and specifications prepared by an
18 architect, engineer or other licensed professional acting within the scope of his or her~~their~~
19 license. Formal requests for bids for Public Works projects sent to Offerors will include a
20 construction public works contract template, ~~and any deviations therefrom, approved by~~
21 ~~Legal Counsel.~~

22 23 2. Exceptions to Bidding

24
25 a. ~~Contracts for non-medical professional services, including special services and advice in~~
26 ~~financial, economic, accounting, engineering, legal, medical consulting and administrative~~
27 ~~matters, if such persons have the necessary experience, training, competence, and licensure~~
28 ~~(if applicable) to perform the special services required, may be made without soliciting or~~
29 ~~securing bids, but shall be awarded according to the guidelines in Section II.K. of this~~
30 ~~policy.~~

31
32 a. ~~Contracts for the acquisition of computer hardware, software, and other peripheral~~
33 ~~equipment and related services (referred to as "computer equipment"), and~~
34 ~~telecommunications goods and services may be made without soliciting bids, but shall be~~
35 ~~awarded according to the guidelines specified in Section II.L. of this policy.~~

36
37 b. ~~Contracts for the undertaking of Public Works Projects, which shall be awarded according~~
38 ~~to the provision of Section II.M. of this policy.~~

39
40 b.a. ~~Contracts for the provision of certain~~ health care and related services when criteria are set
41 and open to all qualified providers.

42
43 e.b. Sole source or emergency purchases, which shall only be undertaken in accordance with
44 Sections II.QQP. and II.PPQ. respectively.

45
46 d.c. Acquisitions or transfers of real property, which shall only be undertaken in accordance
47 with Section II.QQR.

1 e. ~~Subcontracts and other agreements entered into by CalOptima in fulfilling its obligations~~
2 ~~under a federal, state, local or private grant, if the grant requires that an alternative set of~~
3 ~~procurement policies, rules, or regulations be used (e.g., the Federal Acquisition Regulation~~
4 ~~(FAR)).~~

5
6 3. Bid Procedures for formal bidding ~~for goods and non-professional services.~~

7
8 a. Preparation: Before entering into any contract which requires formal bidding, CalOptima
9 Health shall prepare ~~or cause to be prepared~~ a bid package. The bid package may take the
10 form of a RFQ, RFP, RFQu, or IFB. To the extent practicable, the bid package shall
11 include full, complete, and accurate plans and specifications, giving such direction as will
12 enable any competent vendor to ascertain and carry out the contract requirements.

13
14 b. Notice of formal bids: All prospective bidders who have not been suspended or debarred by
15 any regulatory agency within the last three (3) years, have ~~notified CalOptima in writing or~~
16 ~~via the CalOptima website that they desire to bid~~ registered on contracts, and all prospective
17 bidders which CalOptima would like to bid on contracts CalOptima Health's sourcing
18 vendor tool, shall be furnished with an automated e-mail announcement that there is a
19 ~~request for quotation, request for proposal or invitation~~ RFQ, RFP, RFQu, or IFB for bids
20 (as applicable) posted on the CalOptima Health website and CalOptima Health's sourcing
21 tool for them to download. The RFQ, RFP, RFQu, or IFB shall include information as to
22 the type, quality, quantity, date, location and other bid requirements. The notice shall
23 specify the place bids are to be received and the time by which they are to be received.
24 ~~Notice may also be made by telephone, telegram, personal contact, letter, or other informal~~
25 ~~means.~~ Any bids received after the due date and specified time shall be returned
26 ~~unopened~~ rejected by the sourcing tool, except as otherwise provided herein.

27
28 c. Advertising/Publication: Except in cases of emergency or where circumstances require the
29 immediate letting of a contract, information advising interested parties how to obtain
30 specifications, and specifying the place bids are to be received and the time by which they
31 are to be received, shall be given via the automated e-mail system sourcing tool. The RFQ,
32 RFP, RFQu, or IFB will be posted on ~~the Website~~ CalOptima Health's website from the
33 issue date until the date the proposal is due.

34
35 i. Methods of publicizing of the bids shall include at least ~~two (2)~~ one (1) of the following:

36
37 a) RFQ's, RFP's, RFQu's or IFB's will appear on the Supplier tab "work with
38 CalOptima Health" page of CalOptima Health's Web Site website on the date the
39 documents will be issued; or

40
41 ~~a) In a newspaper of general circulation once a week for two consecutive weeks~~
42 ~~published in such places most likely to reach prospective bidders; or~~

43
44 ~~b) In trade journals or papers of general circulation as the Chief Financial Officer, or~~
45 ~~designee, deems proper.~~

46
47 b) Vendors registered with the CalOptima Health vendor sourcing tool will receive an
48 automated email from the sourcing tool directly; or

b)c) ~~The Chief Executive Officer~~ CEO or designee may waive any irregularity or informality in the publication procedures.

- d. Bid Form: The bid package shall furnish to each prospective bidder an appropriate bid form and bid package prepared by CalOptima Health for the type of contract being let. Bids not presented on forms so furnished shall be disregarded as non-responsive. All bids must be accompanied by a non-collusion affidavit.
- e. Presentation of Bids under Sealed Cover: All bids shall be presented under sealed cover on or before the bid deadline. ~~After receipt, the bid shall be date stamped and submitted directly to the sourcing tool.~~
- f. Withdrawal of Bids: Bids may be withdrawn at any time prior to the time fixed in the notice for the opening of bids only by written request made to the person or entity designated in charge of the bidding procedure. ~~The withdrawal of the bids does not prejudice the right of the bidder to timely file a new bid. No bidder may withdraw his bid after opening for at least a period of forty five (45) days thereafter.~~
- g. Bidder's Conference: CalOptima Health may hold a bidders' conference or conduct a site visit, as it deems necessary and appropriate. In such cases, CalOptima Health shall include the date, time and location in the bid documents. The conference or site visit shall be at least five (5) days after publication of the notice of formal bid.

4. Award of Contracts

- a. Opening of Bids: ~~On the day named in the bid notice,~~ CalOptima Health shall open the sealed bids ~~after the date and time specified in the sourcing tool.~~ Award of the contract shall be to the lowest-price, qualified and responsive bidder, if at all, as determined ~~in at~~ CalOptima Health's sole discretion. ~~Award shall be made within forty five (45) days after opening, unless the bid package specifies otherwise or the Chief Executive Officer or his or her designee extends the time.~~ All bidders shall have complied with the foregoing bid procedures, except as otherwise provided herein. After a bid is opened it shall be deemed irrevocable for the period specified in the ~~invitation to bid. Bids shall be irrevocable for a minimum of forty five (45) days after the opening thereof.~~ bid.
- b. Awards to the second and third lowest price ~~Qualified Bidders~~ qualified bidders: If it is deemed to be in CalOptima Health's Best Interest, CalOptima Health may, on refusal or failure of the successful bidder to execute the contract or comply with other bid requirements, award it to the second lowest price qualified bidder. If the second lowest price qualified bidder fails or refuses to execute the contract or comply with other bid requirements, CalOptima Health may likewise award it to the third lowest price qualified bidder, and so on.
- c. Only one (1) Bid or Proposal Received: If only one (1) bid or proposal is received in response to the RFQ, RFP, RFQu, or IFB, an award may be made to the sole bidder

1 provided that CalOptima Health finds that the price or proposal submitted is fair, reasonable
2 and in CalOptima Health's Best Interest.
3

- 4 d. Qualified Bidder: CalOptima Health's determination of a qualified bidder shall be based on
5 analysis of each bidder's ability to perform, financial statement (if required), experience,
6 past record and any other factors it shall deem relevant. If the lowest price bidder is to be
7 rejected because of an adverse determination of the bidder's responsibility based on
8 CalOptima Health's decision, the bidder shall be entitled to be informed of the adverse
9 evidence and afforded an opportunity to rebut that evidence and to present evidence of
10 responsibility.
11

12 ~~5. Contract Renewal: For contracts that are awarded through a formal bidding process, it is~~
13 ~~recommended that staff follow the industry best practice that contracts for goods and services~~
14 ~~not exceed five (5) years in duration without being rebid.~~
15

- 16 5. Negotiated Purchase: CalOptima Health reserves the right and at its sole discretion, to
17 informally solicit one (1) or more alternative proposals from one (1) or more qualified vendor(s)
18 in the event that a procurement solicitation results in no acceptable vendor responses based on
19 the criteria set forth in the solicitation package. The ~~Chief Financial Officer~~CFO or designee
20 may use a procedure to select a vendor by "competitive means." This would include one (1) or
21 more of the following methods when deemed by the ~~CFO~~CEO or designee as an appropriate
22 means under the circumstances to permit CalOptima Health's Best Interests to be served:
23

- 24 a. The preparation and circulation of an ~~RFQ, RFP, RFQu, or RFQIFB~~ to an adequate number
25 of qualified sources. An adequate number shall be defined as two (2) or more qualified
26 sources, as determined by the ~~Chief Financial Officer~~CFO or ~~their~~ designee based on the
27 number of qualified sources believed to be capable of submitting a satisfactory proposal
28 after reasonable inquiry.
29

30 ~~a. Posting to the Website, publishing, communicating telephonically or otherwise publicizing~~
31 ~~the RFP or RFQ in a manner intended to disseminate the RFP or RFQ to an adequate~~
32 ~~number of qualified sources.~~
33

34 ~~b. Soliciting comparable rates charged by other vendors for similar services to ensure a~~
35 ~~competitive price.~~
36

- 37 b. Any other means determined by the CFO or ~~his or her~~their designee as reasonably expected
38 to disseminate the ~~RFQ, RFP, RFQu, or RFPIFB~~ to an adequate number of qualified
39 sources.
40

41 6. Criteria for Award of Contract via Negotiated Purchase
42

- 43 a. Contracts shall be awarded ~~to a qualified and responsive bidder~~ based on ~~the determination~~
44 ~~of~~ which vendor has the most cost effective and beneficial solution. ~~In making this~~
45 ~~determination, the following evaluation tools shall apply as appropriate:~~
46

47 ~~i. Price.~~
48

- ~~ii. Payment or financial terms offered by contractor.~~
- ~~iii. The extent to which the proposal meets or exceeds CalOptima's technical requirements and, if purchased, can be expected to accomplish the specified goals.~~
- ~~iv. Offeror's relevant experience in the area of purchase/project.~~
- ~~v. A demonstrated quality, dependability and responsiveness of the Offeror and any subcontractors providing installation, integration, consulting maintenance or other goods and services including Public Works.~~
- ~~vi. For capital equipment, the anticipated salvage or resale value of the components, if any, based upon its anticipated useful life.~~
- ~~vii. For Computer Hardware, Software and Services and Telecommunications Goods and Services, the anticipated expense and disruption to CalOptima facilities and services involved in upgrading or integrating additional components to the system and/or maintaining the system which may be necessary to accommodate the expansion of CalOptima facilities, keep pace with technology, provide for system back-up or obtain necessary parts and service.~~
- ~~viii. Offeror's familiarity with CalOptima.~~
- ~~ix. Offeror's reputation in the community.~~
- ~~x. Special expertise in the area of purchase.~~
- ~~xi. Such other criteria, consistent with this policy and the goal of achieving the most cost-effective solution to CalOptima's requirements, as the CFO or his or her designee may establish.~~

b. These criteria shall be applied by the ~~Chief Financial Officer~~CFO or their designee using a scoring or other system designed to determine which of the proposals submitted provides the most viable solution to CalOptima Health's requirements. The basis for such determination shall be documented by the Purchasing Vendor Management Department in a manner which permits the Board, the CFO or ~~his or her~~their designee to reasonably evaluate compliance with this policy.

7. Waiver and Rejection Rights: CalOptima Health reserves the right to reject any and all bids or proposals or to waive any informality or non-substantive defects in bids or proposals to serve CalOptima Health's Best Interest. Only those bids or proposals which are deemed by CalOptima Health to be responsive to the RFQ, RFP, RFQ_{II}, or RFQ_{IFB} shall be considered. The Purchasing Vendor Management Department shall ensure maximum protection of CalOptima Health's Best Interest consistent with ensuring an equal opportunity and fair and equitable treatment for all bidders and Offerors.

1 8. Notice to Bidders Not Awarded the Contract: Whenever a contract is not to be awarded to a
2 bidder, such bidder shall be notified ~~by regular mail~~ within ~~ten (10)~~thirty (30) business days
3 after ~~the award of the~~an executed contract to another bidder.

4
5 ~~10. Qualified Bidder: CalOptima's determination of a qualified bidder shall be based on analysis of~~
6 ~~each bidder's ability to perform, financial statement (if required), experience, past record and~~
7 ~~any other factors it shall deem relevant. If the lowest price bidder is to be rejected because of an~~
8 ~~adverse determination of the bidder's responsibility based on CalOptima's decision, the bidder~~
9 ~~shall be entitled to be informed of the adverse evidence and afforded an opportunity to rebut~~
10 ~~that evidence and to present evidence of responsibility.~~

11
12 ~~11. Extensions: The granting of an extension to the contractor is not a new contract. If a contractor~~
13 ~~makes an application for an extension in writing, CalOptima shall consider matters germane to the~~
14 ~~particular contract and shall not grant or deny the extension arbitrarily. However, in any contract~~
15 ~~which includes provisions for liquidated damages, CalOptima's decision to extend the contract~~
16 ~~without charge to the contractor shall be made only when the failure to complete the contract on~~
17 ~~time is not attributable to the contractor's unreasonable delay or default.~~

18
19 9. Contract Documents: Contract documents shall be prepared in advance, with the approval of
20 Legal Counsel and shall be incorporated into the bid package.

21
22 10. Flexibility: In recognition of the fact that the contracting and purchasing needs of CalOptima
23 Health may from time to time render certain procedures herein impracticable, the ~~Chief~~
24 ~~Financial Officer~~CFO or ~~their~~ designee are authorized to permit or waive deviations from this
25 policy, to the extent permitted by law, upon making a written finding that such deviation is in
26 CalOptima Health's Best ~~Interests.~~Interest. Additionally, provisions required to be included in
27 Public Works projects and construction contracts (e.g., requirements for performance bonds,
28 insurance, ~~etc.~~) may be included in other contracts, if appropriate.

29
30 K. Provisions Applicable to Procurement of Non-Medical Professional Services.

31
32 1. Except as otherwise provided for in this policy, all procurements for professional services shall
33 be made, in accordance with limits as set forth in the Board-approved annual operating budget.

34
35 ~~1. Exceptions: Contracts for professional services, including special services and advice in financial,~~
36 ~~economic, accounting, engineering, legal, or administrative matters, if such persons have the~~
37 ~~necessary experience, training, competence, and licensure (if applicable) to perform the special~~
38 ~~services required, may be made without soliciting or securing competitive offers, but shall be~~
39 ~~awarded according to Section H.K. of this policy. If proposals are solicited, the procedure set forth~~
40 ~~herein, modified as the Chief Executive Officer or designee shall determine to be in CalOptima's~~
41 ~~best interest, shall be followed.~~

42
43 ~~2. The CEO or his or her designee may use a procedure to select a vendor involving an expenditure of~~
44 ~~more than fifty thousand dollars (\$50,000) by "competitive means." This would include one (1) or~~
45 ~~more the following methods when deemed by the CEO or his or her designee as an appropriate~~
46 ~~means under the circumstances to permit reasonable conclusion that the proposed contract is~~
47 ~~beneficial to CalOptima.~~

- a. ~~Preparation and circulation of a request for proposal (RFP) to an adequate number of qualified sources.~~
- b. ~~Posting, publishing, communicating telephonically or otherwise publicizing RFP in a manner intended to disseminate the RFP to an adequate number of qualified sources.~~
- c. ~~Soliciting comparable rates charged by other vendors for similar services to ensure a competitive price.~~

2. Criteria for Award of Contract: Contracts ~~for professional services~~ shall be awarded ~~to a~~ qualified and responsive vendor based on ~~the determination of~~ which vendor has the most cost-effective and beneficial solution ~~to CalOptima's requirements. In making this determination, the following evaluation tools shall apply as appropriate.:~~

- a. ~~Price.~~
- b. ~~Payment or financial terms offered by contractor.~~
- c. ~~The relevant experience in the area of purchase.~~
- d. ~~A demonstrated quality, dependability and responsiveness.~~
- e. ~~Familiarity with type of business CalOptima is operating.~~
- f. ~~Familiarity with CalOptima.~~
- g. ~~Reputation in the community.~~
- h. ~~Special expertise in the area of purchase.~~
- i. ~~Other selection criteria as may be deemed appropriate.~~
- j. ~~These criteria shall be applied by the Board, CEO or his or her designee in selecting the vendor.~~

a. Exception: Pursuant to 40 U.S.C. §§sections 1101-1104 and California Government Code §§sections 4525-4529.5, ~~any RFP or RFQ for architectural or engineering services~~ CalOptima Health shall not, for the purposes of ranking firms, ~~be evaluated~~ evaluate any RFQ, RFP, RFQu, or IFB for architectural or engineering services primarily on the basis of price. Once firms are determined to have the requisite technical capabilities to meet the services required (e.g., experience, proposal, technical expertise) CalOptima Health may then use price as a factor for the purposes of final ranking determinations. CalOptima Health then shall seek to negotiate a fair and reasonable price with the top ranked firm. If agreement on a fair and reasonable price cannot be reached, CalOptima Health shall cease negotiations and move to the second ranked firm and seek to negotiate a fair and reasonable price. This process shall continue until agreement with a firm is reached.

1 K. ~~Provisions Applicable to Procurement of Computer Hardware, Software, and Other Peripheral~~
2 ~~Equipment and Related Services (collectively “computer equipment”), and Telecommunications~~
3 ~~Goods and Services.~~

4
5 1. ~~CalOptima shall acquire computer equipment, and telecommunications goods and services involving an~~
6 ~~expenditure of more than one hundred thousand dollars (\$100,000) or such other amount as may be~~
7 ~~specified by law, through “competitive means,” except when the Chief Executive Officer or designee~~
8 ~~determines either that (a) the goods and services proposed for acquisition are the only goods and~~
9 ~~services which can meet CalOptima’s needs, or (b) the goods and services are needed in cases of~~
10 ~~emergency where immediate acquisition is necessary for the protection of the public health, welfare and~~
11 ~~safety.~~

12
13 2. ~~As used in this policy, “competitive means” includes any one (1) or more of the following~~
14 ~~methods, when deemed by the Chief Executive Officer or designee as an appropriate means~~
15 ~~under the circumstances to permit reasonable competition consistent with the nature and~~
16 ~~requirements of the proposed acquisition:~~

17
18 a. ~~The preparation and circulation of a request for quotations (RFQ) or request for proposals~~
19 ~~(RFP) to an adequate number of qualified sources. An “adequate number” shall be defined~~
20 ~~as two (2) or more qualified sources, as determined by the Chief Executive Officer or~~
21 ~~designee based upon the number of qualified sources believed to be capable of submitting a~~
22 ~~satisfactory proposal, after reasonable inquiry.~~

23
24 b. ~~Posting, publishing, communicating telephonically or otherwise publicizing the RFP in a~~
25 ~~manner intended to disseminate the RFP to an adequate number of qualified sources.~~

26
27 c. ~~Any other means determined by the Chief Executive Officer or designee as reasonably~~
28 ~~expected to disseminate the RFP to an adequate number of qualified sources.~~

29
30 3. ~~Criteria for Award of Contract~~

31
32 d. ~~Contracts for computer equipment or telecommunications goods and services subject to this~~
33 ~~policy shall be awarded based on a determination of which responsive proposal provides the~~
34 ~~most cost effective and beneficial solution to CalOptima’s requirements. In making this~~
35 ~~determination, the following evaluation criteria shall apply, as applicable:~~

36
37 i. ~~The price of the components, installation and any related consulting, maintenance or~~
38 ~~other services.~~

39
40 ii. ~~The payment and financing terms offered by the contractor.~~

41
42 iii. ~~The extent to which the components meet or exceed CalOptima’s technical~~
43 ~~requirements and can be expected to accomplish the specified goals.~~

44
45 iv. ~~The demonstrated quality, dependability, and responsiveness of the contractor and any~~
46 ~~subcontractors providing installation, integration, consulting, maintenance or other~~
47 ~~services.~~

- ~~v. The anticipated expense and disruption to CalOptima services and facilities involved in integrating additional components or upgrades into the system which may be necessary to accommodate the expansion of CalOptima facilities or needs.~~
- ~~vi. The anticipated expense and disruption to CalOptima facilities and services involved in integrating upgrades or retrofits into the system as necessary to keep pace with technological improvements or refinements to the system.~~
- ~~vii. The anticipated expense and disruption to CalOptima facilities and services involved in maintaining or repairing the system, including but not limited to implementing back-up procedures while the system is down, and obtaining necessary parts and service.~~
- ~~viii. The quality and comprehensiveness of the warranty offered.~~
- ~~ix. The anticipated salvage or resale value of the components, if any, based upon its anticipated useful life to CalOptima.~~
- ~~x. Such other criteria, consistent with this policy and the goal of achieving the most cost-effective solution to CalOptima's requirements, as the CEO or his or her designee may establish.~~
- ~~e. These criteria shall be applied by the Chief Executive Officer or designee using a scoring or other system designed to determine which of the proposals submitted provides the most viable solution to CalOptima's requirements. The basis for such determination shall be documented by the Purchasing Department in a manner which permits the Board, the Chief Executive Officer or designee to reasonably evaluate compliance with this policy.~~

L. Provisions Applicable to Public Works Projects

1. CalOptima Health is not subject to the requirements of the California Public Contract Code calling for competitive bidding and award of contracts to the lowest responsive, qualified bidder. This policy establishes the generally accepted methods of procurement, which may be adjusted from time to time in order to serve CalOptima's Best Interests or to reflect current best business practices. All formal and informal requests for prices in the form of bids for all materials, services and equipment purchased, must be made by the Purchasing Department, unless otherwise delegated by the Purchasing Department in writing. _____
 - ~~a. Purchases for less than ten thousand dollars (\$10,000) not including applicable taxes and freight charges, referred to as small procurements, may be made on a discretionary basis without solicitation of bids.~~
 - ~~b. Purchases for ten thousand dollars (\$10,000) or more, but not exceeding one hundred thousand dollars (\$100,000), require informal solicitation of bids and shall be made in accordance with this policy, including the procedures described in Section H.M.2.~~
 - ~~c. Purchases amounting to over one hundred thousand dollars (\$100,000) require formal solicitation of bids, and shall be made in accordance with this policy, including the procedures described in Section H.M.2.~~

1
2 ~~d. All requests and contracts shall be based on forms approved by CalOptima's Legal~~
3 ~~Department.~~
4

5 2. Procurement of Alterations to and Maintenance of Real Property and Other Public Works
6 Projects
7

8 a. This section ~~H.M.2.~~ shall apply to any acquisition of goods and services for the physical
9 construction, alteration, demolition, installation or repair of real property, including fixtures,
10 painting, wiring, carpeting and other things incorporated into or permanently affixed to real
11 property. CalOptima Health may elect to pre-qualify contractors to participate in informal
12 and formal bids.
13

14 b. No alteration to real property requiring a building permit, including tenant improvements in
15 leased spaces, shall be undertaken, except pursuant to detailed plans and specifications, if
16 applicable will be prepared by an architect, engineer, or other California-licensed
17 professional acting within the scope of her or his license. Any such alterations to
18 CalOptima Health's leased spaces shall be consistent with the terms and conditions of the
19 lease, if any.
20

21 ~~a. Purchases/Projects valued at less than \$10,000 shall be made in accordance with Section~~
22 ~~H.M.1.~~
23

24 ~~b. Purchases/Projects valued between \$10,000 and \$100,000 shall be made in accordance with~~
25 ~~Section H.M.2.h.~~
26

27 ~~c. Purchases/Projects valued at \$100,000 or more shall be made in accordance with Section~~
28 ~~H.M.2.i.~~
29

30 ~~d. Projects where the architect's or engineer's estimate is over \$100,000 must be bid through~~
31 ~~the formal bidding process set forth in Section H.M.2.i.~~
32

33 ~~e. All bids must be accompanied by a non-collusion affidavit.~~
34

35 ~~f. Informal Bid Procedures~~
36

37 ~~i. Preparation: A written request shall be prepared which shall, at a minimum, contain: (i)~~
38 ~~appropriately detailed plans and specifications or scope of work considering the value~~
39 ~~and technical complexity of the goods and/or services to be procured; (ii) the~~
40 ~~CalOptima staff person to whom the bid must be addressed; (iii) the date and time by~~
41 ~~which CalOptima must receive the bid; (iv) a statement that the bid must be firm for a~~
42 ~~period of not less than ninety (90) days from receipt by CalOptima; and (v) a copy of~~
43 ~~the construction contract.~~
44

45 ~~ii. Evaluation: The criteria for evaluating bids will be determined on a case by case basis,~~
46 ~~and will be stated in the written request.~~
47

1
2
3
4

~~iii. Bidder Pre-qualification: CalOptima may pre-qualify contractors for projects to be bid through this informal bid procedure, and may limit distribution of informal bid packets to pre-qualified contractors.~~

For 20220901 BOD Review Only

~~i. Formal Bid Procedures~~

- ~~i. Preparation: CalOptima shall prepare or cause to be prepared a bid package. To the extent practicable, the bid package shall include full, complete, and accurate plans and specifications and estimates of cost, giving such directions as will enable any competent contractor to ascertain and carry out the contract requirements. The bid package shall also include a statement of the date and time by which CalOptima must receive bids, the criteria upon which the bids will be evaluated; and a copy of the construction contract.~~
- ~~ii. Notice/Request for Bids: All prospective bidders who have notified CalOptima in writing that they desire to bid on contracts, and all prospective bidders which CalOptima would like to bid on contracts, shall be furnished with notice and a request for bids, including information as to the type, quality, quantity, date, location and other bid requirements. In addition to notifying all such persons, the notice shall specify the place bids are to be received and the time by which they are to be received.~~
- ~~iii. Advertising/Publication: Except in cases of emergency or where circumstances require the immediate letting of a contract, information advising interested parties how to obtain specifications, and specifying the place bids are to be received and the time by which they are to be received, shall be given by publication once a week for at least two (2) consecutive weeks, as follows:~~
- ~~a) In a newspaper of general circulation published in such places as are most likely to reach prospective bidders; or~~
 - ~~b) In trade journals or papers of general circulation as the Chief Executive Officer, or designee, deems proper; or~~
 - ~~c) Electronic media may be used in lieu of newspaper advertisements if and when it is believed this media will better serve the needs of CalOptima.~~
 - ~~d) The Chief Executive Officer or designee may waive any irregularity or informality in the publication procedures.~~
- ~~iv. Bidders' Conference: CalOptima may hold a bidders' conference or conduct a site visit, as it deems necessary and appropriate. In such cases, CalOptima shall include the date, time and location in the bid documents. The conference or site visit shall be at least five (5) days after publication of the notice.~~
- ~~v. Bid Form: CalOptima shall furnish to each prospective bidder a bid package, including an appropriate bid form, prepared by CalOptima for the type of contract being let. Bids not presented on forms so furnished shall be disregarded.~~
- ~~vi. Presentation of Bids Under Sealed Cover: All bids shall be presented under sealed cover. Upon receipt of each, the bid shall be date stamped. The bid shall be accompanied by a copy of the construction contract duly executed by the bidder, but which will not be executed by CalOptima until completion of the bid process and CalOptima Board approval, as necessary and appropriate.~~

1 ~~vii. Withdrawal of Bids: Bids may be withdrawn at any time prior to the deadline for~~
2 ~~submitting bids fixed in the notice only by written request made to the person or entity~~
3 ~~designated in charge of the bidding procedure. The withdrawal of the bids does not~~
4 ~~prejudice the right of the bidder to timely file a new bid. No bidder may withdraw his~~
5 ~~bid after opening for at least a period of ninety (90) days thereafter.~~

6
7 ~~viii. Opening of Bids and Award of Contract: At the scheduled date and time, CalOptima~~
8 ~~shall open the sealed bids. Award of the contract shall be to the lowest price qualified~~
9 ~~and responsive bidder, if at all, within ninety (90) days after opening, unless the bid~~
10 ~~package specifies otherwise or the Chief Executive Officer or designee extends the~~
11 ~~time. All bidders shall have complied with the foregoing bid procedures, except as~~
12 ~~otherwise provided herein. After a bid is opened it shall be deemed irrevocable for the~~
13 ~~period specified in the request for bids. Bids shall be irrevocable for a minimum of~~
14 ~~ninety (90) days after the opening thereof.~~

15
16 ~~ix. Awards to the Second and Third Lowest Price Qualified Bidders: If CalOptima deems it~~
17 ~~is in its best interest, it may, on refusal or failure of the successful bidder to execute the~~
18 ~~contract or comply with other bid requirements, award it to the second lowest price~~
19 ~~qualified bidder. If the second lowest price qualified bidder fails or refuses to execute~~
20 ~~the contract or comply with other bid requirements, CalOptima may likewise award it to~~
21 ~~the third lowest price qualified bidder.~~

22
23 ~~x. Only One Bid or Proposal Received: If only one bid or proposal is received in response~~
24 ~~to the request for bids, an award may be made to the sole bidder, provided that~~
25 ~~CalOptima finds that the price submitted is fair and reasonable.~~

26
27 ~~xi. Notice to Bidders Not Awarded the Contract: Whenever a contract is not to be awarded~~
28 ~~to a bidder, such bidder shall be notified by regular mail within seventy-two (72) hours~~
29 ~~after the award of the contract to another bidder.~~

30
31 ~~xii. Qualified Bidder: CalOptima's determination of a qualified bidder shall be based on~~
32 ~~analysis of each bidder's ability to perform, financial statement (if required),~~
33 ~~experience, past record and any other factors it shall deem relevant. If the lowest price~~
34 ~~bidder is to be rejected because of an adverse determination of the bidder's~~
35 ~~responsibility based on CalOptima's decision, the bidder shall be entitled to be~~
36 ~~informed of the adverse evidence and afforded an opportunity to rebut that evidence~~
37 ~~and to present evidence of responsibility.~~

38
39 ~~xiii. Contract Documents: Contract documents shall be prepared in advance, with the~~
40 ~~approval of Legal Counsel, and shall be incorporated into the bid package as indicated~~
41 ~~above.~~

42
43 ~~j. Waiver and Rejection Rights: CalOptima reserves the right to reject any and all bids, or to~~
44 ~~waive any informality or non-substantive defects in bids, as the interest of CalOptima may~~
45 ~~require. Only those bids shall be considered that are deemed by CalOptima to be responsive~~
46 ~~to the Request for Bid (RFB) or Request for Quotations (RFQ). The Purchasing Department~~
47 ~~shall ensure maximum protection of CalOptima's interest consistent with ensuring an equal~~
48 ~~opportunity and fair and equitable treatment for all bidders.~~

1 k. ~~Extensions: The granting of an extension to the contractor is not a new contract. If a~~
2 ~~contractor makes an application for an extension in writing, CalOptima shall consider~~
3 ~~matters germane to the particular contract, and shall not grant or deny the extension~~
4 ~~arbitrarily. However, in any contract which includes provisions for liquidated damages,~~
5 ~~CalOptima's decision to extend the contract without charge to the contractor shall be made~~
6 ~~only when the failure to complete the contract on time is not attributable to the contractor's~~
7 ~~unreasonable delay or default.~~

8
9 c. Provisions of the policy may be waived by the CalOptima Health Board of Directors.

10
11 d. All contractors contracted by CalOptima Health for the performance of Public Works
12 Projects~~projects~~, as defined in California Labor Code ~~Section~~section 1720, shall pay not
13 less than the required prevailing wages, as provided in Section 1771 of the California Labor
14 Code, if the total payments under that contract are more than \$one thousand dollars
15 (\$1,000-).

16
17 e. Payment Bonds – Pursuant to California Civil Code ~~§section~~ 9550, for any Public Works
18 project in excess of ~~\$twenty five thousand dollars (\$25,000-)~~, the prime contractor shall
19 submit a payment bond, in a form approved by the ~~Chief Financial Officer~~CFO and from a
20 surety authorized to do business in the State of California, in the amount of one hundred
21 percent (100%-%) of the contract price.

22
23 f. See Section II.J. for additional formal bidding requirements.

24
25 M. Cooperative Purchases

- 26
27 1. When it is in CalOptima Health's Best Interest, the ~~Purchasing~~Vendor Management Department
28 may enter into or use pre-existing cooperative purchasing agreements for acquisition of goods
29 and services with any entity or group and execute respective contracts under those agreements.

30
31 N. Leveraged Procurement Agreements

32
33 1. Leveraged Procurement Agreements allow public entities, including CalOptima Health, to
34 leverage the buying power of the State of California and allows those entities to purchase
35 directly from suppliers through existing contracts and agreements without further competitive
36 bidding.

37
38 2. When it is in CalOptima Health's Best Interest, CalOptima Health may use Leveraged
39 Procurement Agreements.

40
41
42 O. Sole Source Purchases

- 43
44 1. Sole source purchases are not competitively bid and ~~shall not may~~ be used ~~unless there is clear~~
45 ~~and convincing evidence that if~~ only one (1) acceptable source exists to fulfill CalOptima
46 Health's requirements. Sole source purchases involve goods or services that are unique or
47 novel to only one (1) supplier, or products and/or services that are designed to match others
48 already in use.

1
2 P. Emergency Purchases
3

- 4 1. The ~~Chief Executive Officer~~CEO, or their designee, may authorize emergency purchases in cases
5 that have or could impose significant provable loss to CalOptima Health or where human life or
6 property is endangered. When an emergency condition arises, and the need cannot be met
7 through normal procurement methods, the emergency purchase shall be made with such
8 competition as is feasible under the circumstances. Contracts and other documents related to
9 such emergency procurements shall be executed in accordance with the requirements of
10 CalOptima Health Policy GA.3202: CalOptima Health Signature Authority.
11
- 12 2. The person responsible for the emergency purchase shall provide written documentation stating
13 the basis of the emergency purchase and the reasoning for the selection of the particular
14 contractor. A written account of the emergency circumstances shall be sent promptly to the
15 ~~Chief Executive Officer~~CEO and the Board of Directors. Normal purchasing procedures shall
16 be followed as soon as the emergency is over.
17

18 Q. Real Property Transactions
19

- 20 1. CalOptima Health shall not enter into any transaction for the purchase, sale, lease (including
21 any sublease or lease assignment, whether CalOptima Health is the lessor, lessee, sublessor,
22 sublessee, assignor or assignee), or termination of lease of any real property, or enter into
23 negotiations related to such transactions, without the prior approval of the Board of Directors,
24 pursuant to a Board action addressed solely to the transaction or set of related transactions, and
25 setting forth the parameters under which the negotiations may proceed. Such negotiations and
26 transactions on behalf of CalOptima Health shall be carried out exclusively by the person or
27 persons designated by the Board of Directors.
28

29 R. Ethics
30

- 31 1. CalOptima Health employees, officers, Board of Directors, and agents shall conduct themselves
32 in such a manner as to foster public confidence in the integrity of the CalOptima Health
33 procurement process.
34
- 35 2. CalOptima Health employees, officers, Board of Directors, and agents shall perform their duties
36 impartially to ensure that vendors have fair and competitive access to do business with
37 CalOptima Health.
38
- 39 3. Employees, officers ~~or~~, Board of Directors, and agents of CalOptima Health shall be subject to
40 the Conflict of Interest Laws of the State of California and the CalOptima Health Code of
41 Conduct. Employees, officers or agents of CalOptima Health who violate these standards shall
42 be subject to the penalties, sanctions or other disciplinary actions provided for therein.
43
- 44 4. Gratuities, Kickbacks, and Contingency Fees
45
- 46 a. No CalOptima Health employee, officer, Board of Director, or agent shall solicit, demand,
47 or accept from any person anything of monetary value for, or because of, any action taken,
48 or to be taken, in the performance of his/her/their duties. An employee, officer, Board of

1 Director, or agent failing to adhere to the above shall be subject to any disciplinary
2 proceeding deemed appropriate by CalOptima Health, including possible dismissal.

- 3
4 b. CalOptima Health employees shall adhere to all provisions of the CalOptima Health Policy
5 AA.1204: Gift, Honoraria, and Travel ~~Payment~~Payments.

6
7 2.5 Confidential Information

- 8
9 a. No CalOptima Health employee, officer, Board of Director, or agent shall use confidential
10 information for ~~his or her~~their actual or anticipated personal gain, or the actual or
11 anticipated personal gain of any other person related to such CalOptima Health employee
12 by blood, marriage, or by common commercial or financial interest. An employee, officer,
13 Board of Director, or agent failing to adhere to this requirement shall be subject to any
14 disciplinary proceeding deemed appropriate by CalOptima Health, up to and including
15 dismissal.
- 16
17 b. CalOptima Health employees shall not divulge confidential information to any vendor,
18 consultant, or contractor.

19
20 3.6 Vendor Relations

- 21
22 a. ~~a.~~ CalOptima Health employees may discuss, on an informal basis, non-financial
23 requirements with contractors, consultants, and vendors. Employees may also solicit
24 information such as brochures and other descriptive material from vendors, consultants,
25 and contractors.
- 26
27 b. ~~b.~~ CalOptima Health employees, officers, Board of Directors, and agents shall not meet
28 with vendors, consultants, and/or contractors regarding ~~specific~~ financial
29 ~~requirements~~agreements unless a representative of the Purchasing Vendor Management
30 Department is present at the meeting.
- 31
32 ~~c.~~ e. ~~If CalOptima Health requests a demo from a Vendor outside of a bidding process,~~
33 ~~CalOptima Health shall ensure that the demo will be used for high level information~~
34 ~~gathering only, and shall ensure to review more than one (1) system to provide fairness in~~
35 ~~any future process~~
- 36
37 ~~e.d.~~ CalOptima Health employees, officers, Board of Directors, and agents shall not bind, or
38 appear to bind, CalOptima Health in any way, financially, or otherwise, except as provided
39 for in accordance with CalOptima Health Policy GA.3202: CalOptima Health Signature
40 Authority. Only the Board, Chief Executive Officer or ~~his/her~~their designee, and those
41 staff designated as signing authorities in CalOptima Health Policy GA.3202: CalOptima
42 Health Signature Authority may financially or contractually bind CalOptima Health.
- 43
44 ~~d.e.~~ d. No employee, officer, Board of Director, or agent of CalOptima Health shall participate
45 in the selection, award or administration of an agreement, or in any decision that may have
46 a foreseeable impact on a vendor if a conflict of interest, real or implied, exists. Such a
47 conflict arises when any one of the following has a financial or other interest in the firm
48 selected for award:

- i. A CalOptima Health employee, officer, Board of Director, or agent;
- ii. The employee, officer or Board of Director, agent's spouse or dependent children;
- iii. The employee, officer or Board of Director, agent's domestic or business partner;
- iv. An organization that employs or has made an offer of employment to any of the above.

~~III.~~ **Other Bidding Procedures**

~~IV.~~ _____

~~V.~~ **Federal Awards Subject to OMB A-133 Single Audit Requirements (such as Multipurpose Senior Services Program (MSSP)) shall follow the bidding procedures as prescribed in Attachment A— Policy for Awards Subject to 2 CFR Part 200— Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.**

~~VI.~~ _____

~~VII.~~III. **PROCEDURE**

Not Applicable

~~VIII.~~IV. **ATTACHMENT(S)**

Not Applicable

~~IX.~~V. **REFERENCE(S)**

- A. California Fair Political Practices Commission Form 700 - Statement of Economic Interests
- B. CalOptima Health Code of Conduct
- C. CalOptima Health Compliance Plan
- D. CalOptima Health Conflict of Interest Code
- E. CalOptima Health Policy AA.1204: Gifts, Honoraria, and Travel Payments
- F. CalOptima Health Policy GA.3202: CalOptima Health Signature Authority
- G. CalOptima Health Policy GA.5003: ~~Budgets~~Budget and Operations Forecasting
- H. CalOptima Health Resolution No. 12-03101-01
- I. Title 2, Code of Federal Regulations (CFR) Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

~~X.~~VI. **REGULATORY AGENCY APPROVAL(S)**

None to Date

1 **XI.VII. BOARD ACTION(S)**
2

Date	Meeting
11/01/1994	Regular Meeting of the CalOptima Board of Directors
09/10/1996	Regular Meeting of the CalOptima Board of Directors
11/04/1997	Regular Meeting of the CalOptima Board of Directors
12/02/1997	Regular Meeting of the CalOptima Board of Directors
01/11/2000	Regular Meeting of the CalOptima Board of Directors
09/09/2003	Regular Meeting of the CalOptima Board of Directors
03/01/2012	Regular Meeting of the CalOptima Board of Directors
06/07/2018	Regular Meeting of the CalOptima Board of Directors
<u>TBD</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

3
4 **XII.VIII. REVISION HISTORY**
5

Action	Date	Policy	Policy Title	Program(s)
Effective	09/10/1996	GA.5002	Procurement Policy	Administrative
Revised	11/04/1997	GA.5002	Procurement Policy	Administrative
Revised	12/02/1997	GA.5002	Procurement Policy	Administrative
Revised	01/11/2000	GA.5002	Procurement Policy	Administrative
Revised	01/01/2004	GA.5002	Procurement Policy	Administrative
Revised	03/01/2012	GA.5002	Purchasing Policy	Administrative
Revised	06/07/2018	GA.5002	Purchasing	Administrative
<u>Revised</u>	<u>TBD</u>	<u>GA.5002</u>	<u>Purchasing</u>	<u>Administrative</u>

6
7

Term	Definition
Bidder's Conference	A meeting to discuss technical, operational and performance specifications, and/or the full extent of financial, security and other contractual obligations with potential bidders, related to bid solicitation before the bid closes.
CalOptima Health's Best Interest	The discretionary rationale used by a purchasing official in taking action most advantageous to the jurisdiction when it is impossible to adequately delineate a specific response by law or regulation.
Invitation for Bids (IFB)	The document used to solicit bids from potential contractors for a fixed project with established plans and specifications. This is generally used for the procurement of Public Works.
Pre-Qualification (of bidders)	The screening of potential vendors in which such factors as financial capability, reputation, and management are considered in order to develop a list of qualified businesses who may then be allowed to submit bids.
Public Works	Works means any work of improvement contracted for by a public entity (such as CalOptima Health). Work of improvement includes, but is not restricted to, the construction, alteration, addition to, or repair, in whole or in part, of any building, whether owned or leased by a public entity.
Offeror	The person/entity who submits a proposal in response to a Request for Proposal or Request for Quotation.
Request for Proposal (RFP)	The document used to solicit proposals from potential vendors for goods and services. This is generally used when the specification for the good or service is known, but the vendor's advice is needed regarding how to buy the good or implement the service. The price is usually not the primary evaluation factor. It provides for the negotiation of all terms, including price prior to contract award. The RFP may include a provision for the negotiation of Best and Final offers. It may be a single or multi-step process.
Request for Quotation (RFQ)	A purchasing method generally used when specifications are known for goods and services of all types. A request is sent to vendors along with a specification of the commodity needed or a description of the services required. The vendor is asked to respond with price and other information by a pre-determined date. Evaluation and recommendation for award should be based on the quotation that best meets price, quality, delivery, service, past performance and reliability.
<u>Request for Qualification (RFQu)</u>	<u>A purchasing method to either qualify a short list of vendors who will then be invited to a private RFP with only those short listed vendors, or a method where CalOptima Health will develop a pool of vendors to contract with that will be awarded contracts for similar work that will be spread between each vendor as determined by CalOptima Health. CalOptima Health may establish an additional pool where they can add contracts for additional vendors as needed.</u>
Scope of Work (SOW)	A written description of the contractual requirements for materials and services contained within a RFQ or RFP. A well-conceived and clearly written SOW serves four main purposes: <ul style="list-style-type: none"> ● Establishes clear understanding of what is needed; ● Encourages competition in the marketplace and promotes economic stimulus; ● Satisfies a critical need of government; and ● Obtains the best value for the taxpayer.

Policy: GA.5002
Title: **Purchasing**
Department: Finance
Section: Not Applicable

CEO Approval: /s/

Effective Date: 09/10/1996
Revised Date: TBD

Applicable to: Medi-Cal
 OneCare
 PACE
 Administrative

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I. PURPOSE

This policy establishes the organization and administration of a unified, fair, and effective process for the procurement of goods and services essential to the operations of CalOptima Health and may be amended from time to time in order that it remains consistent with current best business practices. This policy applies to the procurement of goods and services for all CalOptima Health programs including Federal Awards Subject to OMB A-133 Single Audit Requirements.

II. POLICY

- A. Unless exempted by this policy herein and/or applicable law, the Chief Financial Officer (CFO) or their designee, with the assistance of the Vendor Management Department, is charged with the authority and responsibility for the following:
1. Acquiring equipment, supplies and services for all departments in an economical, expeditious and reasonable manner, in accordance with this policy;
 2. Identifying qualified vendors and developing and promoting good vendor relationships;
 3. Educating and training employees and vendors on this policy and the purchasing process;
 4. Providing assistance to departments in preparing specifications and in analysis of bids received;
and
 5. Awarding contracts and assuring vendor performance through contract administration.
- B. A requisition for purchase of supplies, equipment or services shall be approved only by a person who has been properly authorized in accordance with this policy. The Board of Directors has delegated requisition authority to the Chief Executive Officer (CEO). The CEO has further delegated that authority and in the amounts provided below. Any person in a position delegated authority below may appoint a designee of the same level or higher, in writing, to act in their stead

1 when that person is unavailable. The Vendor Management Department shall have full authority to
2 question the quality, quantity, kind, and source of materials and services being requisitioned.
3

4 C. Requisition Approval Limits – Goods and Non-Medical Professional Services and Public Works
5 Projects
6

Employee Position	Approval Limit
Manager	\$ 1,000
Director	10,000
Executive Director or Officer	100,000
CEO or Chief Operating Officer (COO)	Over 100,000

7
8 D. Requisition Approval Limits – Capital Projects
9

Employee Position	Approval Limit
Manager	\$ 0
Director	0
Executive Director or Officer	100,000
CEO or COO	Over 100,000

10
11 E. Requisition Approval Limits – Computer Hardware, Software and Other Peripheral Equipment and
12 Related Services (collectively “Computer Equipment”) and Telecommunications Goods and
13 Services
14

Employee Position	Approval Limit
Manager	\$ 10,000
Director	50,000
Executive Director or Officer	100,000
CEO or COO	Over 100,000

15
16 F. Funding for all requisitions shall be approved by the Board of Directors through:
17

- 18 1. The annual operating or capital budget;
- 19 2. Specific Board action; or
- 20 3. A Budget Allocation Change, in accordance with CalOptima Health Policy GA.5003: Budget
21 and Operations Forecasting.
22
23
24

25 G. To enable the Board of Directors to consider approval through the operating and capital budgets, the
26 budget submission must meet the requirements outlined in CalOptima Health Policy GA.3202:
27 CalOptima Health Signature Authority.

1
2 H. Signature authorization for contracts, agreements, leases, and/or purchase orders resulting from this
3 policy is addressed in CalOptima Health Policy GA.3202: CalOptima Health Signature Authority.
4

5 I. Informal Bidding
6

- 7 1. Set forth below are the generally accepted methods of purchasing, which may be adjusted from
8 time to time for CalOptima Health's Best Interest and to reflect current best business practices.
9 All formal and informal requests for prices in the form of bids, quotations or proposals for all
10 materials, services and equipment purchased, must be made by the Vendor Management
11 Department, unless otherwise delegated by the Vendor Management Department in writing.
12 Pre-qualified vendor relationships shall be reviewed periodically, at least every five (5) years, to
13 ensure consistency in quality, service and competitive pricing. For the purposes of this policy,
14 the response to any request for prices, requests for quotations or invitations for bids shall
15 collectively be referred to as a "bid" or "bids."
16
- 17 2. Micro purchases: Purchases of Goods and Non-Medical Professional Services and Public
18 Works Projects, Capital Projects and Computer Equipment and Telecommunications Goods and
19 Services, valued at under fifty thousand dollars (\$50,000) per vendor per fiscal year, not
20 including applicable taxes and freight charges, referred to as micro purchases, may be made
21 without solicitation of bids if the Vendor Management Department considers the purchase price
22 to be reasonable based on research, experience, and purchase history. The Vendor Management
23 Department will distribute micro purchases equitably among qualified suppliers to the
24 maximum extent practicable.
25
- 26 a. Pursuant to 2 C.F.R. § 200.320, CalOptima Health has increased its upper limit for micro
27 purchases, from the \$10,000 limit provided in the Federal Acquisition Regulation to
28 \$50,000, based on an evaluation of its internal controls, its risk, and this Purchasing Policy.
29 The \$50,000 limit is not prohibited under state or local laws or regulations. CalOptima
30 Health must annually self-certify its \$50,000 micro purchase limit by way of a CEO
31 Memorandum.
32
- 33 b. The CEO shall self-certify by way of a CEO Memorandum each fiscal year.
34
- 35 c. The self-certification shall include a justification for the \$50,000 limit, as well as supporting
36 documentation showing CalOptima Health's eligibility for the increased limit.
37
- 38 3. Small purchases: Purchases of Goods and Non-Medical Professional Services and Public Works
39 projects and Computer Equipment and Telecommunications Goods and Services valued from
40 fifty thousand dollars (\$50,000) to two hundred fifty thousand dollars (\$250,000) per vendor per
41 fiscal year, not including applicable taxes and freight charges, referred to as small purchases,
42 require solicitation of at least two (2) informal bids and/or quotations from known suppliers.
43
- 44 4. Contracts for software licenses or software maintenance agreements, or computer equipment
45 purchases must be approved in writing by the Information Services Department.
46
- 47 5. Contracts for the provision of healthcare services must be coordinated by the Provider
48 Operations Department with approval of an appropriate signing party under CalOptima Health
49 Policy GA.3202: CalOptima Health Signature Authority, within limits delegated by the Board

1 of Directors, and with approval of the contract template and any deviations therefrom by the
2 Legal Counsel.
3

4 J. Formal Bidding
5

6 1. Provisions Applicable to purchases of Goods and Non-Medical Professional Services and
7 Public Works projects, Capital Projects and Computer Equipment and Telecommunications
8 Goods and Services shall be made by Request for Quotations (RFQ), Request for Proposals
9 (RFP), Request for Qualifications (RFQu), or Invitations for Bid (IFB).
10

11 a. Unless exempted in Section II.J.2 below or by applicable law, purchases of Goods and Non-
12 Medical Professional Services and Public Works projects, Capital Projects and Computer
13 Equipment and Telecommunications Goods and Services valued at more than two hundred
14 fifty thousand dollars (\$250,000) per vendor per fiscal year shall be procured using a formal
15 request for bids in the form of a formal RFQ, RFP, RFQu or IFB.
16

17 b. Public Works projects involving construction or demolition, including tenant
18 improvements, when required shall include detailed plans and specifications prepared by an
19 architect, engineer or other licensed professional acting within the scope of their license.
20 Formal requests for bids for Public Works projects sent to Offerors will include a public
21 works contract template.
22

23 2. Exceptions to Bidding
24

25 a. Contracts for the provision of certain health care and related services when criteria are set
26 and open to all qualified providers.
27

28 b. Sole source or emergency purchases, which shall only be undertaken in accordance with
29 Sections II.O. and II.P. respectively.
30

31 c. Acquisitions or transfers of real property, which shall only be undertaken in accordance
32 with Section II.Q.
33

34 3. Bid Procedures for formal bidding.
35

36 a. Preparation: Before entering into any contract which requires formal bidding, CalOptima
37 Health shall prepare a bid package. The bid package may take the form of a RFQ, RFP,
38 RFQu, or IFB. To the extent practicable, the bid package shall include full, complete, and
39 accurate plans and specifications, giving such direction as will enable any competent vendor
40 to ascertain and carry out the contract requirements.
41

42 b. Notice of formal bids: All prospective bidders who have not been suspended or debarred by
43 any regulatory agency within the last three (3) years, have registered on CalOptima Health's
44 sourcing vendor tool, shall be furnished with an automated e-mail announcement that there
45 is a RFQ, RFP, RFQu, or IFB for bids (as applicable) posted on the CalOptima Health
46 website and CalOptima Health's sourcing tool for them to download. The RFQ, RFP,
47 RFQu, or IFB shall include information as to the type, quality, quantity, date, location and
48 other bid requirements. The notice shall specify the place bids are to be received and the

1 time by which they are to be received. Any bids received after the due date and specified
2 time shall be rejected by the sourcing tool, except as otherwise provided herein.
3

- 4 c. Advertising/Publication: Except in cases of emergency or where circumstances require the
5 immediate letting of a contract, information advising interested parties how to obtain
6 specifications, and specifying the place bids are to be received and the time by which they
7 are to be received, shall be given via the automated sourcing tool. The RFQ, RFP, RFQu, or
8 IFB will be posted on CalOptima Health's website from the issue date until the date the
9 proposal is due.
- 10
- 11 i. Methods of publicizing of the bids shall include at least one (1) of the following:
- 12
- 13 a) RFQ's, RFP's, RFQu's or IFB's will appear on the "work with CalOptima Health"
14 page of CalOptima Health's website on the date the documents will be issued; or
- 15
- 16 b) Vendors registered with the CalOptima Health vendor sourcing tool will receive an
17 automated email from the sourcing tool directly; or
- 18
- 19 c) The CEO or designee may waive any irregularity or informality in the publication
20 procedures.
- 21
- 22 d. Bid Form: The bid package shall furnish to each prospective bidder an appropriate bid form
23 and bid package prepared by CalOptima Health for the type of contract being let. Bids not
24 presented on forms so furnished shall be disregarded as non-responsive. All bids must be
25 accompanied by a non-collusion affidavit.
- 26
- 27 e. Presentation of Bids under Sealed Cover: All bids shall be presented under sealed cover on
28 or before the bid deadline and submitted directly to the sourcing tool.
- 29
- 30 f. Withdrawal of Bids: Bids may be withdrawn at any time prior to the time fixed in the notice
31 for the opening of bids only by written request made to the person or entity designated in
32 charge of the bidding procedure.
- 33
- 34 g. Bidder's Conference: CalOptima Health may hold a bidders' conference or conduct a site
35 visit, as it deems necessary and appropriate. In such cases, CalOptima Health shall include
36 the date, time and location in the bid documents. The conference or site visit shall be at least
37 five (5) days after publication of the notice of formal bid.

38

39 4. Award of Contracts

- 40
- 41 a. Opening of Bids: CalOptima Health shall open the sealed bids after the date and time
42 specified in the sourcing tool. Award of the contract shall be to the lowest-price, qualified
43 and responsive bidder, if at all, as determined at CalOptima Health's sole discretion. All
44 bidders shall have complied with the foregoing bid procedures, except as otherwise
45 provided herein. After a bid is opened it shall be deemed irrevocable for the period
46 specified in the bid.
47

- 1 b. Awards to the second and third lowest price qualified bidders: If it is deemed to be in
2 CalOptima Health's Best Interest, CalOptima Health may, on refusal or failure of the
3 successful bidder to execute the contract or comply with other bid requirements, award it to
4 the second lowest price qualified bidder. If the second lowest price qualified bidder fails or
5 refuses to execute the contract or comply with other bid requirements, CalOptima Health
6 may likewise award it to the third lowest price qualified bidder, and so on.
7
8 c. Only one (1) Bid or Proposal Received: If only one (1) bid or proposal is received in
9 response to the RFQ, RFP, RFQu, or IFB, an award may be made to the sole bidder
10 provided that CalOptima Health finds that the price or proposal submitted is fair, reasonable
11 and in CalOptima Health's Best Interest.
12
13 d. Qualified Bidder: CalOptima Health's determination of a qualified bidder shall be based on
14 analysis of each bidder's ability to perform, financial statement (if required), experience,
15 past record and any other factors it shall deem relevant. If the lowest price bidder is to be
16 rejected because of an adverse determination of the bidder's responsibility based on
17 CalOptima Health's decision, the bidder shall be entitled to be informed of the adverse
18 evidence and afforded an opportunity to rebut that evidence and to present evidence of
19 responsibility.
20
- 21 5. Negotiated Purchase: CalOptima Health reserves the right and at its sole discretion, to
22 informally solicit one (1) or more alternative proposals from one (1) or more qualified vendor(s)
23 in the event that a procurement solicitation results in no acceptable vendor responses based on
24 the criteria set forth in the solicitation package. The CFO or designee may use a procedure to
25 select a vendor by "competitive means." This would include one (1) or more of the following
26 methods when deemed by the CEO or designee as an appropriate means under the
27 circumstances to permit CalOptima Health's Best Interests to be served:
28
- 29 a. The preparation and circulation of an RFQ, RFP, RFQu, or IFB to an adequate number of
30 qualified sources. An adequate number shall be defined as two (2) or more qualified
31 sources, as determined by the CFO or their designee based on the number of qualified
32 sources believed to be capable of submitting a satisfactory proposal after reasonable
33 inquiry.
34
- 35 b. Any other means determined by the CFO, or their designee as reasonably expected to
36 disseminate the RFQ, RFP, RFQu, or IFB to an adequate number of qualified sources.
37

38 6. Criteria for Award of Contract via Negotiated Purchase
39

- 40 a. Contracts shall be awarded to a qualified and responsive bidder based on which vendor has
41 the most cost effective and beneficial solution.
42
- 43 b. These criteria shall be applied by the CFO or their designee using a scoring or other system
44 designed to determine which of the proposals submitted provides the most viable solution to
45 CalOptima Health's requirements. The basis for such determination shall be documented by
46 the Vendor Management Department in a manner which permits the Board, the CFO or
47 their designee to reasonably evaluate compliance with this policy.
48

- 1 7. Waiver and Rejection Rights: CalOptima Health reserves the right to reject any and all bids or
2 proposals or to waive any informality or non-substantive defects in bids or proposals to serve
3 CalOptima Health's Best Interest. Only those bids or proposals which are deemed by
4 CalOptima Health to be responsive to the RFQ, RFP, RFQu, or IFB shall be considered. The
5 Vendor Management Department shall ensure maximum protection of CalOptima Health's Best
6 Interest consistent with ensuring an equal opportunity and fair and equitable treatment for all
7 bidders and Offerors.
8
- 9 8. Notice to Bidders Not Awarded the Contract: Whenever a contract is not to be awarded to a
10 bidder, such bidder shall be notified within thirty (30) business days after an executed contract
11 to another bidder.
12
- 13 9. Contract Documents: Contract documents shall be prepared in advance, with the approval of
14 Legal Counsel and shall be incorporated into the bid package.
15
- 16 10. Flexibility: In recognition of the fact that the contracting and purchasing needs of CalOptima
17 Health may from time to time render certain procedures herein impracticable, the CFO or their
18 designee are authorized to permit or waive deviations from this policy, to the extent permitted
19 by law, upon making a written finding that such deviation is in CalOptima Health's Best
20 Interest. Additionally, provisions required to be included in Public Works projects and
21 construction contracts (e.g., requirements for performance bonds, insurance) may be included in
22 other contracts, if appropriate.
23

24 K. Provisions Applicable to Procurement of Non-Medical Professional Services.

- 25 1. Except as otherwise provided for in this policy, all procurements for professional services shall
26 be made, in accordance with limits as set forth in the Board-approved annual operating budget.
27
- 28 2. Criteria for Award of Contract: Contracts shall be awarded to a qualified and responsive vendor
29 based on which vendor has the most cost effective and beneficial solution.
30
- 31 a. Exception: Pursuant to 40 U.S.C. sections 1101-1104 and California Government Code
32 sections 4525-4529.5, CalOptima Health shall not, for the purposes of ranking firms,
33 evaluate any RFQ, RFP, RFQu, or IFB for architectural or engineering services primarily
34 on the basis of price. Once firms are determined to have the requisite technical capabilities
35 to meet the services required (e.g., experience, proposal, technical expertise) CalOptima
36 Health may then use price as a factor for the purposes of final ranking determinations.
37 CalOptima Health then shall seek to negotiate a fair and reasonable price with the top
38 ranked firm. If agreement on a fair and reasonable price cannot be reached, CalOptima
39 Health shall cease negotiations and move to the second ranked firm and seek to negotiate a
40 fair and reasonable price. This process shall continue until agreement with a firm is reached.
41

42 L. Provisions Applicable to Public Works Projects

- 43 1. CalOptima Health is not subject to the requirements of the California Public Contract Code
44 calling for competitive bidding and award of contracts to the lowest responsive, qualified
45 bidder.
46
47
48

1 2. Procurement of Alterations to and Maintenance of Real Property and Other Public Works
2 Projects
3

- 4 a. This section shall apply to any acquisition of goods and services for the physical
5 construction, alteration, demolition, installation or repair of real property, including fixtures,
6 painting, wiring, carpeting and other things incorporated into or permanently affixed to real
7 property. CalOptima Health may elect to pre-qualify contractors to participate in informal
8 and formal bids.
9
- 10 b. No alteration to real property requiring a building permit, including tenant improvements in
11 leased spaces, shall be undertaken, except pursuant to detailed plans and specifications, if
12 applicable will be prepared by an architect, engineer, or other California-licensed
13 professional acting within the scope of her or his license. Any such alterations to
14 CalOptima Health's leased spaces shall be consistent with the terms and conditions of the
15 lease, if any.
16
- 17 c. Provisions of the policy may be waived by the CalOptima Health Board of Directors.
18
- 19 d. All contractors contracted by CalOptima Health for the performance of Public Works
20 projects, as defined in California Labor Code section 1720, shall pay not less than the
21 required prevailing wages, as provided in Section 1771 of the California Labor Code, if the
22 total payments under that contract are more than one thousand dollars (\$1,000).
23
- 24 e. Payment Bonds – Pursuant to California Civil Code section 9550, for any Public Works
25 project in excess of twenty five thousand dollars (\$25,000), the prime contractor shall
26 submit a payment bond, in a form approved by the CFO and from a surety authorized to do
27 business in the State of California, in the amount of one hundred percent (100%) of the
28 contract price.
29
- 30 f. See Section II.J. for additional formal bidding requirements.
31

32 M. Cooperative Purchases
33

- 34 1. When it is in CalOptima Health's Best Interest, the Vendor Management Department may enter
35 into or use pre-existing cooperative purchasing agreements for acquisition of goods and services
36 with any entity or group and execute respective contracts under those agreements.
37

38 N. Leveraged Procurement Agreements
39

- 40 1. Leveraged Procurement Agreements allow public entities, including CalOptima Health, to
41 leverage the buying power of the State of California and allows those entities to purchase
42 directly from suppliers through existing contracts and agreements without further competitive
43 bidding.
44
- 45 2. When it is in CalOptima Health's Best Interest, CalOptima Health may use Leveraged
46 Procurement Agreements.
47
48

1 O. Sole Source Purchases

- 2
- 3 1. Sole source purchases are not competitively bid and may be used if only one (1) acceptable
- 4 source exists to fulfill CalOptima Health's requirements. Sole source purchases involve goods
- 5 or services that are unique or novel to only one (1) supplier, or products and/or services that are
- 6 designed to match others already in use.
- 7

8 P. Emergency Purchases

- 9
- 10 1. The CEO, or their designee, may authorize emergency purchases in cases that have or could
- 11 impose significant provable loss to CalOptima Health or where human life or property is
- 12 endangered. When an emergency condition arises, and the need cannot be met through normal
- 13 procurement methods, the emergency purchase shall be made with such competition as is
- 14 feasible under the circumstances. Contracts and other documents related to such emergency
- 15 procurements shall be executed in accordance with the requirements of CalOptima Health
- 16 Policy GA.3202: CalOptima Health Signature Authority.
- 17
- 18 2. The person responsible for the emergency purchase shall provide written documentation stating
- 19 the basis of the emergency purchase and the reasoning for the selection of the particular
- 20 contractor. A written account of the emergency circumstances shall be sent promptly to the
- 21 CEO and the Board of Directors. Normal purchasing procedures shall be followed as soon as
- 22 the emergency is over.
- 23

24 Q. Real Property Transactions

- 25
- 26 1. CalOptima Health shall not enter into any transaction for the purchase, sale, lease (including
- 27 any sublease or lease assignment, whether CalOptima Health is the lessor, lessee, sublessor,
- 28 sublessee, assignor or assignee), or termination of lease of any real property, or enter into
- 29 negotiations related to such transactions, without the prior approval of the Board of Directors,
- 30 pursuant to a Board action addressed solely to the transaction or set of related transactions, and
- 31 setting forth the parameters under which the negotiations may proceed. Such negotiations and
- 32 transactions on behalf of CalOptima Health shall be carried out exclusively by the person or
- 33 persons designated by the Board of Directors.
- 34

35 R. Ethics

- 36
- 37 1. CalOptima Health employees, officers, Board of Directors, and agents shall conduct themselves
- 38 in such a manner as to foster public confidence in the integrity of the CalOptima Health
- 39 procurement process.
- 40
- 41 2. CalOptima Health employees, officers, Board of Directors, and agents shall perform their duties
- 42 impartially to ensure that vendors have fair and competitive access to do business with
- 43 CalOptima Health.
- 44
- 45 3. Employees, officers, Board of Directors, and agents of CalOptima Health shall be subject to the
- 46 Conflict of Interest Laws of the State of California and the CalOptima Health Code of Conduct.
- 47 Employees, officers or agents of CalOptima Health who violate these standards shall be subject
- 48 to the penalties, sanctions or other disciplinary actions provided for therein.
- 49

1 4. Gratuities, Kickbacks, and Contingency Fees

- 2
- 3 a. No CalOptima Health employee, officer, Board of Director, or agent shall solicit, demand,
- 4 or accept from any person anything of monetary value for, or because of, any action taken,
- 5 or to be taken, in the performance of their duties. An employee, officer, Board of Director,
- 6 or agent failing to adhere to the above shall be subject to any disciplinary proceeding
- 7 deemed appropriate by CalOptima Health, including possible dismissal.
- 8
- 9 b. CalOptima Health employees shall adhere to all provisions of the CalOptima Health Policy
- 10 AA.1204: Gift, Honoraria, and Travel Payments.
- 11

12 5. Confidential Information

- 13
- 14 a. No CalOptima Health employee, officer, Board of Director, or agent shall use confidential
- 15 information for their actual or anticipated personal gain, or the actual or anticipated
- 16 personal gain of any other person related to such CalOptima Health employee by blood,
- 17 marriage, or by common commercial or financial interest. An employee, officer, Board of
- 18 Director, or agent failing to adhere to this requirement shall be subject to any disciplinary
- 19 proceeding deemed appropriate by CalOptima Health, up to and including dismissal.
- 20
- 21 b. CalOptima Health employees shall not divulge confidential information to any vendor,
- 22 consultant, or contractor.
- 23

24 6. Vendor Relations

- 25
- 26 a. CalOptima Health employees may discuss, on an informal basis, non-financial
- 27 requirements with contractors, consultants, and vendors. Employees may also solicit
- 28 information such as brochures and other descriptive material from vendors, consultants,
- 29 and contractors.
- 30
- 31 b. CalOptima Health employees, officers, Board of Directors, and agents shall not meet with
- 32 vendors, consultants, and/or contractors regarding financial agreements unless a
- 33 representative of the Vendor Management Department is present at the meeting.
- 34
- 35 c. If CalOptima Health requests a demo from a Vendor outside of a bidding process,
- 36 CalOptima Health shall ensure that the demo will be used for high level information
- 37 gathering only, and shall ensure to review more than one (1) system to provide fairness in
- 38 any future process
- 39
- 40 d. CalOptima Health employees, officers, Board of Directors, and agents shall not bind, or
- 41 appear to bind, CalOptima Health in any way, financially, or otherwise, except as provided
- 42 for in accordance with CalOptima Health Policy GA.3202: CalOptima Health Signature
- 43 Authority. Only the Board, Chief Executive Officer or their designee, and those staff
- 44 designated as signing authorities in CalOptima Health Policy GA.3202: CalOptima Health
- 45 Signature Authority may financially or contractually bind CalOptima Health.
- 46
- 47 e. No employee, officer, Board of Director, or agent of CalOptima Health shall participate in
- 48 the selection, award or administration of an agreement, or in any decision that may have a
- 49 foreseeable impact on a vendor if a conflict of interest, real or implied, exists. Such a

1 conflict arises when any one of the following has a financial or other interest in the firm
2 selected for award:

- 3
- 4 i. A CalOptima Health employee, officer, Board of Director, or agent;
 - 5
 - 6 ii. The employee, officer or Board of Director, agent's spouse or dependent children;
 - 7
 - 8 iii. The employee, officer or Board of Director, agent's domestic or business partner;
 - 9
 - 10 iv. An organization that employs or has made an offer of employment to any of the above.

11 **III. PROCEDURE**

12 Not Applicable

13

14 **IV. ATTACHMENT(S)**

15 Not Applicable

16 **V. REFERENCE(S)**

- 17
- 18 A. California Fair Political Practices Commission Form 700 - Statement of Economic Interests
 - 19 B. CalOptima Health Code of Conduct
 - 20 C. CalOptima Health Compliance Plan
 - 21 D. CalOptima Health Conflict of Interest Code
 - 22 E. CalOptima Health Policy AA.1204: Gifts, Honoraria, and Travel Payments
 - 23 F. CalOptima Health Policy GA.3202: CalOptima Health Signature Authority
 - 24 G. CalOptima Health Policy GA.5003: Budget and Operations Forecasting
 - 25 H. CalOptima Health Resolution No. 12-03101-01
 - 26 I. Title 2, Code of Federal Regulations (CFR) Part 200 – Uniform Administrative Requirements,
27 Cost Principles, and Audit Requirements for Federal Awards

28 **VI. REGULATORY AGENCY APPROVAL(S)**

29 None to Date

30 **VII. BOARD ACTION(S)**

31

Date	Meeting
11/01/1994	Regular Meeting of the CalOptima Board of Directors
09/10/1996	Regular Meeting of the CalOptima Board of Directors
11/04/1997	Regular Meeting of the CalOptima Board of Directors
12/02/1997	Regular Meeting of the CalOptima Board of Directors
01/11/2000	Regular Meeting of the CalOptima Board of Directors
09/09/2003	Regular Meeting of the CalOptima Board of Directors
03/01/2012	Regular Meeting of the CalOptima Board of Directors
06/07/2018	Regular Meeting of the CalOptima Board of Directors
TBD	Regular Meeting of the CalOptima Health Board of Directors

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1 **VIII. REVISION HISTORY**

2

Action	Date	Policy	Policy Title	Program(s)
Effective	09/10/1996	GA.5002	Procurement Policy	Administrative
Revised	11/04/1997	GA.5002	Procurement Policy	Administrative
Revised	12/02/1997	GA.5002	Procurement Policy	Administrative
Revised	01/11/2000	GA.5002	Procurement Policy	Administrative
Revised	01/01/2004	GA.5002	Procurement Policy	Administrative
Revised	03/01/2012	GA.5002	Purchasing Policy	Administrative
Revised	06/07/2018	GA.5002	Purchasing	Administrative
Revised	TBD	GA.5002	Purchasing	Administrative

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For 20220901 BOD Review Only

1 IX. GLOSSARY

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Term	Definition
Bidder's Conference	A meeting to discuss technical, operational and performance specifications, and/or the full extent of financial, security and other contractual obligations with potential bidders, related to bid solicitation before the bid closes.
CalOptima Health's Best Interest	The discretionary rationale used by a purchasing official in taking action most advantageous to the jurisdiction when it is impossible to adequately delineate a specific response by law or regulation.
Invitation for Bids (IFB)	The document used to solicit bids from potential contractors for a fixed project with established plans and specifications. This is generally used for the procurement of Public Works.
Pre-Qualification (of bidders)	The screening of potential vendors in which such factors as financial capability, reputation, and management are considered in order to develop a list of qualified businesses who may then be allowed to submit bids.
Public Works	Works means any work of improvement contracted for by a public entity (such as CalOptima Health). Work of improvement includes, but is not restricted to, the construction, alteration, addition to, or repair, in whole or in part, of any building, whether owned or leased by a public entity.
Offeror	The person/entity who submits a proposal in response to a Request for Proposal or Request for Quotation.
Request for Proposal (RFP)	The document used to solicit proposals from potential vendors for goods and services. This is generally used when the specification for the good or service is known, but the vendor's advice is needed regarding how to buy the good or implement the service. The price is usually not the primary evaluation factor. It provides for the negotiation of all terms, including price prior to contract award. The RFP may include a provision for the negotiation of Best and Final offers. It may be a single or multi-step process.
Request for Quotation (RFQ)	A purchasing method generally used when specifications are known for goods and services of all types. A request is sent to vendors along with a specification of the commodity needed or a description of the services required. The vendor is asked to respond with price and other information by a pre-determined date. Evaluation and recommendation for award should be based on the quotation that best meets price, quality, delivery, service, past performance and reliability.
Request for Qualification (RFQu)	A purchasing method to either qualify a short list of vendors who will then be invited to a private RFP with only those short listed vendors, or a method where CalOptima Health will develop a pool of vendors to contract with that will be awarded contracts for similar work that will be spread between each vendor as determined by CalOptima Health. CalOptima Health may establish an additional pool where they can add contracts for additional vendors as needed.
Scope of Work (SOW)	<p>A written description of the contractual requirements for materials and services contained within a RFQ or RFP. A well-conceived and clearly written SOW serves four main purposes:</p> <ul style="list-style-type: none"> ● Establishes clear understanding of what is needed; ● Encourages competition in the marketplace and promotes economic stimulus; ● Satisfies a critical need of government; and ● Obtains the best value for the taxpayer.

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CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022 **Regular Meeting of the CalOptima Health Board of Directors**

Report Item

13. Authorize Amendment to the Medi-Cal, OneCare, and OneCare Connect Ancillary Services Contract for Community Supports Providers to Reflect Updated Insurance Requirements

Contacts

Kelly Bruno-Nelson, Executive Director, Medi-Cal/CalAIM, (714) 954-2140

Michael Gomez, Executive Director, Provider Network Operations, (714) 347-3292

Recommended Action

Amend the Medi-Cal, OneCare, and OneCare Connect Ancillary Services Contract for Community Supports providers with updated insurance liability limits.

Background and Discussion

Staff request that the CalOptima Health Board of Directors (Board) approve amendments to the Medi-Cal, OneCare, and OneCare Connect Ancillary Services contracts for Community Supports providers. These contract amendments will update the insurance liability limits required of Community Supports services providers. Liability categories affected will include commercial general liability, commercial crime liability, and automobile liability.

CalOptima Health has been providing Community Supports services to eligible members since January 2022, under the California Advancing and Innovating Medi-Cal (CalAIM) initiative. As one of CalAIM's main pillars, CalOptima Health offers Community Supports services to address social drivers of health equity. Community Supports services include, among other things, housing transition navigation, housing deposits, caregiver respite, and personal care services. Together, these services build on the concept of whole person health to achieve overall wellbeing for CalOptima Health members.

CalOptima Health's main partnership for Community Supports services is with local nonprofit community organizations. To help facilitate and maintain a broad network of Community Supports providers, updates to current insurance liability limits in the Community Supports provider contract are needed. The current limits make recruitment of community partners prohibitive, narrowing the provider network available for members needing Community Supports services. The updates to liability limits include reducing commercial general and automobile liability requirements, as well as adding a commercial crime liability requirement.

Staff request the Board approve this amendment to the Medi-Cal, OneCare, and OneCare Connect Ancillary Services Contract in order to maintain and grow CalOptima Health's network of Community Supports service providers. The amendment will go into effect, pending Board approval, on the first day following the first month of Board approval. The contract will otherwise remain in full force and effect, except as amended as described above.

Fiscal Impact

The recommended action is operational in nature and has no additional fiscal impact beyond what was included in the CalOptima Health Fiscal Year 2022-23 Operating Budget.

Rationale for Recommendation

Approval of the above amendment will enable CalOptima Health to preserve and expand its Community Supports provider network

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. Entities Covered by this Recommended Action
2. Proposed Amendment: Community Supports Contract

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date

ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
24 HR Home Care LLC	1440 N Harbor Blvd	Fullerton	CA	92835
American Family Housing	15161 Jackson Street	Midway City	CA	92655
Blue Sky Manor Inc	280 N Wilshire Ave	Anaheim	CA	92801
Community Action Partnership of Orange County	7077 Orangewood Avenue	Garden Grove	CA	92841
Community SeniorServ Inc	1200 Knollwood Circle	Anaheim	CA	92801
Family Assistance Ministries	1030 Calle Negocio	San Clemente	CA	92673
Homecare Associates Inc	5199 E Pacific Coast Hwy	Long Beach	CA	90804
Housing for Health Orange County Inc	17701 Cowan	Irvine	CA	92614
Illumination Foundation Medical Group	3535 W Commonwealth Ave	Fullerton	CA	92833
Intend Inc dba Tangelo	550 W Merrill Street	Birmingham	MI	48009
LifeSpring Home Nutrition	1202 McGaw Avenue	Irvine	CA	92614
Lutheran Social Services of Southern California	247 E Amerige Avenue	Fullerton	CA	92832
Mind O C	265 S Anita Dr	Orange	CA	92868
Mom's Retreat Board and Care Home LLC	1100 E Orangethorpe Ave	Anaheim	CA	92801
Purfoods LLC	3210 SE Corporate Woods Dr	Ankeny	IA	50021
Volunteers of America of Los Angeles	3600 Wilshire Blvd.	Los Angeles	CA	90010

**AMENDMENT [@@Amendment Number@@](#) TO
ANCILLARY SERVICES CONTRACT**

THIS AMENDMENT [@@Amendment Number@@](#) TO THE ANCILLARY SERVICES CONTRACT (“Amendment [@@Amendment Number@@](#)”) shall be effective on the first day of the first month following execution of this Amendment [@@Amendment Number@@](#), by and between Orange County Health Authority, a Public Agency, dba CalOptima Health (“CalOptima”), and [@@Provider Name@@](#) (“Provider”), with respect to the following facts:

RECITALS

- A. CalOptima and Provider entered into an Ancillary Services Contract, by which Provider has agreed to provide or arrange for the provision of Covered Services to Members.
- B. CalOptima and Provider wish to revise Provider’s insurance limits.
- C. CalOptima and Provider desire to amend this Contract on the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree as follows:

- 1. Article 5, Section 5.3, Provider Commercial General Liability (“CGL”)/Automobile Liability shall be deleted in its entirety and replaced with the following:
 - “5.3 Provider Commercial General Liability (“CGL”)/Commercial Crime Liability/Automobile Liability. Provider at its sole cost and expense shall maintain such policies of commercial general liability, commercial crime liability, and automobile liability insurance and other insurance as shall be necessary to insure it and its business addresses, customers (including Members), employees, agents, and representatives against any claim or claims for damages arising by reason of a) personal injuries or death occasioned in connection with the furnishing of any Covered Services hereunder, b) the use of any property of the Provider, and c) activities performed in connection with the Contract, with minimum coverage of:
 - 5.3.1 Commercial General Liability of \$1,000,000 per incident/\$2,000,000 aggregate per year.
 - 5.3.2 Commercial Crime Liability of \$250,000 aggregate per year.
 - 5.3.3 Automobile liability insurance of \$500,000 combined single limit.”
- 2. CONTRACT REMAINS IN FULL FORCE AND EFFECT – Except as specifically amended by this Amendment [@@Amendment Number@@](#), all other conditions contained in the Contract as previously amended shall continue in full force and effect.

IN WITNESS WHEREOF, CalOptima and Provider have executed this Amendment [@@Amendment Number@@](#).

FOR PROVIDER: <code>es_ :signer1:signature}}</code>	FOR CALOPTIMA: <code>{{_ {{_es_ :signer2:signature}}</code>
Signature	Signature
<code>{{N_es_ :signer1:fullname}}</code>	<code>{{N_es_ :signer2:fullname}}</code>
Print Name	Print Name
<code>{{*_es_ :signer1:title}}</code>	<code>{{*_es_ :signer2:title}}</code>
Title	Title
<code>{{*_es_ :signer1:date}}</code>	<code>{{*_es_ :signer2:date}}</code>
Date	Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022

Regular Meeting of the CalOptima Health Board of Directors

Report Item

14. Approve Actions Related to the Procurement of a Fraud, Waste, and Abuse Data Analytics/Detection Solution

Contacts

John Tanner, Chief Compliance Officer, (657) 235-6997

Fay Ho, Director, Compliance, (714) 246-8892

Recommended Actions

1. Authorize reallocation of budgeted but unused funds in the amount of \$950,000 from the “Clinical Evidence Based Criteria/Guidelines” capital project to a new project, “FWA Data Analytics/Detection Solution” under the “Applications Management” category in the CalOptima Fiscal Year (FY) 2022-23 Digital Transformation Year One Capital Budget.
2. Approve the scope of work (SOW) for the fraud, waste, and abuse (FWA) detection solution.
3. Authorize the Chief Executive Officer to release the FWA detection solution request for proposal (RFP) with the approved SOW and to negotiate and contract with the selected vendor.

Background

As part of CalOptima Health’s Workplace Modernization and Digital Transformation Strategy, Information Technology Services will be evaluating and deploying multiple solutions. These solutions coincide with CalOptima Health’s Cloud First strategy and take regulatory compliance and security measures into consideration. These initiatives will assist CalOptima Health in achieving its Vision Statement of removing barriers to achieve real-time claims payments and 24-hour treatment authorizations and doing annual assessments around social determinants of health by 2027. The projects and products that CalOptima Health implements will result in value-based care and improvements for member, provider, and employee experiences. These enhancements will provide CalOptima Health with the ability to be robust and agile and to scale as a future-focused healthcare organization.

The detection of FWA is a key component of the CalOptima Health’s Compliance Plan and integral to CalOptima Health’s overall program integrity. Data analysis using a fraud detection solution is an essential first step in determining whether patterns of post-paid claims submission indicate potential problems. The data analysis would include identification of aberrancies in billing patterns within a homogeneous provider group or more sophisticated detection of patterns within claims or groups of claims which may suggest improper billing or payment.

Discussion

CalOptima Health's current FWA detection solution is hosted by LexisNexis. LexisNexis announced in August of 2022 that their FWA detection solution products will discontinue starting June of 2023. The need for CalOptima Health to identify and procure a new vendor for FWA detection solution is paramount to maintain the organization's effectiveness in FWA detection. With the recent notification from CalOptima Health's current vendor to discontinue its FWA detection solution, this was not a planned Fiscal Year Budgeted item. In reviewing the proposed Digital Transformation projects, the requested InterQual Clinical Criteria software was requested to support additional clinical criteria for the new Care Management System, which was projected to go-live in June of 2023. However, a slight delay with finalization of the contract, the implementation timeline shifted, and the InterQual criteria will not be implemented until Fiscal Year 2023-2024. Staff are requesting to utilize this budget to be reallocated for the funding to procure a new FWA detection solution.

As part of CalOptima Health's Workplace Modernization and Digital Transformation Strategy, this is a great opportunity to review the FWA solutions market because technological advancements in the recent years have provided greater capabilities with Artificial Intelligence (AI) and Machine Learning (ML) that will enhance the detection of improper billing patterns and detection of potential FWA. Approving the SOW and issuing an RFP to procure a vendor solution to proactively detect potential FWA will enhance CalOptima Health's Compliance Plan. The vendor's software solution should utilize the Centers for Medicare and Medicaid Services protocol for a detection system that serves as surveillance of billing and claims patterns. This detection and process system will analyze CalOptima Health's post payment claim/encounter data in order to determine patterns of potentially fraudulent activity in accordance with applicable federal and state laws and regulations.

The SOW for the RFP will include but is not limited to:

- Post payment claims data analytics solution to identify claims anomalies, identify industry fraud schemes, and snapshots of any given provider so that CalOptima Health can address all claims with that provider.
- Implementation and technical support with data interface services, technical data exchange protocols, data testing, and training to enable staff at CalOptima Health to achieve business requirements.
- Ongoing investigative and technical support and user trainings to enable end users to achieve business requirements.

If approved, the RFP will be issued consistent with CalOptima Health's procurement process. Review of bids by a committee with a representation of stakeholders from multiple departments will take place to ensure collaboration and selection integrity by CalOptima Health staff. Based on the scoring from the bid review, CalOptima Health will request that vendors provide a demonstration for evaluation and functionality scoring to select a vendor.

Fiscal Impact

The fiscal impact for the recommended actions is budget neutral. As proposed, unspent funds of \$950,000 that were approved as part of the CalOptima Health FY 2022-23 Digital Transformation Year One Capital Budget on June 2, 2022, will fund the expenses for the new capital project, “FWA Data Analytics/Detection Solution.”

Rationale for Recommendation

With a shortened timeline due to the vendor’s announcement to discontinue their FWA products, we need to find a replacement soon to allow time for implementation and prevent having a gap in service. Finding a solution for FWA detection will satisfy the components of an effective compliance program and enhance CalOptima Health’s program integrity. Additionally, it further supports the fiscal responsibility to spend funds responsibly by recovering amounts that are determined to be overpayments to providers as a result of fraudulent or abusive billing practices.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022

Regular Meeting of the CalOptima Health Board of Directors

Report Item

15. Approve Authorization to Extend the Contract Related to the Fraud Data Analytics/Detection Solution

Contacts

John Tanner, Chief Compliance Officer, (657) 235-6997

Fay Ho, Director, Compliance, (714) 246-8892

Recommended Actions

Authorize the Chief Executive Officer to extend the current contract with LexisNexis Risk Solutions (LexisNexis) for the following services through December 31, 2023, while a request for proposal for a new vendor is issued:

- Intelligent Investigator; and
- Virtual Special Investigative Unit (VSIU) Services.

Background

The detection of fraud, waste, and abuse (FWA) is a key component of the CalOptima Health Compliance Plan and integral to CalOptima Health's overall program integrity. CalOptima Health's FWA team identifies suspected fraudulent or improper payments utilizing a fraud data analytics software. Data analysis within the LexisNexis Risk Solutions, Intelligent Investigator, is an essential first step in determining whether patterns of claims submission and payment indicate potential problems. The data analysis includes identification of aberrancies in billing patterns within a homogeneous provider group, or more sophisticated detection of patterns within claims or groups of claims that may suggest improper billing or payment. With additional support from the LexisNexis Virtual Special Investigative Unit (VSIU) Services, CalOptima Health was able to discuss industry fraud trends with SIU experts at LexisNexis.

Discussion

CalOptima Health has contracted with LexisNexis for the Intelligent Investigator and VSIU Services since 2018, with the contract dated to end on March 31, 2023. In the last 3 fiscal years (FY19 – FY21), the solution has contributed to identification of an average of \$417,600 per year in overpayment recovery for CalOptima Health. The request to extend the current contract, under the same terms and conditions, for 9 months allows CalOptima Health to seek a new vendor and implement the new vendor while still maintaining these vendor services.

Fiscal Impact

The FY 2022-23 CalOptima Health Operating Budget included \$570,000 to fund the contract with LexisNexis for FWA data analytics and detection through June 30, 2023. Management will include expenses for the period of July 1, 2023, through December 31, 2023, in the FY 2023-24 CalOptima Health Operating Budget.

Rationale for Recommendation

The vendor listed above has a contract expiring in March 2023. Finding a new vendor and implementation of the new vendor will require substantial time. Not having a vendor for purposes of FWA detection would be a deficiency to CalOptima’s compliance program.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Entities Covered by this Recommended Action](#)

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date

CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Lexis Nexis	1000 Alderman Drive	Alpharetta	CA	30005

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022

Regular Meeting of the CalOptima Health Board of Directors

Report Item

16. Authorize Contract Amendment Related to CalOptima Health's Key Operational System Vendor for Claims Editing and Clinical Coding Validation

Contacts

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

Ladan Khamseh, Executive Director, Operations, (714) 246-8866

Recommended Action

Authorize the Chief Executive Officer to amend the current contract with Cotiviti, Inc (Cotiviti). to extend the contract term for two years beginning October 7, 2023, with the option of two additional one-year extensions, each exercisable at CalOptima Health's sole discretion.

Background

Cotiviti supports CalOptima Health's claims editing service solution and clinical coding validation. CalOptima Health utilizes this solution as the primary source for prepayment claims editing that identifies claims that are incorrectly coded and for which payment should be reduced, based on American Medical Association, National Correct Coding Initiatives (NCCI), Centers for Medicare & Medicaid Services (CMS) Benefits Manual, CMS National Physician Fee Schedule, the Federal Register, and Current Procedural Terminology code sets. Cotiviti has provided CalOptima Health with NCCI claims editing accuracy since October 8, 2018, which has resulted in an \$11.8 million in cost avoidance for calendar year 2021 and \$6.6 million from January 2022 through June 2022.

Discussion

Replacing this primary editing solution would require additional investment in terms of increase in fees based on current industry rates, time commitment, and impact to current savings trend based on accuracy of editing and service level.

The Cotiviti contract has one remaining one-year extension exercisable from October 7, 2022, to October 7, 2023. By extending the contract term to add two years, beginning October 7, 2023, with the option of two additional one-year extensions, CalOptima Health will be able to maintain the current contingency rate negotiated during the initial implementation.

Additionally, Cotiviti will upgrade CalOptima Health's editing engine (platform) to the most advanced technology that can provide a combination of software-as-a-service claim editing technology and prepayment clinical claim review service. This upgrade will ensure the accuracy of claim payments, increase adjudication speed, and reduce the technical and clinical resource needs without disrupting the current adjudication workflow or delaying payment to providers. The professional and technical support needed for this upgrade will be provided and covered by Cotiviti under the existing contract terms.

If the contract is not extended past the October 7, 2023, end date of the remaining one-year extension period, CalOptima Health will be at risk for a \$150,000 upgrade fee and a 2% increase to the contracted contingency percentage (i.e., 19.50% to 21.50%).

Fiscal Impact

The CalOptima Health Fiscal Year (FY) 2022-23 Operating Budget included \$2.7 million in funding for the contract with Cotiviti, Inc. through June 30, 2023. Management will include expenses related to the current contract period beginning on July 1, 2023, through any approved contract extension periods in future CalOptima Health operating budgets.

Rationale for Recommendation

Extension of this contract will ensure there is no disruption to the services provided by this solution and the continuation of appropriate claims payment to our providers.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [19-10311 Verscend Agreement](#)
2. [19-10311 Verscend Agreement Amendment No. 1 Executed](#)
3. [19-10311 Cotiviti Agreement Amendment No. 2 Extension](#)
4. [Entities Covered by this Recommended Action](#)

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date

CONTRACT NO. 19-10311
BETWEEN
ORANGE COUNTY HEALTH AUTHORITY, dba ORANGE PREVENTION AND TREATMENT
INTEGRATED MEDICAL ASSISTANCE, dba CALOPTIMA and VERSCEND TECHNOLOGIES, INC.
(CONTRACTOR)

THIS CONTRACT ("Contract") is made and entered into the date last signed below, by and between the Orange County Health Authority, dba CalOptima, a public agency, hereinafter referred to as "CalOptima" and VERSCEND TECHNOLOGIES, INC., a Delaware corporation, hereinafter referred to as "CONTRACTOR." CalOptima and CONTRACTOR shall be referred to herein collectively as the "Parties" or individually as a "Party."

RECITALS

- A. CalOptima desires to retain CONTRACTOR to provide Clinical Editing Solution and Services, as described in the Scope of Work; and
- B. CONTRACTOR provides such services; and
- C. CONTRACTOR represents and warrants that it has the requisite personnel and experience and is capable of performing such services; and
- D. CONTRACTOR desires to perform these services for CalOptima; and
- E. CalOptima and CONTRACTOR desire to enter into this Contract on the terms and conditions set forth herein below.

NOW, THEREFORE, in consideration of their mutual and respective promises, and subject to the terms and conditions hereinafter set forth, the Parties agree as follows:

- 1. Documents Constituting Contract. This Contract shall include the following documents ("Contract Documents"), in the order of descending precedence: (i) this Contract, inclusive of all its exhibits and attachments, and any amendments thereto; (ii) CONTRACTOR's proposal dated March 1, 2018, and (iii) CalOptima's Request for Proposal ("RFP") 18-003, if applicable, inclusive of any revisions, amendments and addenda. All documents attached to this Contract and/or referenced herein as a "Contract Document" are incorporated into this Contract by this reference, with the same force and effect as if set forth herein in their entirety. Changes hereto shall not be binding upon CalOptima except when specifically confirmed in writing by an authorized representative of CalOptima and issued in accordance with Section 17, Modifications, herein. In the event of any conflict of provisions among the documents constituting the Contract, the provisions shall prevail in the above-referenced descending order of precedence.
- 2. Statement of Work.
 - 2.1 CONTRACTOR shall perform the work necessary to complete, in a manner satisfactory to CalOptima, and if applicable, to the Centers for Medicare and Medicaid Services ("CMS"), the California Department of Health Care Services ("DHCS"), and/or the California Department of Managed Health Care ("DMHC"), as applicable, the services set forth in Exhibit A entitled "Scope of Work," which is attached hereto and incorporated herein by this reference. CONTRACTOR shall also perform in accordance with its Proposal dated March 1, 2018.
- 3. Insurance.
 - 3.1 Prior to undertaking performance of services under this Contract and at all times during performance hereunder, and entirely at CONTRACTOR's sole expense, CONTRACTOR shall maintain the following insurance, which shall be full-coverage insurance not subject to self-insurance provisions, and CONTRACTOR shall not of its own initiative cause such insurance to be canceled or materially

changed without a replacement meeting the requirements of the Contract being in place during the term of this Contract:

- 3.1.1 Required Insurance:
 - 3.1.1.1 Commercial General Liability, including Contractual liability and coverage for Independent Contractors on an occurrence basis on an ISO form GC 00 01 or equivalent covering bodily injury and property damage with the following minimum liability limits:
 - 3.1.1.2 Per Occurrence: \$1,000,000
 - 3.1.1.3 Personal Advertising Injury: \$1,000,000
 - 3.1.1.4 Products Completed Operations: \$2,000,000
 - 3.1.1.5 General Aggregate: \$2,000,000
 - 3.1.2 Commercial Automobile Liability covering any auto, whether owned, leased, hired, or rented, on an ISO form CA 0001 or equivalent in the amount of \$1,200,000 combined single limit for bodily injury or property damage.
 - 3.1.3 Workers' Compensation and Employers' Liability Policy written in accordance with the laws of the State of California and providing coverage for all of CONTRACTOR's employees:
 - 3.1.3.1 This policy must provide statutory coverage for Workers' Compensation.
 - 3.1.3.2 This policy must also provide coverage for \$1,000,000 Employers' Liability for each employee, each accident, and in the general aggregate.
 - 3.1.4 Professional Liability insurance covering the CONTRACTOR's professional errors and omissions with the following minimum limits of insurance:
 - 3.1.4.1 Per occurrence: \$1,000,000
 - 3.1.4.2 General aggregate: \$2,000,000
 - 3.1.5 Commercial crime policy covering employee theft and dishonesty, forgery and alteration, money orders and counterfeit currency, credit card fraud, wire transfer fraud, and theft of client property, with the following minimum limits of \$1,000,000 per occurrence:
 - 3.1.5.1 Cyber and Privacy Liability insurance with the following minimum limits of insurance covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. Such coverage is required only if any products and/or services related to information technology (including hardware and/or software) are provided to Insured and for claims involving any professional services for which CONTRACTOR is engaged with Insured for such length of time as necessary to cover any and all claims.
 - a) Privacy and Network Liability: \$1,000,000
 - b) Internet Media Liability: \$1,000,000

- c) Business Interruption & Expense: \$1,000,000
- d) Data Extortion: \$1,000,000
- e) Regulatory Proceeding: \$1,000,000
- f) Data Breach Notification & Credit Monitoring: \$1,000,000

3.2 Prior to commencement of any work hereunder, CONTRACTOR shall furnish to CalOptima's Purchasing Department additional insured endorsements and also broker-issued Certificate(s) of Insurance showing the required insurance coverages for CONTRACTOR, and further providing that:

Certificate Requirements:

- 3.2.1 CalOptima is to be covered as an additional insured with respect to liability arising out of work or operations performed by or on behalf of CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. This provision applies to CONTRACTOR's General Liability and Auto Liability policies and must be on ISO form CG 20 10 or equivalent.
- 3.2.2 For any claims related to this contract, the CONTRACTOR's insurance coverage shall be primary insurance as respects to CalOptima, its officers, officials, directors, employees, agents, and volunteers. This provision applies to the CONTRACTOR's General Liability, Auto Liability and Workers' Compensation and Employers' Liability policies.
- 3.2.3 The Insurance Company agrees to waive all rights of subrogation against CalOptima and its elected or appointed officers, officials, directors, agents, and employees for losses paid under the terms of any policy which arise from work performed by the CONTRACTOR for CalOptima. This provision applies to the CONTRACTOR's General Liability, Auto Liability and Workers' Compensation and Employers Liability policies.
- 3.2.4 Insurance is to be placed with insurers with a current A.M. Best rating of no less than A-VII, unless otherwise acceptable to CalOptima.
- 3.2.5 CONTRACTOR shall furnish CalOptima with original certificates and amendatory endorsements affecting coverage required by this clause. All certificates and endorsements are to be received and approved by CalOptima before work commences. CalOptima reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications, at any time.
- 3.2.6 All deductibles and retentions that the aforementioned policies contain are the responsibility of the CONTRACTOR and in no way shall CalOptima be responsible for payment of the deductibles/retentions.
- 3.2.7 If CONTRACTOR maintains higher limits than the minimums required above, CalOptima requires and shall be entitled to coverage for the higher limits maintained by CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CalOptima.
- 3.2.8 Thirty (30) days prior written notice without a replacement meeting the requirements of the Contract being in place of cancellation be given to CalOptima.

- 3.3 If CONTRACTOR fails or refuses to maintain or produce proof of the insurance required by this Section 3, CalOptima shall have the right, at its election, to terminate forthwith this Contract. Such termination shall not affect CONTRACTOR'S right to be paid for its time and materials expended prior to notification of termination. CONTRACTOR waives the right to receive compensation and agrees to indemnify CalOptima for any work performed prior to approval of insurance by CalOptima
- 3.4 The requirement for carrying the required insurance shall not derogate from the provisions for indemnification of CalOptima.
- 3.5 CONTRACTOR shall require each of its subcontractors who perform services related to this Contract, if any, to maintain insurance coverage that meets all of the requirements set forth herein.
- 3.6 "Occurrence," as used herein, means any event or related exposure to conditions that result in bodily injury or property damage.

4. Indemnification.

- 4.1 To the fullest extent permitted by law, CONTRACTOR agrees to and shall save, defend, indemnify, and hold harmless the Indemnified Parties from and against any third-party liability whatsoever, based or asserted upon any services of the CONTRACTOR, its officers, employees, subcontractors, agents, or representatives (individually and collectively referred to as "Indemnitors") arising out of any third-party claim and in any way relating to this Contract, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of Indemnitors under this Contract. CONTRACTOR shall defend the Indemnified Parties in any claim or action based upon any such alleged acts or omissions, at its sole expense, which shall include all costs and fees, including, but not limited to, attorneys' fees, cost of investigation, defense, and settlement or awards. CalOptima may make all reasonable decisions with respect to its representation in any legal proceeding.

"Indemnified Parties" refers to (i) CalOptima, (ii) it's officers and directors, and (iii) any of the following of CalOptima who work with or are involved in the services CONTRACTOR provides under Exhibit A: agents, consultants, and employees.

- 4.2 CONTRACTOR's obligation to indemnify hereunder is in addition to any liability CONTRACTOR may have to CalOptima for a breach by CONTRACTOR of any of the provisions of this Contract. Under no circumstances shall the insurance requirements and insurance limits set forth in this Contract be construed to limit CONTRACTOR's indemnification and duty to defend obligation. The terms of this Contract are contractual and the result of negotiation between the Parties hereto. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Contract.
- 4.3 CONTRACTOR's duty to defend herein is wholly independent of and separate from the duty to indemnify and such duty to defend shall exist regardless of any ultimate liability of CONTRACTOR, save and except Claims arising through the sole negligence or sole willful misconduct of CalOptima.
- 4.4 It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as permitted by the law of the State of California and that CONTRACTOR's indemnification and duty to defend obligation hereunder shall survive the expiration or earlier termination of this Contract until such time as action against the Indemnified Parties for such matter indemnified hereunder is fully and finally barred by the applicable statute of limitations, including but not limited to those set forth under the California Government Claims Act (Cal. Gov. Code §900 et seq.). The parties agree that the limitation of liability in section 4.7 survives as long as any indemnification obligation.

- 4.5 It is not the intent of the Parties that the provisions of this Section and the Indemnification provision(s) set forth in the Business Associate Protected Health Information Disclosure Agreement executed by the Parties shall be in conflict. In the event of any conflict, the Indemnification provision(s) in the Business Associate Protected Health Information Disclosure Agreement shall be interpreted to relate only to matters within the scope of that Agreement.
- 4.6 The terms of this Section shall survive the termination of this Contract.
- 4.7 **Limitation of liability**
- 4.7.1 Even if advised of the possibility of Losses, Verscend is not liable for any indirect damages, including any lost profits, data, business, goodwill, anticipated savings, opportunity or use or other incidental or consequential damages, which Client or any third party may suffer as a result of or in connection with this Agreement. Verscend will not be liable for any Losses due to impairments to a deliverable caused by acts of Client's representatives, subcontractors, or suppliers.
- 4.7.2 Even if Verscend is advised of the possibility of Losses, Verscend will not be liable for any Loss due to: (a) misuse of any data or deliverable by Client; (b) any error or omission in data results or information provided by the deliverable and not caused by Verscend; (c) any inability to use the deliverable; (d) any error or omission in data provided to Verscend; and/or (e) any failure, delay, corruption, error, inaccuracy, discrepancy, incompleteness or omission in or made through the deliverable and not caused by Verscend.
- 4.7.3 Notwithstanding anything to the contrary, or any failure of essential purpose of any limited remedy or invalidity of this Section 4.7, regardless of the form of action, whether incurred with respect to one claim, or cumulatively incurred from multiple related or unrelated claims, Verscend's aggregate liability, if any, to Client or to any third party for claimed Loss arising under this Contract during any specific period will not exceed the lesser of five million dollars (\$5,000,000) and three times the amount of fees paid by Client to Verscend for the corresponding deliverable in the twelve months prior to the date the Claim arose; provided, however, (1) the limitation in this section 4.7.3 will not apply for claimed Loss arising under this Contract in a Claim for gross negligence or willful misconduct and (2) the limitation in this section 4.7.3 is not intended to modify the limitation of liability in the BAA with respect to breaches of the BAA only. In the event that a Claim that is subject to this section 4.7.3 arises before the first twelve months of the Contract are complete, the calculation of fees paid will be made by annualizing fees paid since the Effective Date.
- 4.7.4 Should any Deliverables become the subject of an infringement claim of the kind described in this section, CONTRACTOR shall, at its option and expense, (a) procure for CalOptima the right to make continued use thereof, (b) replace or modify the Deliverable so that it becomes non-infringing, or (c) if such remedies are not reasonably available, request the return of the infringing Deliverable and grant CalOptima a pro-rated credit for the infringing Deliverable. CONTRACTOR shall have no liability if the alleged infringement is based on (1) combination with Third Party products if the alleged infringement relates solely to such combination, (2) modifications by parties other than CONTRACTOR (or persons or entities employed or contracted by CONTRACTOR) if the alleged infringement solely relates directly to such modification, unless such modification was approved by CONTRACTOR, (3) use for a purpose or in a manner for which the Deliverable was not designed, or (4) use of any older version of the Deliverable when use of a newer version that have been made available to CalOptima would have avoided the infringement.
- 4.7.5 Client hereby expressly acknowledges and agrees that in view of the amount of the fees paid or to be paid hereunder, the limitations of liability in this Section 4.7 and the

indemnities given in Section 4.1 are in all respects fair and reasonable and reflect a duly considered allocation of risk between the Parties. "Claims" shall mean all claims, requests, accusations, allegations, assertions, complaints, petitions, demands, suits, actions, proceedings, and causes of action of every kind and description.

4.7.6 "Losses" refers to any and all liabilities, costs, damages, payments, judgments, settlements, fines, penalties, and expenses (including, without limitation, reasonable attorneys' fees, disbursements and administrative or court costs) imposed pursuant to a final, unappealable judgment or settlement, as well as interest penalties (as described in Exhibit B, section E).

5. Independent Contractor. CalOptima and CONTRACTOR agree that CONTRACTOR, which term shall include any and all subcontractors, and any agents or employees of the CONTRACTOR, in performance of this Contract, shall act in an independent capacity, and not as officers or employees of CalOptima. CONTRACTOR's relationship with CalOptima in the performance of this Contract is that of an independent contractor. CONTRACTOR's personnel performing services under this Contract shall be at all times under CONTRACTOR's exclusive direction and control, and shall be employees of CONTRACTOR and not employees of CalOptima. CONTRACTOR shall pay all wages, salaries and other amounts due its employees in connection with this Contract, and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters. At CONTRACTOR's expense as described herein, CONTRACTOR agrees to defend, indemnify, and hold harmless CalOptima, its officers, agents, employees, members, subsidiaries, joint venture partners, and predecessors and successors in interest from and against any claim, action, proceeding, liability, loss, damage, cost, or expense, including, without limitation, attorneys' fees as provided herein arising out of CONTRACTOR's alleged failure to pay, when due, all such taxes and obligations to one or more Verscend employee (collectively referred to for purposes of this paragraph as "Employment Claim(s)"). CONTRACTOR shall pay to CalOptima any expenses or charges relating to or arising from any such Employment Claim(s) as they are incurred by CalOptima.

6. Assignments: Subcontracts.

6.1 Except as specifically permitted hereunder, CONTRACTOR may not assign, transfer, delegate or subcontract any interest herein, either in whole or in part, without the prior written consent of CalOptima, which consent may be withheld in its sole and absolute discretion. In the event CalOptima provides such prior written consent, CONTRACTOR acknowledges and agrees that such assignment, transfer, delegation, or subcontract may additionally be subject to the prior written approval of DHCS. Any assignment, transfer, delegation, or subcontract made without CalOptima's express written consent shall be deemed void.

6.2 For purposes of this Section and this Contract, the following is considered to be an assignment and will be addressed as described in this section 6.2: (1) the change of more than twenty-five percent (25%) of the ownership or equity interest in CONTRACTOR (whether in a single transaction or in a series of transactions); (2) the change of more than twenty-five percent (25%) of the directors or trustees of CONTRACTOR (whether in a single transaction or in a series of transactions); (3) the merger, reorganization, or consolidation of CONTRACTOR with another entity with respect to which CONTRACTOR is not the surviving entity; and/or (4) a change in the management of CONTRACTOR from management by persons appointed, elected or otherwise selected by the governing body of CONTRACTOR (e.g. the Board of Directors) to a third-party management person, company, group, team or other entity. CONTRACTOR shall provide CalOptima prior written notice promptly upon the public announcement of any deal giving rise to any of the events described here. If, following any of the events described in this section 6.2, CalOptima reasonably determines that CONTRACTOR can no longer meet its obligations required by CMS/DHCS regulations with respect to OIG, SAM, or other exclusion list checks required to do business with CalOptima, then CalOptima may terminate this Contract immediately without any additional cause.

- 6.3 In the event that CONTRACTOR is allowed to subcontract for services under this Contract, and does so subcontract, then CONTRACTOR shall, upon request, provide copies of such subcontracts to CalOptima or DHCS.
7. Non-Exclusive Relationship. It is understood by the parties that this is a non-exclusive relationship between CalOptima and CONTRACTOR. CalOptima shall have the right to have any of the services that are the subject of this Contract performed by CalOptima personnel or enter into contractual arrangements with one or more contractors who can provide CalOptima with similar or like services.
8. Compliance with Applicable Law and Policies. CONTRACTOR warrants that, in the performance of this Contract, it shall, at its own expense, observe and comply with all applicable federal, state, and local laws, and CalOptima Policies relating to services under the Contract that are in effect when this Contract is signed or which may come into effect during the term of this Contract.
9. Nondiscrimination Clause Compliance.
- 9.1 During the performance of this Contract, CONTRACTOR and its subcontractor(s) shall not unlawfully discriminate, harass, or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability, including Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS), AIDS-Related Complex (ARC), mental disability, medical condition (including cancer), age (over 40), marital status, and the use of family and medical care leave and pregnancy disability leave. CONTRACTOR and subcontractor(s) shall insure that the evaluation and treatment of their employees and applicants for employment are free from discrimination and harassment. CONTRACTOR and subcontractor(s) shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq. and the applicable regulations promulgated thereunder Title 2, CCR, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of Division 4, Title 2, CCR are incorporated into this Contract by reference and made a part hereof as if set forth in full. CONTRACTOR and its subcontractor(s) shall give notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. CONTRACTOR shall also fully comply with the following, to the extent applicable to the services provided by CONTRACTOR under this Contract: Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d (race, color, national origin); Section 504 of the Rehabilitation Act of 1973 (29 USC §794) (nondiscrimination under Federal grants and programs); Title 45 CFR Part 84 (nondiscrimination on the basis of handicap in programs or activities receiving Federal financial assistance); Title 28 CFR Part 36 (nondiscrimination on the basis of disability by public accommodations and in commercial facilities); Title IX of the Education Amendments of 1973 (regarding education programs and activities); Title 45 CFR Part 91 and the Age Discrimination Act of 1975 (nondiscrimination based on age); as well as California Government Code Section 11135 (ethnic group identification, religion, age, sex, color, physical or mental handicap); California Civil Code Section 51 (all types of arbitrary discrimination); and all rules and regulations promulgated pursuant thereto.
- 9.2 CONTRACTOR shall include the nondiscrimination and compliance provisions of Section 9 in all subcontracts under this Contract.
10. Prohibited Interest.
- 10.1 CONTRACTOR shall comply with all applicable federal, state, and local laws and regulations pertaining to conflict of interest laws, including but not limited to CalOptima's Conflict of Interest Code, the California Political Reform Act (Government Code Section 81000 et seq.) and Government Code Section 1090 et seq. (collectively, the "Conflict of Interest Laws").

- 10.2 CONTRACTOR covenants that, for the term of the Contract, no director, officer, or employee of CalOptima during his tenure has any interest, direct or indirect, in this Contract or the proceeds thereof. CONTRACTOR further covenants that, for the term of this Contract, and consistent with the provisions of Title 22 California Code of Regulations (CCR) Section 53600(f), no state officer or state employee shall be employed in a management or contractor position by CONTRACTOR within one year after the state office or state employee has terminated state employment.
- 10.3 No employee, officer or agent of CalOptima shall participate in the selection, award or administration of an agreement, or in any decision that may have foreseeable impact on CONTRACTOR if a conflict of interest, real or implied, exists. Such a conflict arises when any of the following has a financial or other interest in the firm selected for award:
- 10.3.1 A CalOptima employee, officer or agent;
 - 10.3.2 Any member of the employee, officer or agent's immediate family;
 - 10.3.3 The employee, officer or agent's domestic or business partner; and
 - 10.3.4 An organization that employs or is about to employ any of the above.
- 10.4 CONTRACTOR understands that, if this Contract is made in violation of Government Code Section 1090 et seq., the entire Contract is voidable and CONTRACTOR will not be entitled to any compensation for Services performed pursuant to this Contract and CONTRACTOR will be required to reimburse CalOptima any sums paid to CONTRACTOR. CONTRACTOR further understands that, in addition to the foregoing, CONTRACTOR may be subject to criminal prosecution for a violation of Government Code Section 1090.
- 10.5 If CONTRACTOR hereinafter becomes aware of any facts, which might reasonably be expected to either create a conflict of interest under the Conflict of Interest laws or violate the provisions of this Section, CONTRACTOR shall immediately make full written disclosure of such acts to CalOptima. Full written disclosure shall include, without limitation, identification of all persons, entities and businesses implicated and a complete description of all relevant circumstances.
11. Disclosure of Officers, Owners, Stockholders and Creditors. On an annual basis and within thirty (30) days of any changes, CONTRACTOR shall identify the names of the following persons by listing them on Exhibit I, attached hereto and incorporated by this reference:
- 11.1 All officers and owners who own greater than 5% of the CONTRACTOR; and
 - 11.2 All stockholders owning greater than 5% of any stock issued by CONTRACTOR.
12. Equal Opportunity.
- 12.1 CONTRACTOR and its Subcontractors will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. CONTRACTOR and its Subcontractors will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. CONTRACTOR and its Subcontractors agree to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or Department of Health Care Services ("DHCS"), setting forth the

provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973, and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state CONTRACTOR and its Subcontractors' obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.

- 12.2 CONTRACTOR and its Subcontractors will, in all solicitations or advancements for employees placed by or on behalf of CONTRACTOR and its Subcontractors, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- 12.3 CONTRACTOR and its Subcontractors will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of CONTRACTOR and its Subcontractors' commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 12.4 CONTRACTOR and its Subcontractors will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 12.5 CONTRACTOR and its Subcontractors will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- 12.6 In the event of CONTRACTOR and its Subcontractors' noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Contract may be cancelled, terminated, or suspended in whole or in part, and CONTRACTOR and its Subcontractors may be declared ineligible for further federal and state contracts, in accordance with procedures authorized in Federal Executive Order No. 11246 as amended, and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- 12.7 CONTRACTOR and its Subcontractors will include the provisions of this section in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor, issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and

as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or CONTRACTOR. CONTRACTOR and its Subcontractors will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions, including sanctions for noncompliance, provided, however, that in the event CONTRACTOR and its Subcontractors become involved in, or are threatened with litigation by a subcontractor or CONTRACTOR as a result of such direction by DHCS, CONTRACTOR and its Subcontractors may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

13. Standard of Performance: Warranties.

- 13.1 CONTRACTOR agrees to perform all work under this Contract with the requisite skill and diligence consistent with professional standards for the industry and type of work performed under this Contract, and pursuant to the governing rules and regulations of the industry.
- 13.2 In the event that CONTRACTOR is allowed to subcontract for services under this Contract, and does so subcontract, then CONTRACTOR represents and warrants that any individual or entity acting as a subcontractor to this Contract has the appropriate skill and expertise to perform the subcontracted work.

"Deliverable" means the provision of an Internet- or other data network-available application or consulting, programming, professional or other service by CONTRACTOR to CalOptima, per CalOptima's requirements as defined and agreed to per Exhibit A. Deliverable also means the right of use of any applications by CONTRACTOR to CalOptima, as defined and agreed to in Exhibit A.

CONTRACTOR expressly warrants that all Deliverables will (1) conform to applicable agreed upon specifications, drawings, description and samples, including, without limitation, CalOptima's designs, drawings, and specifications; (2) be performed using sound, professional practices and in a competent and professional manner by knowledgeable, trained and qualified personnel; and (3) will be of good workmanship and material. Further, CONTRACTOR expressly warrants that its Edits (as defined in Exhibit A) conform to applicable agreed upon specifications and documentation. CONTRACTOR shall promptly make whatever adjustments or corrections that may be necessary to cure any defects of the Deliverables, including repairs of any damage to other parts of the system resulting from such defects. CalOptima shall give notice to CONTRACTOR of any observed defects. Contractor does not warrant or guaranty that deliverables will be error free, or that any access to such deliverables will always be uninterrupted. CalOptima's sole and exclusive remedy for breach by Contractor of the foregoing warranty will be for: (i) Contractor to re-perform the nonconforming whole or part of the Deliverable; and (ii) if within thirty (30) business days of receiving notice from CalOptima Contractor fails to provide a specific conforming deliverable, Contractor will provide to CalOptima a proportional refund of the fees (as set forth in Statements of Work) paid by CalOptima for the nonconforming portion of the deliverable. Except as otherwise expressly provided in this section 13, or the applicable statement of work ("Contractor Warranty") Contractor makes no express or implied warranties of any kind, including, but not limited to, warranties of merchantability, fitness for a particular purpose, title, non-infringement, or warranties alleged to arise as a result of custom and usage; all deliverables are advisory and provided on an "as is" basis.

- 13.3 CONTRACTOR's obligations under this Section are in addition to CONTRACTOR's other express or implied warranties and other obligations under this Contract or state law, and in no way diminish any other rights that CalOptima may have against CONTRACTOR for faulty materials, equipment or work. CalOptima rejects any disclaimer by CONTRACTOR of any warranty, standard, implied

or express, unless specifically agreed to in writing by both parties. The disclaimer in section 13.3 is hereby agreed to.

13.4 Any CalOptima property damaged by CONTRACTOR, its subcontractor(s), or by the personnel of either, will be subject to repair and replacement by CONTRACTOR at no cost to CalOptima.

14. Compensation.

14.1 Payment.

14.1.1 CalOptima agrees to pay, and CONTRACTOR agrees to accept as full consideration for the faithful performance of this Contract, the rates, charges and other payment terms identified in Exhibit B, which is attached hereto and incorporated herein by this reference.

14.1.2 CalOptima will not reimburse CONTRACTOR any expenses incurred in connection with its performance of the services, unless such reimbursement is specifically authorized in Exhibit B. Each expense reimbursement request, when authorized in Exhibit B must include receipts or other suitable documentation.

14.1.3 CONTRACTOR's requests for payments and reimbursements must comply with the requirements set forth in Exhibit B. CalOptima will not make payment for work that fails to meet the standards of performance as set forth in the Contract and Exhibit A, Scope of Work that may be reasonably expected by CalOptima. **CALOPTIMA SHALL NOT PAY ANY FEES, EXPENSES OR COSTS WHATSOEVER INCURRED BY CONTRACTOR IN RENDERING ADDITIONAL SERVICES NOT AUTHORIZED IN WRITING UNDER THIS CONTRACT.**

14.1.4 The payment obligation includes all applicable federal, state, and local taxes and duties, except sales tax, which is shown separately, if applicable. CONTRACTOR is responsible for submitting any withholding exemption forms (e.g., W-9) to CalOptima. Such forms and information should be furnished to CalOptima before payment is made. If taxes are required to be withheld on any amounts otherwise to be paid by CalOptima to CONTRACTOR due to CONTRACTOR'S failure to timely submit such forms, CalOptima will deduct such taxes from the amount otherwise owed and pay them to the appropriate taxing authority, and shall have no liability for or any obligation to refund any payments withheld.

14.2 Contractor Travel Policy. CONTRACTOR agrees to abide by the terms of the CalOptima Travel Policy, attached hereto as Exhibit C, and incorporated herein by this reference.

15. Term. This Contract shall commence on October 8, 2018, (the "Effective Date") and shall continue in full force and effect for thirty-six months ("Initial Term"), unless earlier terminated as provided in this Contract. At the end of the Initial Term, CalOptima may, at its option, extend this Contract for up to 2 additional consecutive one (1) year terms ("Extended Terms"), provided that if CalOptima does not exercise its option to extend at the end of the Initial Term, or any Extended Term, the remaining option(s) shall automatically lapse. As used in this Contract, the word "Term" shall include the Initial Term and any and all Extended Term(s), to the extent CalOptima exercises its option pursuant to this paragraph.

The parties agree that, on the Effective Date of this Contract, the Amended and Restated Contract No. MC 03258 dated October 1, 2008, between the parties (the "2008 Contract") will be terminated.

16. Termination.

- 16.1 Termination without Cause. CalOptima may terminate this Contract at any time after the first twelve (12) months of the Initial Term, in whole or in part, for its convenience and without cause, by giving CONTRACTOR sixty (60) days' prior written notice hereof. Upon termination, CalOptima may pay CONTRACTOR its allowable cost incurred for services satisfactorily performed and accepted by CalOptima as of the date of termination. Thereafter, CONTRACTOR shall have no further claims against CalOptima under this Contract.
- 16.2 Termination for Unavailability of Funds. In recognition that CalOptima is a governmental entity and its operations and budgets are determined on an annual basis, CalOptima shall have the right to terminate this Contract as follows:
- 16.2.1 CalOptima may terminate this Contract if it does not receive funding from the State of California or the federal government, as applicable, for any fiscal year.
- 16.2.2 In the event of Termination for Unavailability of Funds, as provided in this Section, CalOptima agrees to promptly pay CONTRACTOR all fees and other charges due and payable for services satisfactorily performed and accepted by CalOptima as of the termination date. CONTRACTOR shall not be entitled to payment for any other items, including, without limitation, lost or anticipated profit on work not performed, administrative costs, attorneys' fees, or consultants' fees.
- 16.2.3 In the event of Termination for Unavailability of Funds, as provided in this Section, and funds are received by CalOptima from the State of California within one-hundred twenty (120) days of the date of termination, then CalOptima shall promptly notify CONTRACTOR in writing and CalOptima shall have the right to reinstate this Contract for that period for which funds are received by CalOptima or the unexpired term of this Contract as of the date of termination, whichever period is shorter in duration. Notwithstanding the foregoing, CalOptima may only reinstate this Contract two (2) times during the Term of this Contract.
- 16.3 Termination for Default. Subject to a thirty (30) day cure period, CalOptima may terminate this Contract for CONTRACTOR's default, or if a federal or state proceeding for the relief of debtors is undertaken by or against CONTRACTOR, or if CONTRACTOR makes an assignment for the benefit of creditors as defined in Section 6, or if CONTRACTOR breaches any term(s) or violates any provision(s) of this Contract ("Default") and does not cure such breach or violation within thirty (30) days after written notice by CalOptima that specifies the Default, including but not limited to the section(s) of the Contract at issue and the actions or inactions of CONTRACTOR that caused the Default, and provides reasonable and clearly defined standards for cure. In the event of Termination for Default, as provided by this Section, CONTRACTOR shall be liable for any and all reasonable direct and actual costs incurred by CalOptima as a result of such default, including, but not limited to, re-procurement costs of the same or similar services defaulted by CONTRACTOR under this Contract, but not including opportunity loss or lost savings or profits; provided, however, CONTRACTOR's total liability under this section 16.3 may not exceed three month's contingency fees. In the event that CalOptima makes any Claim against CONTRACTOR arising out of this Contract following a termination according to this section 16.3, any costs paid by CONTRACTOR under this section 16.3 will be counted toward any Loss arising out of any such Claim.
- 16.4 Notwithstanding the foregoing, CalOptima may terminate this Contract immediately upon CONTRACTOR's breach of Section 3, (Insurance), Section 10, (Prohibited Interest), or Section 24, (Confidentiality).
- 16.5 Effect of Termination. Upon expiration or receipt of a termination notice under this Section:

- 16.5.1 CONTRACTOR shall promptly discontinue all services (unless the notice directs otherwise), and deliver or otherwise make available to CALOPTIMA all documents, reports, software programs and any other products, data and such other materials, equipment, and information, including but not limited to confidential information, or equipment provided by CalOptima, as may have been accumulated by CONTRACTOR in performing this Contract, whether completed or in process. If CONTRACTOR personnel were granted access to CalOptima's premises and issued a badge or access card, such badge or access card shall be returned prior to departure. Failure to return any information or equipment, badge or access card, is considered a material breach of this Contract and CalOptima's privacy and security rules.
- 16.5.2 CalOptima may take over the services, and may award another party a contract to complete the services under this Contract.
- 16.5.3 CalOptima may withhold from payment any sum that it determines to be owed to CalOptima by CONTRACTOR, or as necessary to protect CalOptima against loss due to outstanding liens or claims of former lien holders.

17. Modifications.

- 17.1 CalOptima reserves the right to modify the Contract at any time should such modification be required by CMS or applicable law or regulation and CONTRACTOR agrees to execute the modification if both Parties reasonably agree that the proposed amendment accurately reflects the applicable law or regulation.
- 17.2 Modifications to this Contract that are desired by CalOptima but not required by CMS or applicable law or regulation will be freely negotiated by the parties.
- 17.3 All modifications shall be executed only by a written amendment to the Contract, signed by CalOptima and CONTRACTOR. Execution of amendments shall be contingent upon CONTRACTOR's notification to CalOptima, and CalOptima's approval, of any increase or decrease in the price of this Contract or in the time required for its performance.

18. Verification of CalOptima Costs by Government. Until the expiration of ten (10) years after the later of furnishing of any service pursuant to this Contract or completion of any audit, or longer as required by applicable regulations, CONTRACTOR will make available, upon written request of the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives, or the California Department of Health Care Services, or the California Department of Managed Health Care, or the Department of Justice, or the Bureau of Medical Fraud, copies of this Contract and any financial statements, books, documents, records, patient care documentation, and other records or data of CONTRACTOR that pertain to any aspect of services performed, reconciliation of benefit liabilities, and determination of amounts payable under this Contract, or as are otherwise necessary to certify the nature and extent of costs incurred by CalOptima for such services. This provision shall also apply to any agreement between a subcontractor and an organization related to the subcontractor by control or common ownership. CONTRACTOR further agrees that regulating entities have the right to inspect, evaluate and audit any pertinent information and to facilitate the review of the items referenced herein, to make available its premises, physical facilities and equipment, records related to Medicare enrollees, and any additional relevant information that regulating entities may require. CONTRACTOR further agrees and acknowledges that this provision will be included in any and all agreements with CONTRACTOR's subcontractors.

19. Confidential Material.

- 19.1 During the term of this Contract, either Party may have access to confidential material or information ("Confidential Information") belonging to the other Party or the other Party's customers, vendors, or partners. "Confidential Information" shall include without limitation the

disclosing Party's computer programs and codes, business plans, customer/member lists and information, financial records, partnership arrangements and licensing plans or other information, materials, records, writings or data that is marked confidential or that due to its character and nature, a reasonable person under like circumstances would treat as confidential. Confidential Information will be used only for the purposes of this Contract and related internal administrative purposes. Each Party agrees to protect the other's Confidential Information at all times and in the same manner as each protects the confidentiality of its own confidential materials, but in no event with less than a reasonable standard of care.

- 19.2 For the purposes of this Section 19, "Confidential Information" does not include information which: (i) is already known to the other Party at the time of disclosure and was not subject to confidentiality obligations on that other party at the time it became known to the party; (ii) is or becomes publicly known through no wrongful act or failure of the receiving Party; (iii) is independently developed without use or benefit of the other's Confidential Information or proprietary information; (iv) is received from a third party which is not under and does not thereby breach an obligation of confidentiality; or (v) is a public record, not exempt from disclosure pursuant to California Public Records Act, Government Code Section 6250 et seq., applicable provisions of California Welfare and Institutions Code or other state or federal laws, regardless of whether such information is marked as confidential or proprietary.
- 19.3 Disclosure of the Confidential Information will be restricted to the receiving Party's employees, consultants, suppliers or agents on a "need to know" basis in connection with the services performed under this Contract, who are bound by confidentiality obligations no less stringent than these prior to any disclosure. The receiving Party may disclose Confidential Information pursuant to legal, judicial, or administrative proceeding or otherwise as required by law; providing that the receiving Party shall give reasonable prior notice, if not prohibited by applicable law, to the disclosing Party and shall assist the disclosing Party, at the disclosing Party's expense, to obtain protective or other appropriate confidentiality orders, and further provided that a required disclosure of Confidential Information or proprietary information to an agency or Court does not relieve the receiving Party of its confidentiality obligations with respect to any other party.
- 19.4 Except as to the confidentiality of trade secrets, these confidentiality restrictions and obligations will terminate five (5) years after the expiration or termination of the Contract, unless the law requires a longer period. Upon written request of the disclosing Party, the receiving Party shall promptly return to the disclosing Party all documents, notes and other tangible materials representing the disclosing Party's Confidential Information or Proprietary Information and all copies thereof. This obligation to return materials or copies thereof does not extend to automatically generated computer backup or archival copies generated in the ordinary course of the receiving Party's information systems procedures, provided that the receiving Party shall make no further use of such copies.
- 19.5 For the purposes of this Section only, "Confidential Information" does not include protected health information or individually identifiable information, as defined by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and other privacy statutes or regulations. The access, use and disclosure of Protected Health Information is referenced below in Section 24, and shall be governed by a Business Associate Protected Health Information Disclosure Agreement, which shall be executed by the parties if CONTRACTOR will create, receive, maintain, use, or transmit Protected Health Information in performing services under this Contract.

20. Record Ownership and Retention.

- 20.1 The originals of all reports, prepared or generated for the purposes of this Contract shall be delivered to, and become the property of CalOptima at no cost to CalOptima and in a form accessible for CalOptima's use. CalOptima hereby grants CONTRACTOR a non-exclusive, irrevocable, perpetual, worldwide, royalty-free license to use and reproduce such reports. Copies may be made

for CONTRACTOR's records, but shall not be furnished to others without written authorization from CalOptima. Such reports shall become the sole property of CalOptima and all rights in copyright therein shall be retained by CalOptima. CalOptima's ownership of these reports includes use of, reproduction or reuse of, and all incidental rights. CONTRACTOR shall provide all reports within a reasonable amount of time upon CalOptima's request, but in no event shall such time exceed thirty (30) calendar days unless otherwise specified by CalOptima.

- 20.2 CONTRACTOR owns and retains all right, title, and interest in and to, including without limitation all Intellectual Property rights, in all software programs (whether or not installed on a CalOptima-owned system), methodology, techniques, the identity of edits and materials, enhancements, derivatives, and modifications to all CONTRACTOR owned Intellectual Property, including without limitation all source code, object code, and documentation associated therewith, and all documentation, report formats, methodologies, algorithms, templates, logic flow, formulae, inventions, methods, systems, processes, works of authorship, and materials which have been or are in the future created, conceived, developed or acquired by CONTRACTOR and which are included in or used in providing the Deliverables, including without limitation all modifications, improvements, derivative works and compilations thereof and thereto (all the foregoing, collectively, "CONTRACTOR IP"). As between the Parties, unless otherwise expressly specified in a Statement of Work, CONTRACTOR will be the owner of all right, title and interest, including all Intellectual Property rights, in and to any code required to provide Deliverables. To the extent that CONTRACTOR incorporates any CONTRACTOR IP into the reports, CONTRACTOR hereby grants to CalOptima a non-exclusive, irrevocable, perpetual, worldwide, royalty-free license to use and reproduce the CONTRACTOR IP to the extent required to and for the limited purpose of fully utilizing the reports.

CalOptima agrees that all CONTRACTOR IP constitutes the Confidential Information of CONTRACTOR, and CalOptima shall not use or disclose such CONTRACTOR Confidential Information except as permitted herein. CalOptima further agrees that it will not use or disclose such CONTRACTOR IP except solely as necessary to receive the Deliverables described in this Agreement. Without limiting the foregoing, CalOptima shall not, and shall cause its employees or authorized users not to: 1) reverse engineer, decompile, reverse compile, or disassemble the CONTRACTOR IP; 2) create a derivative work or compilation of the CONTRACTOR IP, including without limitation any product or service derived or compiled from or based on, in whole or in part, any Deliverables. CalOptima may not copy, distribute, market, sell, lease, sublicense or otherwise transfer the Deliverables to third parties. Notwithstanding the above, in no way shall CalOptima be prevented from implementing changes to its systems, processes, or contracts that are done in the ordinary course of business or were otherwise arrived at independent of and without reliance on or benefit of the results of the Deliverables provided herein.

- 20.3 CONTRACTOR acknowledges and agrees that, notwithstanding any provision herein to the contrary, CalOptima's Intellectual Property in the information, documents, and other materials provided to CONTRACTOR, including but not limited to Application Data, ("CalOptima IP") shall remain the sole and exclusive property of CalOptima. Any information, documents or materials provided by CalOptima to CONTRACTOR pursuant to this Contract and all copies thereof (including without limitation CalOptima IP, Proprietary Information and Confidential Information, as these terms are defined in Section 19) shall upon the earlier of CalOptima's request or the expiration or termination of this Contract be returned to CalOptima.

- 20.4 For purposes of this Section, the following definitions apply:

"Intellectual Property" means all inventions, patents, copyrights, trade secrets, trade names, trademarks, know-how, software, shop rights, moral rights, licenses, developments, research data, designs, processes, formulas, and other tangible or intangible proprietary or property rights, whether or not patentable (or otherwise subject to legally enforceable restrictions or protections against unauthorized third-party usage), and any and all applications for, and extensions, divisions,

derivations, compilations, and reissuances of, any of the foregoing, and rights therein, and whether arising by statute or common law, which are brought to bear to generate a Deliverable or are inherent in the Deliverable itself.

“Application Data” includes but is not limited to individuals' personal, medical, pharmacy, disability, provider or insurance claim information provided by CalOptima or CalOptima's business partners, including without limitation, third party administrators, pharmacy benefit companies and utilization management companies, to CONTRACTOR to create an Application Service, pursuant to the Applications Agreement. Application Data includes, but is not necessarily limited to, claims and membership information for CalOptima insurance plan members.

“Application Service” means any Deliverable whereby users gain access, via an interface provided by CONTRACTOR, to information compiled by CONTRACTOR, in any Internet-available or private data network.

21. **Patent and Copyright Infringement.** In lieu of any other warranty by CalOptima or CONTRACTOR against infringement, statutory or otherwise, it is agreed that CONTRACTOR shall indemnify, hold harmless and defend, at its expense, any suit against CalOptima based on a claim that any item furnished under this Contract, or the normal use or sale thereof, infringes on any United States letters patent, patent, trademark, copyright, or other intellectual property right, and shall pay costs and damages finally awarded in any such suit, provided that CONTRACTOR is notified in writing of the suit and given authority, information, and assistance at CONTRACTOR's expense for the defense of the suit. CONTRACTOR, at no expense to CalOptima, shall obtain for CalOptima the right to use and sell said item, or shall substitute an equivalent item acceptable to CalOptima and extend this patent indemnity thereto.
22. **Names and Marks.** Neither Party shall use the name, logo or other proprietary mark of the other in any press release, advertising, promotional, marketing or similar publicly disseminated material without first submitting such material to the other Party and obtaining the other Party's express written approval of the material and consent to such use.
23. **Business Associate Protected Health Information Disclosure Agreement.** CONTRACTOR agrees to and shall enter into a Business Associate Protected Health Information Disclosure Agreement with CalOptima, with a Security Requirements Attachment for DHCS Data and Protected Health Information/Personal Information (PHI/PI) if CONTRACTOR will create, receive, maintain, use, or transmit DHCS data or PHI/PHI, which agreement shall be incorporated herein by this reference. CONTRACTOR acknowledges and agrees that CalOptima reserves the right to modify the Business Associate Protected Health Information Disclosure Agreement at any time should such modification be required by applicable law or regulation and CONTRACTOR agrees to execute the modification if both Parties reasonably agree that the proposed amendment accurately reflects the applicable law or regulation.

Modifications to the Business Associate Protected Health Information Disclosure Agreement that are desired by CalOptima but not required by CMS or applicable law or regulation will be freely negotiated by the parties.

All modifications to the Business Associate Protected Health Information Disclosure Agreement shall be executed only by a written amendment, signed by CalOptima and CONTRACTOR.

24. **Confidentiality of Member Information.**
 - 24.1 CONTRACTOR and its employees, agents, or subcontractors shall protect from unauthorized disclosure, the names and other identifying information concerning persons either receiving services pursuant to this Contract, or persons whose names or identifying information become available or are disclosed to CONTRACTOR, its employees, agents, or subcontractors as a result of services performed under this Contract, except for statistical information not identifying any such person. CONTRACTOR and its employees, agents, or subcontractors shall not use such identifying

information for any purpose other than carrying out CONTRACTOR's obligations under this Contract. CONTRACTOR and its employees, agents, or subcontractors shall promptly transmit to CalOptima all requests for disclosure of such identifying information not emanating from the Member. CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Contract or authorized by the Member, any such identifying information to anyone other than DHCS or CalOptima without prior written authorization from CalOptima. For purposes of this provision, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

24.2 Names of persons receiving public social services are confidential and are to be protected from unauthorized disclosure in accordance with Title 42 CFR Section 431.300 et seq., Section 14100.2, Welfare and Institutions Code, and regulations adopted thereunder. For the purpose of this Contract, all information, records, data, and data elements collected and maintained for the operation of the Contract and pertaining to Members shall be protected by CONTRACTOR from unauthorized disclosure. CONTRACTOR may release Medical Records in accordance with applicable law pertaining to the release of this type of information. CONTRACTOR is not required to report requests for Medical Records made in accordance with applicable law. With respect to any identifiable information concerning a Member under this Contract that is obtained by CONTRACTOR or its Subcontractors, CONTRACTOR:

24.2.1 Will not use any such information for any purpose other than carrying out the express terms of this Contract;

24.2.2 Will promptly transmit to CalOptima all requests for disclosure of such information, except requests for Medical Records in accordance with applicable law;

24.2.3 Will not disclose, except as otherwise specifically permitted by this Contract, any such information to any party other than DHCS or CalOptima without CalOptima's prior written authorization specifying that the information is releasable under Title 42 CFR Section 431.300 et seq., Section 14100.2, Welfare and Institutions Code, and regulations adopted there under; and

24.2.4 Will, at the termination of this Contract, return all such information to CalOptima or maintain such information according to written procedures sent to the CONTRACTOR by CalOptima for this purpose.

24.3 CONTRACTOR agrees to complete a CalOptima Medi-Cal Data Access Agreement, which is attached hereto as Exhibit D and incorporated herein by this reference. All materials covered under this Medi-Cal Data Access Agreement shall be designated confidential, to the extent permitted by California law.

25. Offshore Performance.

25.1 Due to security and identity protection concerns, direct services under this Contract shall not be performed by offshore subcontractors, unless otherwise authorized in writing by CalOptima.

25.2 CONTRACTOR shall complete, sign, and return Exhibit H, entitled "Attestation Concerning the Use of Offshore Subcontractors," which is attached hereto and incorporated herein by this reference, and shall submit an executed Offshore Subcontractor Attestation no less than annually thereafter.

25.3 CONTRACTOR acknowledges that CalOptima requires CONTRACTOR to obtain approval from it of CONTRACTOR's use of any offshore subcontractor whereby offshore subcontractor will have access to any type of confidential CalOptima Member information, including, but not limited to, protected health information. CONTRACTOR represents and warrants that it has disclosed to

- CalOptima any and all such offshore subcontractors within Exhibit H and that it has obtained CalOptima's written approval to use such offshore subcontractors prior to the effective date of this Contract.
- 25.4 Any new subcontract with an offshore entity under which the offshore entity will have access to any confidential CalOptima Member or other protected health information must be approved in writing by CalOptima prior to execution of the subcontract. CONTRACTOR is required to submit future Offshore Contractor Attestations to CalOptima's Purchasing Department within thirty (30) calendar days after it has signed a contract with any subcontractor that may be using an offshore subcontractor to perform any related work.
- 25.5 Unless specifically stated otherwise in this Contract, the restrictions of this Section do not apply to indirect or "overhead" services, or services that are incidental to the performance of the Contract.
- 25.6 The provisions of this Section apply to work performed by subcontractors at all tiers.
26. FDR Compliance. Upon execution of this Contract, CONTRACTOR agrees to execute and abide by the terms of the "FDR Compliance Attestation," which is attached hereto as Exhibit F and incorporated herein by this reference, and shall submit an executed FDR Compliance Attestation no less than annually thereafter.
27. Medicare Advantage Program. CONTRACTOR agrees to abide by the terms of "Addendum I, Medicare Advantage Program," attached hereto as Exhibit G and incorporated herein by this reference.
28. Time is of the Essence. Time is of the essence in performance of this Contract.
29. CalOptima Designee. The Chief Executive Officer of CalOptima, or his designee, shall have the authority to act for and exercise any of the rights of CalOptima, as set forth in this Contract, subsequent to and in accordance with the authority granted by the Board of Directors.
30. Omissions. In the event that either party hereto discovers any material omission in the provisions of this Contract which such party believes is essential to the successful performance of this Contract, the party may so inform the other party in writing, and the parties hereto shall thereafter promptly negotiate in good faith with respect to such matters for the purpose of making such reasonable adjustments, as may be necessary to perform the objectives of this Contract.
31. Choice of Law. This Contract shall be governed by and construed in accordance with all laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Contract, venue and jurisdiction shall be in the County of Orange, California.
32. Force Majeure. When satisfactory evidence of a cause beyond a party's control is presented to the other party, and nonperformance is unforeseeable, beyond the control, and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Contract during the time and to the extent that it is prevented from performing by such cause, including, but not limited to, any incidence of fire, flood, acts of God, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
33. Notices. All notices required or permitted under this Contract and all communications regarding the interpretation of the terms of this Contract, or changes thereto, shall be in writing and shall be sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service which delivers to the noticed destination and provides proof of delivery to the sender. All notices shall be effective when first received at the following addresses set forth below. Any party whose address changes shall notify the other party in writing.

To CONTRACTOR:	To CalOptima:
Verscend Technologies, Inc.	CalOptima
201 Jones Road	505 City Parkway West
Waltham, MA 02451	Orange, CA 92868
Attention: Legal Department	Attention: Kim Marquez

34. Notice of Labor Disputes. Whenever CONTRACTOR has knowledge that any actual or potential labor dispute may delay this Contract, CONTRACTOR shall promptly notify and submit all relevant, reasonable information to CalOptima.
35. Unavoidable Delays.
- 35.1 If the delivery of services under this Contract should be unavoidably delayed, CalOptima's Purchasing Department shall extend the time for completion of the Contract for the determined number of days of excusable delay. A delay is unavoidable only if the delay was not reasonably expected to occur in connection with, or during CONTRACTOR's performance, and was not caused directly or substantially by acts, omissions, negligence, or mistakes of CONTRACTOR, CONTRACTOR's subcontractors, or their agents, and was substantial and in fact caused CONTRACTOR to miss delivery dates, and could not adequately have been guarded against by contractual or legal means. Delays caused by CalOptima will be sufficient justification for delay of services, and CONTRACTOR shall be allowed a day-for-day extension.
- 35.2 CONTRACTOR shall notify CalOptima's Purchasing Department as soon as CONTRACTOR has, or should have, knowledge that an event has occurred that will delay deliveries. Within five (5) working days, CONTRACTOR shall confirm such notice in writing, furnishing as much detail as is available.
- 35.3 CONTRACTOR agrees to supply, as soon as such data is available, any reasonable proof that is required by CalOptima's Purchasing Department to make a decision on any request for extension. CalOptima's Purchasing Department shall examine the request and any documents supplied by CONTRACTOR and shall determine if CONTRACTOR is entitled to an extension and the duration of such extension. CalOptima's Purchasing Department shall notify CONTRACTOR of this decision in writing. It is expressly understood and agreed that CONTRACTOR shall not be entitled to damages or compensation, and shall not be reimbursed for losses on account of delays resulting from any cause under this provision.
36. No Liability of County of Orange. As required under Ordinance No. 3896 of the County of Orange, State of California, as amended, the parties hereto acknowledge and agree that the obligations of CalOptima under this Contract are solely the obligations of CalOptima, and the County of Orange, State of California, shall have no obligation or liability therefor.
37. Attorneys' Fees. Should either party to this Contract institute any action or proceeding to enforce or interpret this Contract or any provision hereof, or for damages by reason of any alleged breach of this Contract, otherwise arising under this Contract, or for a declaration of rights hereunder, the prevailing party in any such action or proceeding shall be entitled to receive from the other party all costs and expenses, including, without limitation, reasonable attorneys' fees incurred by the prevailing party in such arbitration, action or proceeding.
38. Entire Agreement. This Contract, including all exhibits and documents incorporated by reference and all Contract Documents referenced in Section 1 herein, contains the entire agreement between CONTRACTOR and CalOptima with respect to the subject matter of this Contract, and it supersedes all prior written or oral

and all or contemporaneous oral agreements, representations, understandings, discussions, negotiations and commitments between CONTRACTOR and CalOptima, whether express or implied, with respect to the subject matter of this Contract.

39. Headings. The section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.
40. Waiver. No delay or failure by either party hereto to exercise any right or power accruing upon noncompliance or default by the other party with respect to any of the terms of this Contract shall impair such right or power, or be construed to be a waiver thereof. A waiver by either of the parties hereto of a breach of any of the covenants, conditions or agreements to be performed by the other shall not be construed to be a waiver of any succeeding breach thereof, or of any other covenant, condition, or agreement herein contained. Any information delivered, exchanged, or otherwise provided hereunder shall be delivered, exchanged or otherwise provided in a manner that does not constitute a waiver of immunity or privilege under applicable law.
41. California Public Records Act. As a local public agency, CalOptima is subject to the California Public Records Act (California Government Code Sections 6250 et seq.) (the "Public Records Act"). CONTRACTOR hereby acknowledges that any materials, documents, data, or similar items are subject to disclosure upon public request, unless they are exempt from disclosure under the provisions of the Public Records Act. CalOptima may be required to reveal certain information believed to be proprietary or confidential by CONTRACTOR pursuant to the Public Records Act. In the event that CONTRACTOR discloses information that it believes to be proprietary or confidential to CalOptima, it shall mark such information as "Confidential," "Proprietary," or "Restricted" or other similar marking. Unless CONTRACTOR marks its materials as "Confidential," "Proprietary," or "Restricted," and also notifies CalOptima in writing that CONTRACTOR has so marked each piece of material, then CalOptima will not be responsible to take any actions to protect any CONTRACTOR's materials under the Public Records Act that are not so marked. In the event CalOptima receives a request under the Public Records Act that potentially encompasses CONTRACTOR materials that have been properly marked, CalOptima will provide CONTRACTOR with notice thereof to allow CONTRACTOR to take actions it deems appropriate to prevent disclosure of the marked material. CONTRACTOR agrees to defend, indemnify, and hold harmless CalOptima, its officers, agents, employees, members, subsidiaries, joint venture partners, and predecessors and successors in interest from and against any claim, action, proceeding, liability, loss, damage, cost, or expense, including, without limitation, attorneys' fees, and any costs awarded to the person or entity that sought the CONTRACTOR marked material, arising out of or related to CalOptima's failure to produce or provide the CONTRACTOR marked material (collectively referred to for purposes of this Section as "Public Records Act Claim(s)"). CONTRACTOR shall pay to CalOptima any expenses or charges relating to or arising from any such Public Record Act Claim(s) as they are incurred by CalOptima.
42. Audit Disclosure. Pursuant to California Government Code Section 8546.7, if this Contract is over ten thousand dollars (\$10,000), it is subject to examination and audit of the State Auditor, at the request of CalOptima, or as part of any audit of CalOptima, for a period of three (3) years after final payment under this Contract. In addition to and notwithstanding any other right of access or inspection that may be otherwise set forth in this Contract or its attachments, CONTRACTOR agrees that, during the term of this Contract and for a period of three (3) years after its termination, CalOptima shall have access to and the right to examine any directly pertinent books, documents, invoices, and records of CONTRACTOR relating to services provided under this Contract. Where another right of access or inspection in this Contract provides for a period of greater than three (3) years, nothing herein shall be construed to shorten that time period.
43. Debarment and Suspension Certification.
- 43.1 By signing this Contract, the CONTRACTOR agrees to comply with any and all applicable Federal suspension and debarment regulations.



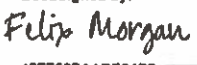

- 43.2 By signing this Contract, the CONTRACTOR certifies to the best of its knowledge and belief, that it and its principals:
 - 43.2.1 Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - 43.2.2 Have not within a three-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - 43.2.3 Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph 43.2.2 herein;
 - 43.2.4 Have not within a three-year period preceding this Contract had one or more public transactions (Federal, State or local) terminated for cause or default;
 - 43.2.5 Have not and shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under Federal regulations (i.e., 48 CFR 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State; and
 - 43.2.6 Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- 43.3 If the CONTRACTOR is unable to certify to any of the statements in this certification, the CONTRACTOR shall submit an explanation to CalOptima.
- 43.4 The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.
- 43.5 If the CONTRACTOR knowingly violates this certification, in addition to other remedies available to the Federal Government, CalOptima may terminate this Contract for cause or default.
- 44. Lobbying Restrictions and Disclosure Certification.
 - 44.1 Applicable to federally funded contracts in excess of \$100,000 per Section 1352 of the 31, U.S.C.
 - 44.2 Certification and Disclosure Requirements.
 - 44.2.1 Each person (or recipient) who requests or receives a contract, subcontract, grant, or sub grant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in Exhibit E, Part 1, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph 44.3 of this provision. Exhibit E is attached hereto and incorporated herein by this reference.
 - 44.2.2 Each recipient shall file a disclosure (in the form set forth in Exhibit E, Part 2, entitled "Certification Regarding Lobbying") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with a contract or grant or any extension or amendment of that contract or

- grant, which would be prohibited under Paragraph 44.3 of this provision if paid for with appropriated funds.
- 44.2.3 Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by such person under Paragraph 44.2.2 herein. An event that materially affects the accuracy of the information reported includes:
- 44.2.3.1 A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
- 44.2.3.2 A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or
- 44.2.3.3 A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.
- 44.2.3.4 Each person (or recipient) who requests or receives from a person referred to in Paragraph 44.2.1 of this provision a contract, subcontract, grant or sub grant exceeding \$100,000 at any tier under a contract or grant shall file a certification, and a disclosure form, if required, to the next tier above.
- 44.2.3.5 All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph 44.2.1 of this provision. That person shall forward all disclosure forms to CalOptima Purchasing Manager.
- 44.3 **Prohibition**—Section 1352 of Title 31, U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions, the awarding of any federal contract, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
45. **Air and Water Pollution Requirements.** Any federally funded agreement and/or subcontract in excess of \$100,000 must comply with the following provisions unless said agreement is exempt under 40 CFR § 15.5. CONTRACTOR agrees to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 USC § 7401 et seq.), as amended, and the Federal Water Pollution Control Act (33 USC § 1251 et seq.), as amended.
46. **Survival.** The following provisions of this Contract shall survive termination or expiration of this Contract: Prohibited Interest, Warranties, Compensation, Confidentiality, Indemnification, Duty to Defend, Limitation of Liability, Ownership of Records and Documents, Record Retention, Audit Disclosure, California Public Records Act, Patent and Copyright Infringement, Governing Law, and this Section.
47. **Severability.** If any section, subsection or provision of this Contract, or any Contract Documents incorporated into this Contract, or the application of such section, subsection or provision, is held invalid or unenforceable by any court of competent jurisdiction, the remainder of this Contract, other than that to which it is held invalid, shall not be affected thereby.
48. **Third Party Beneficiaries.** There are no intended third-party beneficiaries of this Contract. Nothing in this Contract shall be construed as conferring any rights on any other persons.

49. Successors and Assigns. Except as otherwise expressly provided in this Contract, this Contract will be binding on, and will inure to the benefit of, the successors and permitted assigns of the Parties to this Contract. Nothing in this Contract is intended to confer upon any Party other than the Parties hereto or their respective successors and permitted assigns any rights or obligations under or by reason of this Contract, except as expressly provided in this Contract.
50. Authority to Execute. The persons executing this Contract on behalf of the Parties warrant that they are duly authorized to execute this Contract and that by executing this Contract the Parties are formally bound.
51. Counterparts. This Contract may be executed and delivered in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

[Remainder of page left intentionally blank. Signatures on following page]

IN WITNESS WHEREOF, these Parties have, by their duly authorized representatives, executed this Contract No. 19-10311 on the day and year last shown below.

Verscend Technologies, Inc.	CalOptima
DocuSigned by: By: 	By: 
Print Name: DAVID MASON	Print Name: Greg Hamblin
Title: COO	Title: CFO & Treasurer
Date: 9/28/2018	Date: 9-28-18
DocuSigned by: By: 	By: 
Print Name: FELIX MORGAN	Print Name: Michael Schrader
Title: CFO	Title: CEO
Date: 9/28/2018	Date: 10-01-18

If CONTRACTOR is a corporation, two officer signatures or a Corporation Resolution or Corporate Seal is required



Exhibit A, "Scope of Work"

CONTRACTOR shall provide to CalOptima Claim Accuracy services. These services are for CalOptima's Medi-Cal, OneCare Connect, and OneCare Medicare Advantage Special Needs Plan programs only. CalOptima will submit Claims to CONTRACTOR to edit each claim as further described in Schedule 1. CalOptima is ultimately responsible for final utilization review and maintains sole and complete authority to adjudicate claims.

CalOptima does not guarantee any volume of claims will be submitted to CONTRACTOR for review, however, CalOptima will submit, according the format and timing agreed to, Medi-Cal, OneCare Connect and OneCare claims to CONTRACTOR for processing as described herein.

1. **Solution.** The following Schedules marked with an "x" are hereby incorporated into this SOW:

Schedule 1: Claim Accuracy

Claims Editing: Batch | Real Time

Clinical Validation: Batch | Real Time

Schedule 2: Service Level Agreements

Schedule 3: Claim Accuracy Edits Artifact

Schedule 4: Claim Accuracy Reports

2. **Implementation**

A. **Platform Upgrade.** The parties acknowledge and agree that they intend to upgrade CalOptima from CONTRACTOR's platform currently in production for CalOptima to the then current version of CONTRACTOR's platform.

B. **Team.** CONTRACTOR and CalOptima will each assign a designated project manager and implementation team with appropriate business and technical expertise, and decision-making authority to fulfill their obligations in the Project Plan.

C. **Project Plan.** The parties will develop a project plan, which will include deliverables and anticipated timelines, and that the parties will use the project plan to guide the implementation process (the "Project Plan"). The following table outlines the implementation phases and high-level tasks associated with each phase that are typically included in the Project Plan:

Project Plan Outline	
Phase	Key Tasks
Phase I – Planning	Joint Kick-off Meeting Product Demonstration, if applicable Solution Deep-Dive Joint Requirements definition via Workshops General Testing Discussions Joint Project Plan
Phase II – Build and Test	Project requirements finalized Environment Set-Up & Connectivity Established Development & System Configuration (including review and Configuration of Edits to CalOptima requirements)



	Data Exchange & Validation User Training for Test Execution Test Plan Development & Execution using historical CalOptima data Go or No-Go Decision
Phase III – Deploy	Finalize Operational & Support models User Training Migrate to production Go-Live
Phase IV – Operate	Verscend Client account team will provide ongoing technical and business support Verscend will provide program performance metrics & Monthly/Quarterly Release Notes

- D. **Go-Live.** The “Go-Live Date” refers to the date that CalOptima first submits Prepayment Claim Data to CONTRACTOR for production.
- E. **Implementation Training.** During implementation, CONTRACTOR shall provide CalOptima up to 32 hours of training, as requested by CalOptima and subject to CONTRACTOR availability.
- F. **Implementation Documentation.** During implementation, CONTRACTOR shall provide CalOptima with the following project artifacts:
 - (1) **Project Plan.** A document providing a work breakdown structure of all milestones and tasks, which CalOptima will have access to review or download at any time.
 - (2) **Technical Integration Plan.** A documented plan to address new integration requirements stemming from a review of the existing CalOptima configuration and environment.
 - (3) **Clinical Configuration Document.** A document outlining CalOptima-specific Edit Configurations and Edit decisions made by CalOptima based on CalOptima policies.
 - (4) **Joint Testing Plan.** A system and user acceptance testing (UAT) plan that includes CalOptima signoff as final step.

3. Support Services

- A. **Help Desk and Portal.** CONTRACTOR shall make available to CalOptima help desk support during Business Hours, as well as a CalOptima portal containing additional product documentation and a means of communication with CONTRACTOR.
- B. **Training.** Following implementation, CONTRACTOR shall provide CalOptima up to eight hours of training annually, as requested by CalOptima and subject to CONTRACTOR availability. CONTRACTOR shall provide training for any upgrades or new features as needed to CalOptima. Additional training may be requested through a Work Order.
- C. **Standard Support.** CONTRACTOR’s standard application support includes the following: one planning call each year; one quarterly status review with the account team, during which CalOptima should address concerns; calls with the CONTRACTOR account team, which may include a business analyst, on a mutually determined frequency, which may not be more frequent than weekly; and phone support during Business Hours.
- D. **Additional Support.** CalOptima may request support beyond that which is described in this section by



submitting a Work Order.

4. **Performance Standards.** See Schedule 2 to Exhibit A.

5. **Fees.** See Exhibit B.

6. **Modifications and Interpretation**

A. **Work Orders.** In order to request Additional Services, CalOptima may request work order from CONTRACTOR through its account management contact (a "Work Order"). The Work Order must specify the work to be performed and the fee. For work requested in a Work Order that corresponds to an Additional Service outlined in this SOW, the fees in the Additional Services Fee Table in this SOW will apply, unless CONTRACTOR AND CalOptima agree on a different fee schedule for any particular Work Order and should be indicated in the Work Order. For work requested in a Work Order that does not correspond to the Additional Services outlined in this SOW, additional fees will be proposed by CONTRACTOR and indicated in the Work Order. Work Orders are not enforceable until they have been validly executed by both parties and a CalOptima Purchase Order is issued. CONTRACTOR is not obligated to agree to each work order submitted by CalOptima. Work Orders made pursuant to this SOW are subject to the terms of this SOW. If there is any discrepancy or ambiguity in interpretation such that a term of this SOW potentially conflicts with a term or condition of a Work Order made pursuant to this SOW, the relevant term or condition of this SOW controls.

B. **Changes to Artifacts.** Artifacts are documents that provide additional information about the Solution that are not a part of this SOW and may be modified by CONTRACTOR at any time.

C. **Controlling Agreement.** Unless explicitly amended by a term in this SOW, the terms and conditions of the Contract remain in force. If there is any discrepancy or ambiguity in interpretation such that a term of this SOW potentially conflicts with a term or condition of the Agreement, the relevant term or condition of this SOW controls.

D. **Time.** All references to time of day are references to the time in Eastern Time.

7. **Definitions.** In addition to the integrated definitions throughout this SOW, in this SOW, the following definitions apply:

"**Additional Services**" refers to services that are described in this SOW as available at the request of CalOptima. Additional Services are subject to additional fees.

"**Authorized Users**" refers to named, licensed users of the applications described in the Schedule.

"**Business Days**" refers to CONTRACTOR's business days, which are Monday through Friday, except for CONTRACTOR Holidays.

"**Business Hours**" refers to CONTRACTOR's business hours which are 8:00 a.m. to 8:00 p.m. ET on Business Days.

"**Fee Table**" refers to the table in section A of Exhibit B. Each capitalized term in the description column of the Fee Table is considered a defined term, referring to the fee or rate listed for that term in the second column.

"**Schedule**" refers to the documents attached to this SOW that describe the products or services CONTRACTOR will provide CalOptima. In this SOW, Schedule specifically refers to those schedules identified in section 1.

"**Solution**" refers to the products and services described on the attached Schedules.



"SOW" stands for statement of work and specifically refers to this agreement, which is comprised of this statement of work and any attached Schedules.

"Term" refers to the initial term plus any renewal periods.

"CONTRACTOR Holidays" CONTRACTOR's holidays, which are New Year's Day, Martin Luther King Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day, or those CONTRACTOR reasonably notifies CalOptima of in advance.



Schedule 1, "Claim Accuracy Solution Description," to
Exhibit A, "Scope of Work"

1. **Description**

A. **Claim Accuracy.** Claim Accuracy is a CONTRACTOR-hosted software-enabled service, composed of two modules, Claims Editing and Clinical Validation. In order to provide the Solution, CONTRACTOR may use CalOptima's data to provide CONTRACTOR products and services. CalOptima is ultimately responsible for final utilization review and maintains sole and complete authority to adjudicate claims.

- (1) **Claims Editing.** CONTRACTOR's Claims Editing service reviews Prepayment Claims Data to identify Claims that are incorrectly coded or for which payment should be reduced. The Claims Editing service includes the Edits listed on the Claim Accuracy Edit Artifact, hereby attached as Exhibit A, including Medi-Cal specific Edit. CONTRACTOR returns edited Claims to CalOptima that are found to have an error that may result in improper payment as "Recommendations."
- (2) **Clinical Validation.** CONTRACTOR's Clinical Validation service provides clinical assessment of Prepayment Claims Data. The Clinical Validation service includes the Edits listed on the Claim Accuracy Edit Artifact, including Medi-Cal- specific edits. CONTRACTOR returns edited claims to CalOptima that are found to have an error that may result in improper payment as Recommendations.
- (3) **Claim Accuracy Appeals Support.** CONTRACTOR's appeals support service reviews disputes by providers of ALL CONTRACTOR's Recommendations for which CalOptima provides documentation that supports services rendered (such a request, an "Appeal"). In response to an Appeal, CONTRACTOR's appeals support services provides an "Appeal Response," containing an updated Recommendation to CalOptima that recommends either upholding or overturning the original Recommendation.
- (4) **Edit Configuration and Customization.** Edits in the Solution may be configured, and new Edits may be developed, as described in this section.
 - (a) **Edit Configuration.** Edits can be activated, suppressed, or configured, changing the way an Edit applies (a "Configuration").
 - (b) **New CONTRACTOR Edits.** CONTRACTOR's standard Edits available in Contractor's Claims Editing service are listed in the Claim Accuracy Edit Artifact. CONTRACTOR may develop new Edits from time to time. As CONTRACTOR offers new Edits or Configurations, CalOptima will have the option to deploy each new Edit or Configuration.
 - (c) **Custom Edits.** CalOptima may request a Custom Edit by submitting a Work Order. "Custom Edits" are Edits that require development to either make changes to existing Edits or to create a new Edit specific to CalOptima's business requirements or Edits out of scope as mentioned in section (1) Claims Editing and/or (2) Clinical Validation. If an edit for a specific criterion does not function in the manner in which it is described in any written, agreed-upon specifications, then no charge will apply to the re-development of the edit. Contractor may not charge for any Custom Edits it agrees to build to allow CalOptima to comply with Medi-Cal- specific edits, National Medicare and Medicaid CCI edits, or Medicare policy manuals.
- (5) **Claims Accuracy Application.** Claims Accuracy offers the following application services (the "Claim Accuracy Applications"):



- (a) **Claim Accuracy Application.** CONTRACTOR's SaaS-based application, which provides access to Recommendations, through Authorized User accounts.
- (b) **Claim Accuracy API.** CONTRACTOR's web API that can be integrated into the CalOptima's systems and provider portal and is accessed through a single authorized user name.
- (c) **Clinical Validation Dashboard or Application.** CONTRACTOR's SaaS-based application that provides a CalOptima the ability to initiate and support Clinical Validation Recommendations and Appeals.

2. CONTRACTOR Responsibilities

A. Claim Accuracy Recommendations. CONTRACTOR shall provide Claim Accuracy Recommendations to CalOptima.

- (1) CalOptima shall transmit provider files and member files on a Pre-payment basis to CONTRACTOR. These two files shall be updated daily. CONTRACTOR shall utilize previously supplied data dictionaries, file layouts and comprehensive historical claims data to compare daily adjudicated claims against.
- (2) CalOptima shall transfer adjudicated claims data via FTP to CONTRACTOR on a daily basis by 2:00AM PST (Pacific Standard Time). Such transfer shall occur after all updates to the CalOptima computer system have been completed. CONTRACTOR shall provide CalOptima a mutually agreed to secure file transfer protocol key to encrypt the outbound claims data. The same key will be used by CalOptima to decrypt the return inbound claims from CONTRACTOR.
- (3) CONTRACTOR shall normalize CalOptima claims data and load all such data into a database table. CONTRACTOR shall perform analysis on all data to assure that it is properly formatted. Improperly formatted data will be transmitted to the CalOptima Claims department to identify errors.
- (4) CONTRACTOR shall import the remaining normalized data into the CONTRACTOR system and perform cross-walking of CalOptima-defined crosswalk data. CONTRACTOR shall be responsible for updating its CONTRACTOR reference files with updated data sets monthly or as industry standards occur. Sources for changes include CPT, CPT Assist, AMA, National Correct Coding edits, Centers for Medicare and Medicaid Benefits Manual, CMS' National Physician Fee Schedule, the Federal Register, as well as other information published by various medical specialty societies concerning coding and reimbursement.
- (5) CONTRACTOR shall process all claim line items through the Claim Accuracy solution to determine if each claim is processed correctly based upon applicable coverage, coding and reimbursement rules. Suspect claims that are identified are reviewed between 8AM and 12 Noon MST by CONTRACTOR RN coding specialists. Claims identified as suspicious after CONTRACTOR review are posted on CONTRACTOR website. CalOptima claims processors shall review these claims on the website. CalOptima has sole discretion to "accept", "not accept" or "request logic" for payment recommendations of CONTRACTOR claims. Claims accepted for payment will be processed during the next claims adjudication run.
- (6) CONTRACTOR shall produce a monthly report identifying claims without recommendations by CalOptima (30 days prior to the 90-day window.)
- (7) ONTRACTOR shall continuously monitor, record and make accessible in the system for CalOptima the



daily turnaround time for all Claim Accuracy Recommendations submitted. CONTRACTOR shall provide CalOptima with monthly reports such as turnaround time (TAT) that show daily and average turnaround times commencing within thirty (30) days of execution of this Contract

- B. Appeals Responses.** CONTRACTOR shall provide Appeals Responses to CalOptima for Appeals submitted by CalOptima, including Appeals submitted for PCI (as defined in the 2008 Contract) Recommendations under the 2008 Contract.
- (1) All first-level appeals received by CalOptima shall be uploaded by CalOptima to the CONTRACTOR website along with the medical records submitted by the provider. CalOptima is responsible for determining whether the provider has submitted medical records. CONTRACTOR will not process appeals on claims/lines not reviewed by CONTRACTOR.
 - (2) CONTRACTOR will make adjustments and refunds to CalOptima as provided in Exhibit B based upon any changes to review findings through CONTRACTOR's resolution process, or through adjustments made by CalOptima or adjustments made by CalOptima on the CONTRACTOR website, including, but not limited to, those adjustments resulting from the appeals process, the government claims process, or litigation.
- C. Right to Access.** During the Term, CONTRACTOR shall provide CalOptima the nonexclusive, non-assignable, royalty free, worldwide, limited right to access the Claim Accuracy Applications solely for CalOptima's internal business operations and subject to the terms of the Agreement.
- D. Authorized Users.** CONTRACTOR will provide CalOptima 30 Authorized User accounts for the Claim Accuracy Applications. Additional Authorized Users may be added for an additional fee.
- E. Standard Reports.** CONTRACTOR shall provide CalOptima all then-current standard reports, which offer insight into operations and program effectiveness. See Schedule 4 to Exhibit A. CalOptima may request additional reports by submitting a Work Order.
- 3. Assumptions**
- A. Integration and Environments.** The Solution will be provided in a Batch, Real-Time integration.
- (1) Batch integrations include one UAT environment and one production environment.
 - (2) Real time integration includes one development, one UAT, and one production environment.
Additional environments may be requested in a Work Order and will be subject to additional fees.
- B. Secure Transfer.** All data will be transmitted between the parties using secure means agreed to by the parties.
- C. Position.** CONTRACTOR's Claim Accuracy Solution will be the first editor in CalOptima's editing process for the Term of this SOW.
- D. Scope.** Following the Go-Live Date and throughout the Term of this SOW, CalOptima shall submit to CONTRACTOR for editing CalOptima's Professional Claims and Outpatient Facility Claims for all of CalOptima's populations, platforms, product lines, and territories. CalOptima may add additional populations or platforms to this SOW by submitting a Work Order, which may be subject to reasonable additional implementation fees and will be subject to the same shared savings rates.
- E. Acceptance.** Acceptance will be deemed to be made as of the date CONTRACTOR provides CalOptima access to the Claim Accuracy Application.



4. CalOptima Responsibilities

- A. **Point of Contact.** CalOptima shall appoint a dedicated project team with appropriate business and technical expertise for requirements, design, and testing.
- B. **Supply Data.** CalOptima shall supply the necessary data feeds and supporting documentation for production of the service. CalOptima shall provide CONTRACTOR with CalOptima's Prepayment Claim Data, Paid Claim Data, and Utilization Data, as often as the parties agree. For each Claims submission, CalOptima shall provide CONTRACTOR with CalOptima's Professional Claims and Outpatient Facility Claims for editing. CalOptima shall provide CONTRACTOR with CalOptima's Inpatient Facility Claims and Capitated Claims to provide context for the Clinical Validation services. In each data submission, CalOptima shall include all data elements required by CONTRACTOR.
- C. **Data Submission During Implementation.** For Implementation, CalOptima shall provide CONTRACTOR twelve months of all data described in Section 4.B., above, and Paid Claims Data.
- D. **Edit Configuration.** CalOptima shall notify CONTRACTOR of requested Edit Configurations using CONTRACTOR's standard notification method.
- E. **Production Support.** CalOptima shall comply with CONTRACTOR's escalation procedures.
- F. **Format.** CalOptima shall submit Claims in CONTRACTOR's CIF file format or any agreed upon format that fulfills all data elements required by CONTRACTOR.
- G. **Demand Forecasting.** CalOptima shall make good faith efforts provide CONTRACTOR its membership eligible for editing forecast at least 90 days prior to the Go-Live Date. Then, CalOptima shall provide CONTRACTOR at least 90 days prior written notice of changes to its membership eligible for editing by more than 10% of its membership.
- H. **Appeals Delegation**
 - (1) CalOptima will delegate an Appeal to CONTRACTOR only if:
 - (a) It is a claim for which CONTRACTOR provided a Edit that CalOptima accepted;
 - (b) The provider has attached medical records, and
 - (c) Either,
 - (1) It is the provider's first appeal of the Claim Accuracy Edit; or
 - (2) Additional medical records have been provided since the first appeal.
 - (2) CalOptima will make medical record documentation available to CONTRACTOR.
- I. **Post-Appeal Payment Adjustments and Response to Provider**
 - (1) CalOptima will review and make the final determination to adjust the Appealed claim or not and will respond to the provider.
 - (2) CalOptima will make a work queue available to CONTRACTOR that contains Finalized Claims Data for all Appeals.
 - (3) CalOptima will update the Utilization Data as applicable and provide to CONTRACTOR.
- J. **Unauthorized Access.** CalOptima shall notify CONTRACTOR immediately of any unauthorized use of any



password or Authorized User account or any other known or suspected breach of security.

K. **Hardware.** CalOptima shall provide internet access, computers, and software to its Authorized Users to allow for access to the Claims Accuracy Applications.

5. **Additional Definitions.** In addition to the definitions provided in the SOW and the integrated definitions throughout this SOW and Schedule, in this Schedule, the following definitions apply:

"ANSI" stands for American National Standards Institute.

"Capitated Claims" refers to claims for healthcare service providers for which CalOptima does not make fee for service payments.

"Claims" refers to CalOptima's claims submitted to CONTRACTOR for editing.

"Dental Claims" refers to claims billed for services by a dentist or other dental entity, typically on an American Dental Association (ADA) claim form.

"Inpatient Facility Claims" refers to those services that are billed by a provider of inpatient services on a UB04 Form or equivalent format that are associated with an inpatient or hospital stay.

"Outpatient Facility Claims" refers to those services billed by a provider of professional services on a UB04 Form or equivalent format that are not associated with an inpatient or hospital stay. Examples include, but are not limited to ambulatory care, radiology, and physical therapy services.

"Pharmacy Claims" refers to claims billed for prescription drugs and devices billed by a licensed pharmacy on a National Council for Prescription Drug Programs (NCPDP) form.

"Professional Claims" refers to claims billed for services by a provider of professional services on a CMS 1500 Form or equivalent format such as ANSI 837p.

"CMS" stands for Centers for Medicare and Medicaid Services.

"Edits" are rules or processes applied to Claims by the Solution that may correspond to an adjustment in the Claim's payment amount.

"Paid Claim Data" refers to Claims data after it has been finalized in CalOptima's transaction system.

"Prepayment Claim Data" refers to Claims data before it has been finalized in CalOptima's transaction system.

"Utilization Data" refers to the final outcome of the claims after processing by CONTRACTOR has been completed and the claim has been finalized in the CalOptima's transaction system.



Schedule 2, "Service Level Agreements," to
Exhibit A, "Scope of Work"

1. Contractor shall provide the Solution in accordance with the SLAs described in this Exhibit.
2. Underperformance Credits each month are subject to a cap of \$3,000. To invoke an Underperformance Credit, CalOptima must, in writing, notify Contractor of the Underperformance within 30 days of the end of the month during which the Underperformance occurred and request the appropriate Underperformance Credit be applied to the next invoice. Contractor's obligation to pay Underperformance Credits is subject to the following conditions: CalOptima followed the appropriate notification procedures; the escalation procedure was followed, if applicable; CalOptima is not responsible for the failure.
3. The SLAs are as follows:

Title	Description	Target	Underperformance Credit	Credit Frequency								
System Uptime	Contractor shall ensure that its systems required to provide the Solution will be available at or above the Target, measured on a monthly average basis.	98% of the time, 24-hour per day, seven days per week, with the following exceptions: Contractor Holidays; 7:00 p.m. Saturday to 6:00 a.m. Sunday (the "Maintenance Window"); downtime caused by CalOptima; and any other emergency or mutually agreed to maintenance scheduled as described in the Maintenance Policy described below.	\$600	Monthly, based on Contractor's average performance in the previous month								
Support Response Time	Contractor shall provide an initial response to CalOptima's support requests within the timeframes indicated for each severity level (as those are described below) in the Target. The parties shall use the Escalation Procedure for unresolved issues.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Severity Level 1</td> <td style="width: 50%;">1 hour</td> </tr> <tr> <td>Severity Level 2</td> <td>3 hours</td> </tr> <tr> <td>Severity Level 3</td> <td>1 Business Day</td> </tr> <tr> <td>Severity Level 4</td> <td>3 Business Days</td> </tr> </table>	Severity Level 1	1 hour	Severity Level 2	3 hours	Severity Level 3	1 Business Day	Severity Level 4	3 Business Days	\$300	Per occurrence
Severity Level 1	1 hour											
Severity Level 2	3 hours											
Severity Level 3	1 Business Day											
Severity Level 4	3 Business Days											
Claim Accuracy Turnaround Time	Contractor shall provide an initial response to all batch Claims within the Target, excluding Surges, measured on a monthly average basis. Claims response time will be measured from the Contractor gateway, and transport time and any	8 hours Business Hours	\$900	Monthly, based on Contractor's average performance in								



	file queuing resulting from a previous Claim file still in process will be excluded from the claims response time calculation.			the previous month
Appeals Turnaround Time	Contractor shall return all Claim Accuracy Appeals within the Underperformance Target, measured on a monthly average basis. Contractor's turnaround time will be calculated from the time the Claim is received in Contractor's Claim Accuracy system, until the time the Claim leaves Contractor's Claim Accuracy system. Contractor will exclude Claim Accuracy Appeals from SLA Appeal Turnaround Time for appeals impacted by CalOptima system downtime.	10 Business Days	\$900	Monthly, based on Contractor's average performance in the previous month
Expedited Appeals Turnaround Time	Contractor shall return all Claim Accuracy Appeals for which CalOptima requests expedited review within the Underperformance Target, measured on a monthly average basis. Contractor's turnaround time will be calculated from the time the Claim is received in Contractor's Claim Accuracy, until the time the Claim leaves Contractor's Claim Accuracy system. Contractor will exclude Claim Accuracy Appeals from SLA Appeal Turnaround Time for appeals impacted by CalOptima system downtime.	4 Business Days	\$900	Monthly, based on Contractor's average performance in the previous month

4. As referenced in the table above, Contractor's "Maintenance Policy" is as follows:
 - a. Emergency Maintenance. In the event that Contractor needs to conduct emergency maintenance resulting in a downtime outside of the Maintenance Window, Contractor will provide as much notice as is practical under the circumstance to CalOptima to allow for an orderly



shutdown of the relevant systems used by the CalOptima. Contractor will use commercially reasonable efforts to minimize emergency maintenance of the system.

- b. **Extended Maintenance.** From time to time, Contractor may need to conduct maintenance on the system that may extend beyond the Maintenance Window. Contractor agrees not to perform extended maintenance without communicating to the CalOptima at least 15 calendar days in advance. Contractor agrees not to conduct extended maintenance during standard Business Hours.
 - c. **Maintenance Notification.** Standard maintenance will occur on a regularly scheduled basis during the Maintenance Window. Maintenance will be done on a rolling basis across the system, ensuring that the system remains available to CalOptima during the maintenance. In the event that the standard maintenance requires downtime, Contractor will provide advance notification to the CalOptima at least five business days ahead of the standard scheduled maintenance.
5. As referenced in the table above, the "Escalation Procedure" for this SOW is as follows: In the event a Severity Level 1 or 2 problem is escalated, the problem will be escalated to a senior Contractor support manager who will update CalOptima's senior information security personnel and authorized CalOptima technical contact twice a day until the problem is resolved. If the problem is not resolved within 48 hours, the issue will be escalated to Contractor's chief operating officer and to CalOptima's chief information officer.

6. In addition to the integrated definitions throughout this Exhibit and the SOW, in this Exhibit and SOW, the following definitions apply:

"Severity Level 1" exists when CalOptima's production use of the Solution is so severely impacted that CalOptima cannot reasonably continue work. Severity Level 1 problems may include catastrophic failure of the system; major data loss or data corruption; or critical functionality is not available, impacting a majority of the CalOptima's Authorized Users. If the condition is caused by CalOptima, it is not considered a Severity Level 1 issue. Severity Level 1 problems must be reported via telephone.

"Severity Level 2" exists when CalOptima's production use of the application is functioning with limited capabilities or is unstable with periodic interruptions. The software may be operating but is severely restricted with no acceptable workaround. If the condition is caused by CalOptima, it is not considered a Severity Level 2 issue.

"Severity Level 3" exists when product features are unavailable, but a workaround exists, and the majority of software functions are still useable. Severity Level 3 problems may include, error message with workaround; minimal performance degradation impacting a small subset of users at a time, typically less than five; incorrect product behavior with minor impact to less than five people; or questions on product functionality or configuration during implementation. If the condition is caused by CalOptima, it is not considered a Severity Level 3 issue.

"Severity Level 4" exists when CalOptima experiences a minor problem or has a question that does not affect the software function, such as "how to" questions, documentation, general questions, or enhancement requests, and there is no impact to product usage or CalOptima's operations. Severity Level 4 problems may include general requests for advice on product usage, clarification on product documentation or release notes, or product enhancement requests. If the condition is caused by CalOptima, it is not considered a Severity Level 4 issue.



"SLA" stands for service level agreement.

"Surge" refers to a continuous rolling six-hour period on a Business Day during which the claim volume Contractor receives under this agreement exceeds the peak volume received in the previous two months by 15% or more outside of any Surges in that month.

"Target" refers to, generally, the target metric for SLAs and, specifically, as it relates to any specific SLA, the target for that SLA.

"Underperformance" refers to Contractor failing to meet the target of a service level.

"Underperformance Credit" refers to the amount owed to CalOptima for Contractor's Underperformance, which will be applied to CalOptima's future invoices, subject to the SLA management provisions. Specific Penalty amounts for each SLA are identified below that SLA.



Schedule 3, "Claim Accuracy Edits Artifact," to
Exhibit A, "Scope of Work"

This is a list of the Edits available in the Solution at the time of the Effective Date. This list may change from time-to-time without amendment to the Agreement.

Flag	Flag Short Description	Flag Long Description
ACW	Incorrect Anesthesia Code	Provider has used a surgical procedure code to bill for anesthesia services. An anesthesia code is required for reimbursement.
ADD	Add-on Denied as Primary Code Denied	Identifies add-on codes that need to be disallowed because the primary procedure has been disallowed.
ADM	Services Within Discharge Time Frame	Under Development
AGE	Inappropriate for Age	Identifies codes billed by the provider that are incorrect, based on the code description, for the patient on the date of service.
AGM	Ancillary Ante Partum	Identifies ancillary services that are included in routine ante partum care billed either will global maternity codes or E&M codes.
ANT	Antepartum Services included in global Code	It is not appropriate to report the antepartum, delivery, and postpartum care separately when a single physician or the physicians of the same group practice provide the total obstetrical care.
AOM	Add-on Code Missing Primary Code	Identifies situations in which an add-on code has been reported without a primary procedure code(s).
ASD	Services Associated with Non-Covered Services	Identifies services rendered in conjunction with a service that is not covered.
ASM / RASM	Does Not Match Surgeon	Identifies procedure code(s) billed by an assistant surgeon that do not match the procedure code(s) billed on the same date by the provider identified as the primary surgeon. The assistant surgeon should be billing the same procedure codes as the primary surgeon. RASM (Reverse ASM edit)
ASN	Assistant Surgeon Necessary	Identifies procedures for which an assistant surgeon is only allowed with supportive documentation.
ASR	Assistant Surgeon Reductions	Identifies those situations in which a reduction in payment should apply for services provided by an assistant surgeon.
BIL	Bilateral Disallowed	Identifies procedures that cannot be billed bilaterally or already include bilateral reimbursement.
COS	Cosmetic Procedure	Identifies procedures that may be cosmetic.
CPD	Cross Provider Duplicate	Identifies services that have already been billed by another provider for the same patient and date of service.



Flag	Flag Short Description	Flag Long Description
CPR	Multiple Cardiology Procedures Reduction	Identifies situations in which a reduction in payment has been made for multiple cardiology procedures performed on the same day.
CPRC	Multiple Cardiology Procedures, Carrier Priced	Identifies procedures for which a co-surgeon is not allowed.
CSA	Co-Surgeon Inappropriate	Identifies procedures for which a co-surgeon is only allowed with supportive documentation.
CSN	Co-Surgeon Necessary	The reimbursement has been adjusted to reflect payment for co-surgeons.
CSR	Reduce, Surgical Team	Identifies procedure codes that are not valid CPT, HCPCS or state codes on the date of service.
DEL	Deleted Code	Identifies procedures that are for the same patient, provider and date of service as a previous claim.
DUP	Duplicate Billing	Reimbursement has been adjusted as multiple procedures were performed at the same time with the same instrument.
EFR	Endoscopic Family Reduction	Identifies when procedure codes have been assigned to an incorrect revenue code. RFLU (Reverse FLU edit)
FLU / RFLU	Florida Unbundling Revenue Codes	Identifies procedures that exceed the number of services allowed over a specific time period. Units under the allowance are recommended for reimbursement.
FOT	Frequency Over Time	Identifies when the number of units or lines billed on the same day by the same provider exceeds the maximum allowance.
FRE	Reimbursable Once Per day	Identifies E&M services billed in the post operation period that are included in the value of the surgical procedure.
FUD / GPA	Part of Global Service	Identifies services billed during the ante partum or post partum periods that are reimbursed in the value of another procedure code.
GDR	Ante Partum Care Included in Global Code	Identifies procedure codes that do not match the patient's gender based on the value submitted by the payer.
GEN	Incorrect Patient Gender	The GPA edit identifies E&M services that have been paid but a later claim with a surgical procedure makes the E&M not reimbursable. Recovery of the incorrectly paid code will be initiated.
GPA / FUD	Part of Global Service	Identifies outpatient services billed within the preadmission window of an inpatient admission.
HPRE / OPRE	Outpatient service within the preadmission window	Identifies reductions when multiple imaging procedures are performed on the same date of service.



Flag	Flag Short Description	Flag Long Description
IFR	Multiple Radiological Procedure Reductions	Identifies procedure codes that are not valid CPT, HCPCS or state codes on the date of service.
INVC	Invalid CPT/HCPCS Code	Identifies revenue codes that are not valid revenue codes on the date of service.
INVR	Invalid Revenue Code	Identifies procedures that CMS requires performed at an inpatient only setting.
IOP	Inpatient Only Procedure	Identifies when the number of units or lines billed for a patient exceeds the maximum allowance for a patient's lifetime.
LIF	Service Exceeds Lifetime Patient Allowance	Identifies services that need to be reduced services as indicated by the presence of modifier 52.
M52	Modifier 52 reduction	Identifies services that need to be reduced services as indicated by the presence of modifier 53 indicating discontinued services.
M53	Modifier 53 reduction	Identifies services that need to be reduced services as indicated by the presence of modifier 73 indicating discontinued services.
M73	Modifier 73 reduction	Identifies services that need to be reduced services as indicated by the presence of modifier 74 indicating discontinued services.
M74	Modifier 74 reduction	Identifies maternity services that have been reimbursed by another procedure code.
MAT	Part of Global Service	Identifies procedures where a reduction for bilateral procedures is needed.
MAX	Exceeds Daily Limits	Identifies procedures that typically should not be billed together. RMEA (Reverse MEX)
MEX / RMEA	Mutually Exclusive Unbundled	HCI's Clinical Director has determined procedure code(s) warrant additional clinical review for medical necessity.
MNR	Review for Medical Necessity	Identifies procedure codes incorrectly billed with modifier -26 (professional component). These procedures cannot be billed with modifier -26 or the procedure does not have a professional component.
MOD	Inappropriate Use of Modifier 26	Identifies procedure codes that need to be reduced to because multiple procedures have been performed on the same date of service by the same provider.
MPR	Multiple Procedure Reduction	Identifies procedure codes incorrectly billed with modifier -TC (technical component). These procedures cannot be billed with modifier -TC or the procedure does not have a technical component.
MTC	Inappropriate Use of TC Modifier	Identifies procedure codes that need to be reduced to because multiple therapy procedures have been performed on the same date of service by the same provider.
MTR	Multiple Therapy Procedures Reduction	Identifies services that are not covered.



Flag	Flag Short Description	Flag Long Description
NCS	Not Covered by Plan	Identifies situations in which a lab procedure has been submitted with a diagnosis code that does not support medical necessity.
NCD / NCDN	National Coverage Determination	Identifies situations in which a lab procedure has been submitted with a diagnosis code that does not support reimbursement.
NCD - ALL Dx Codes	National Coverage Determination - All Dx Codes	Identifies services, based on the presence of modifiers◇, which represent medical mistakes or errors that are not reimbursable.
NEV	Never Paid Events	Identifies E&M services billed with a new patient E&M code when the provider has billed other services which make the patient an established patient.
NPR	New E&M not allowed	Identifies the established patient procedure code that the provider should have billed because the patient is an established patient for the provider.
NPT	New E&M Not Allowed	Identifies outpatient services billed within the preadmission window of an inpatient admission.
OPR	Multiple Ophthalmology Procedures Reduction	Identifies situations in which a reduction in payment has been made for multiple ophthalmology procedures performed on the same day.
OPRE / HPRE	Outpatient service within the preadmission window.	Identifies situations in which the amount being paid is greater than the billed charges.
PAY	Paid Amount Exceeds Billed	Identifies procedure codes where the diagnosis codes preclude reimbursement for the procedure code.
PEDM	Procedure to Excluded Diagnosis Mismatch	Identifies procedure codes where the diagnosis codes required reimbursements for the procedure code are not present on the claim.
PFUD	Procedure Follow Up days	Identifies situations in which a procedure code is billed before the post-operative period is over for an earlier procedure.
PRD	PCI Reissued Duplicate	Identifies situations in which a resubmitted line has already been denied on a previous claim.
PRDM	Procedure to Required Diagnosis Mismatch	Identifies claim lines where the procedure code billed has an inappropriate modifier appended to the procedure code based on specific coding rules and guidelines.
PMM	Modifier Inappropriate	Identifies codes billed in an inappropriate place of service.
PSM	Place of Service Mismatch	Identifies procedure codes that do not match the revenue code on the claim line.
PRM	Procedure to Revenue Code Mismatch	Identifies the primary service when multiple services are reported on the same date of service.
PS	Primary Service	Identifies post partum services that are included in the global maternity codes.



Flag	Flag Short Description	Flag Long Description
PST	Postpartum Services Included in the Global Code	Identifies claim lines billed by a provider whose claims are being flagged for review prior to payment. Only those claims with the specific condition or problem identified for the provider will be flagged.
PSUS	Fraud, Documentation Needed for Processing	The RASM edit is applied when the surgeon's bill is received after the assistant surgeon's bill. The edit then identifies that the assistant surgeon's billing does not match the surgeon's bill. Recovery will be initiated.
RASM / ASM	Does Not Match Surgeon	Identifies when all the components of a procedure are billed but the global procedure has not been billed. Each of the component codes will be identified with a REB edit.
REB / RBP	Component Codes Billed Separately	Identifies situations where a provider reports a drug toxicology CPT code(s) which CMS no longer recognizes and should be reported with a more appropriate G-code.
RBPD / REBD	Rebundled Toxicology Codes	Identifies procedures billed by more than one provider in the same procedure code range. For example, two providers from the same practice billing for an E&M service.
RDS	Duplicate Services in Same Range of Codes	Identifies revenue codes that have been billed more than once on a date of service. Provider contract exceptions have been excluded.
RFRE	Revenue Code Frequency	Identifies when a previously reimbursed procedure codes has been assigned to an incorrect revenue code. Recovery of the incorrectly paid code will be initiated.
RFLU / FLU	Florida Unbundling Revenue Codes	RMEA edits identify procedures that have been paid but a subsequent claim line identifies the procedure was paid incorrectly. Recovery of the incorrectly paid code will be initiated.
RMEA / MEX	Mutually Exclusive Unbundled	Identifies unusual situations that warrant additional review before reimbursement.
RPR	Review Prior to Reimbursement	RUPA edits identify procedure code(s) that have been already reimbursed that are should be included in the reimbursement of a more global procedure code. Recovery of the incorrectly paid code will be initiated.
RUPA / UNB	Unbundled	Identifies procedures for which an assistant surgeon is not allowed.
SAS	Assistant Surgeon Inappropriate	Identifies procedures for which a co-surgeon is not allowed.
TSA	Team Surgeon Inappropriate	Identifies procedures for which a co-surgeon is only allowed with supportive documentation.
TSN	Team Surgeon Necessary	Identifies procedure codes that are reimbursed in the value of another procedure code that was reimbursed. RUPA (Reverse UNB edit)



Flag	Flag Short Description	Flag Long Description
UNB / RUPA	Unbundled	Identifies procedures billed with a non-specific procedure code. Medical documentation is required before reimbursement can be made.
UNL	Unlisted Code	Identifies lines where the anticipated paid amount is greater than would be expected. Additional review of the reimbursement is warranted.
UPA	Unreasonable Paid Amount	



Schedule 4, "Claim Accuracy Reports," to
Exhibit A, "Scope of Work"

This is a list of the reports available in the Solution at the time of the Effective Date. This list may change from time-to-time without amendment to the Agreement.

- Batch Summary
- Edit Acceptance
- Customization Summary
- Rolling 12 Month Edit Summary
- Appeals Summary and Detail Client User Summary
- Client Override Summary
- Client Edit Detail (Note: to include the Edit Explanation Description)
- Client Pend & Logic Claims
- Claims without CalOptima Recommendations to CONTRACTOR Edits
- 13 weeks to Date Summary
- Top Providers by Savings



Exhibit B, "Fees"

A. Fee Table

Fee Table	
Description	Fee or Rate
One-Time Fees	
Implementation Fee	Waived
Recurring Fees	
Claim Accuracy: Shared Savings Rate	19.5%
Additional Services Fees	
Custom Development	\$250 per hour
Additional Authorized Users over 30 (see section 2.D of Schedule 1 to Exhibit A)	\$600 per additional Authorized User per year
Additional Support Services	\$200 per hour
Online Training	\$200 per hour
Onsite Training	\$3,000 per trainer per day
Ad Hoc Reporting	\$375 per hour

B. **Billing.** The following billing terms describe how the fees listed in the Fee Table will be calculated and when they will be billed:

(1) **Solution Fees.** Product-specific defined terms used in this subsection may be defined in the additional definitions sections of the applicable Schedules.

(a) **Claim Accuracy.** Beginning on the Go-Live Date, each month, CONTRACTOR will bill CalOptima the product of *Final Accepted Savings* × *Shared Savings Rate*.

"Final Accepted Savings" refers to the difference between (i) the submitted allowed amount configured for CalOptima and (ii) the allowed amount remaining after CONTRACTOR Edits are applied and CalOptima accepts the CONTRACTOR Recommendations. For the purposes of calculating Final Accepted Savings: (i) adjustments made to Utilization Data will be accounted for only if they are made within 90 days of the date the original Recommendation was made and (ii) Recommendations that are not returned to CONTRACTOR in Utilization Data within 90 days will be considered accepted (this does not apply to Appeals). A report identifying claims without recommendations by CalOptima will be provided by the CONTRACTOR 30 days prior to the 90-day window. See CONTRACTOR responsibilities Section 2.6.

(2) **Additional Services Fees.** Each month, CONTRACTOR will bill CalOptima any applicable Additional Services fees indicated in the Fee Table for applicable services performed in the previous month. An approved CalOptima Purchase Order outlining these Additional Services must accompany any invoices for said Additional Services.

(3) **Travel.** CONTRACTOR will bill CalOptima for all CalOptima pre-approved reasonable travel expenses, per CalOptima's travel policy related to this SOW.

C. **Payment Terms.** CONTRACTOR will send invoices for the fees described in this section each month. CalOptima shall pay all invoiced fees according to the payment terms stated in the Contract.

D. **Reversals.** In the event, during the Contract, CalOptima reverses the claims payment determination that was based on CONTRACTOR's recommended action, in whole or in part, for any reason (including,



without limitation, as a result of provider grievance or appeal, government claim or litigation), leading to an additional payment to the provider on that claim, CalOptima shall notify CONTRACTOR of such action, CONTRACTOR shall reverse the initial compensation changes (issued a credit) and re-invoice CalOptima for its payment based on the re-calculated claims payment determination amount.

- E. **Interest.** If the event that CalOptima claims are delayed by the sole fault of CONTRACTOR, and CalOptima accrues and pays interest charges on said claims to providers, CalOptima shall provide CONTRACTOR with notice of such interest charges. CONTRACTOR shall issue a credit (deduct) in the amount of such interest on its next monthly invoice to CalOptima for CONTRACTOR compensation. However, this provision may not apply to any Claim that Contractor processes within the applicable SLA timeframes.
- F. **Reversals Post Termination.** The Parties acknowledge that the basis (e.g., provider appeal) for CONTRACTOR payment reversals may not occur for many months following the date of CalOptima's implementation of CONTRACTOR's Recommendation. Therefore, for a twelve-month period commencing on the date this Contract is terminated for any reason, CalOptima may provide written notice to CONTRACTOR of any adjustments to CONTRACTOR'S compensation (and interest charges, if any) arising from reversals as provided herein and CONTRACTOR shall issue a refund to CalOptima within 30 days of receipt of such notice. For a Claim to be eligible for adjustment, CalOptima must provide CONTRACTOR written notice within 365 days from the date that CONTRACTOR provided the original Recommendation to CalOptima.
- G. **Appeal Support Post Termination.** The parties acknowledge provider Appeals of CONTRACTOR Recommendations may not occur until after termination of the Contract. Upon termination of the Contract for any reason other than CalOptima's termination without cause pursuant to section 16.1 of the Contract, CONTRACTOR shall process provider Appeals of CONTRACTOR'S Recommendations, as described in section 2.B of Exhibit A, for a twelve-month period following the date the Contract is terminated. For an Appeal to be eligible for processing by CONTRACTOR post-termination, CalOptima must provide Contractor written notice of the Appeal within 365 days from the date that CONTRACTOR provided the original Recommendation to CalOptima.
- H. For CONTRACTOR's full and complete performance of its obligations under this Contract, CalOptima shall pay CONTRACTOR for fees and expenses in accordance with the provisions of this Exhibit B.
- I. CONTRACTOR shall submit to CalOptima, to the attention of Accounts Payable, accountspayable@caloptima.org, an invoice at the conclusion of every month for the Services performed during the prior thirty (30) days. Each invoice shall cite Contract No. 19-10311; specify the services provided, the time period covered by the invoice and the amount of payment requested.
- J. CONTRACTOR shall also invoice CalOptima on a monthly basis for travel-related expenses. All expenses charged to CalOptima under this Contract shall be consistent with Exhibit C, CalOptima's Travel Policy. Receipts or reasonable evidence thereof are required for commercial travel, car rental, parking, lodging, and food. When CONTRACTOR personnel visit more than one client on the same trip, the expenses incurred shall be apportioned in relation to time spent with each client. Travel related expenses shall not exceed \$10,000 in the aggregate. CONTRACTOR shall obtain CalOptima's written approval, which shall not be unreasonably withheld or delayed, before incurring any expenses exceeding, in the aggregate, \$10,000. CalOptima shall not pay CONTRACTOR for time spent traveling.

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Exhibit C

CalOptima Travel Policy



CalOptima
Better. Together.

Policy #:	GA 5004
Title:	Travel Policy
Department:	Finance
Section:	Purchasing
CEO Approval:	Michael Schrader <u>MS</u>
Effective Date:	8/1/12 Revised: 9/6/12, 3/1/13
Board Approval:	9/6/12

I. PURPOSE

To establish a process for reasonable and equitable reimbursement of approved travel and other related expenses incurred by CalOptima employees, Board members, Standing Committee members, and authorized contractors and consultants while traveling on authorized CalOptima Business.

II. POLICY

- A. For the purpose of this policy, Individual shall mean, unless otherwise specified, all persons authorized to submit an Expense Report, including: CalOptima Board members, CalOptima Standing Committee members, CalOptima employees, and; individuals under contract to CalOptima for which the approved contract provides for reimbursement of travel and/or conference expenses, in accordance with CalOptima rules and regulations.
- B. CalOptima shall provide an expense reimbursement process to ensure timely and accurate identification, approval, processing, recording, payment, and monitoring of all necessary travel expenses and miscellaneous expenses incurred by authorized Individuals, in accordance with generally accepted accounting principles (GAAP), and in compliance with State and Federal regulations.
- C. CalOptima shall reimburse employees for reasonable expenses incurred while traveling on CalOptima business. All travel must be for the benefit of CalOptima, and must be completed at the most reasonable cost based on the facts and circumstances surrounding the travel. This includes making reservations for air travel and other expenses as soon as possible to access better rates. Employees are expected to use good judgment when traveling, seeking to minimize travel costs whenever possible.
 - 1. Travel Expenses shall include the following items:
 - a. Transportation: including commercial carriers, rental vehicles, and mileage for use of personal vehicle;
 - b. Lodging;
 - c. Meals;
 - d. Registration Fees: For attending conferences, seminars, conventions, or meetings of professional societies or community organizations;
 - e. Insurance for rental vehicles;
 - f. Parking fees and tolls fees (i.e., toll roads and necessary parking);

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- g. Miscellaneous expenses including:
 - i. Authorized local and long-distance telephone calls;
 - ii. Baggage fees;
 - iii. Internet or Wi-Fi charges;
 - iv. Facsimiles;
 - v. Expenses in connection with the preparation of authorized company reports or correspondence;
 - vi. Taxi or public transit fares, required to conduct business; and
 - vii. Other unforeseen or unusual expenses that are properly justified and substantiated.

D. Board Member/Standing Committee Member Travel

- 1. CalOptima shall allow Board members and Standing Committee members reasonable and necessary Travel Expenses and miscellaneous expenses incurred when participating in activities as a member of their respective Board or Committee. Eligible Travel Expenses shall be governed by this policy.
 - a. The CEO or the Chairperson of the CalOptima Board of Directors, or his or her designee, shall review and approve all Board member and Standing Committee member non-local travel.
 - b. CalOptima shall limit Board member and Standing Committee member travel to the following purposes:
 - i. CalOptima business-related activities;
 - ii. Requests to represent CalOptima as a speaker at an approved meeting, seminar or conference; and
 - iii. Other travel deemed necessary by the CalOptima Board of Directors.

E. Travel Approval

- 1. Budgeted Travel: All budgeted Travel and miscellaneous expenses for CalOptima employees, Board members, Standing Committee members, and authorized contractors and consultants shall be pre-approved by the appropriate level of CalOptima Management or Board Chair, prior to travel expenses being incurred, according to the following:

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Individual	Approver
Employee through Department Manager	Department Director
Department Director	Executive Management
Executive Officer	CEO or designee
CEO	Board Chairperson or designee
Board Member/Standing Committee Member	Board Chairperson, CEO or designee

2. Non-Budgeted Travel: Non-Budgeted Travel and miscellaneous expenses for authorized Individuals shall be pre-approved by the CEO, or his or her designee, prior to Travel Expenses being incurred.

F. Conferences and Seminars

1. Attendance at any given conference and/or seminar shall be:
 - a. Limited to the number of Individuals deemed appropriate by the CEO for that particular conference or seminar, and
 - b. Approved by Human Resources.
2. Payment of Fees
 - a. Conference and/or seminar fees shall be prepaid whenever possible, to take advantage of early registration discounts. An employee shall request prepayment of conference and seminar fees at the time the Travel and Training Authorization form is prepared, and submit necessary registration information to the Purchasing Department.
 - b. In the event an Individual must personally pay for conference or seminar registration fees, the Individual shall request reimbursement on an Expense Report with a pre-approved Travel and Training Authorization Form.

G. Meal Expenses

1. Travel Meals are those food items consumed when traveling on CalOptima Business away from the primary workplace.
2. CalOptima shall reimburse authorized Individuals the actual cost of Travel Meals, excluding alcoholic beverages, in an amount not to exceed forty-five dollars (\$45.00) per day, excluding taxes and gratuity.
 - a. CalOptima shall reimburse employees and Board members for meals that exceed the forty-five dollars (\$45.00) per day under the following conditions:
 - i. The authorized Individual shall submit a valid receipt for such meals with a brief explanation of the expenditure. Individual meals shall be subject to the above limitations;

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- ii. The authorized Individual elects to pay for the meals of individuals with whom authorized CalOptima Business was conducted; or
 - iii. Extraordinary circumstances may cause it to be impractical or unfeasible for the authorized Individual to stay within the established meal rates, and the authorized Individual shall submit receipts for such meals with a brief explanation of the extraordinary expenditure.
 - iv. Expense reports containing extraordinary meal expenditures shall require approval of the CEO, or his or her designee.
- b. CalOptima may negotiate individual meal per diem amounts for individual contractors authorized to receive reimbursement for expenses, as stipulated in this policy. Individual contractor per diem rates may be less than, but shall not exceed, the established employee, Board and Committee member meal reimbursement rate.
3. CalOptima shall reimburse for Business Meals at actual reasonable and necessary expenses for refreshments or meals, excluding alcoholic beverages, provided in conjunction with on-site or off-site meetings (e.g., in-house developed formal training sessions, conferences, seminars, workshops, staff meetings, and board and commission meetings) which extend over normal breaks or meal periods. An Expense Report for Business Meals must include receipt, names of those in attendance, and the business topic.

H. Lodging Expenses

1. CalOptima shall reimburse the cost of a single room at an Approved Lodging Facility for Non-Local Travel.
2. Adequate lodging expenses will be allowed. Price is an issue in selecting "adequate lodging". Prudence and good stewardship should be used when selecting a lodging facility. Comparison shopping is encouraged; booking through online travel Websites, as opposed to directly with the lodging facility, might provide opportunities for reduced cost lodging. Itemized receipts for lodging must be provided to obtain reimbursement.
3. Travelers should seek lodging rates (excluding taxes and fees) at or below the federal government's per diem rate. If such rates are not available, a hotel's discounted government rate shall be allowed. A schedule of federal lodging per diem rates is available on the U.S. General Services Administration (GSA) Website; www.gsa.gov.
4. CalOptima may reimburse additional lodging expenses for Non-Local Travel if:
 - a. It results in offsetting lower airfare; and
 - b. The cost of returning to home or office at the conclusion of business exceeds the cost of lodging, rental automobile and meals for the additional stay.
5. Local Travel may qualify for an overnight stay, depending on time constraints. CalOptima may approve Local Travel lodging expenses if:

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- a. It is not practical or feasible for the authorized Individual to return home due to extremely poor weather conditions; or
 - b. Less than eight (8) hours will elapse from the time business is concluded on one (1) day and the time business is scheduled to reconvene on the following calendar day; or
 - c. It is not practical or feasible for the authorized Individual to return home due to an extended commute.
6. Once approved, the Individual or his or her designee shall be responsible for making his or her own travel and lodging arrangements, utilizing the CalOptima travel services provider or another method approved by CalOptima's Purchasing Department.
 7. The Individual shall be responsible for necessary cancellation of travel and lodging reservations, in accordance with the respective rules and time limits. CalOptima shall not reimburse Individuals for fees associated with the failure to cancel reservations within the established rules and time limits, unless the failure was due to circumstances beyond the control of the Individual. The Individual must also inform CalOptima's Purchasing Department of any cancellations.
- I. Cash advances
1. Under normal circumstances, CalOptima shall not issue cash advances for Travel Expenses.
 2. The Executive Management team shall approve cash advances for anticipated authorized travel.
 3. CalOptima may authorize cash advances on a limited basis if the traveling Individual does not possess sufficient means of credit or other financial resources to cover the cost of one (1) or more authorized Travel Expenses, as defined in this policy.
 4. When authorized, cash advances shall be based on an estimate of reasonable Travel Expenses, including travel, meals, lodging and miscellaneous expenses.
 5. Individuals receiving cash advances shall complete an Expense Report within five (5) business days of the Individual's return to home or place of work, whichever occurs first. The Individual shall account for all expenses incurred while traveling on authorized CalOptima Business, and shall indicate any cash amounts due back to CalOptima, in the event the cash advance was greater than actual authorized expenses, or cash amounts due the Individual, in the event actual authorized expenses exceed the amount of the cash advance.
- J. Transportation
1. The mode of transportation shall be based on the distance of the final destination from the Individual's home or primary workplace, business schedule, and the cost effectiveness of the various modes of transportation.
 2. Cost of arrangements for personal travel in conjunction with a business travel itinerary will be at the authorized Individual's expense. The Individual shall document the incremental travel costs assessed to CalOptima, in accordance with this policy.

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3. The Individual shall make transportation arrangements as far in advance as possible using the most economical carrier, and the most economical departure point, within the selected mode of transportation. A Saturday night stay may be required to obtain the lowest possible rate, and may be authorized if the savings will reasonably offset the additional cost of meals, automobile rental and lodging.
 - a. Flight arrangements made through CalOptima's travel services provider shall be reviewed by CalOptima's Purchasing Department, and submitted directly to Accounts Payable for payment.
 - b. Flight arrangements not made through the CalOptima travel services provider shall be submitted by the Individual on an Expense Report.
 - c. Individuals may, for personal convenience, travel to their final destination on an indirect route, or on an interrupted direct route, if approved in advance by the CEO. An Individual shall pay any increase in transportation fares based on indirect or interrupted direct travel routes. Any resulting excess travel time shall not be considered work time, but shall be charged to the appropriate type of leave.
 - d. Additional expenses shall not be the responsibility of the Individual if, through no fault or control of the Individual, it is necessary to travel an indirect route, or an interrupted direct route. In such cases, additional time shall be considered work time, and shall not be charged to any type of leave.
 - e. Whenever available, all Individuals shall travel via "Coach Class," or similar reduced fare accommodations. "Business Class" reservations shall not be used except in the event that "Coach Class" or similar reduced fare accommodations are unavailable, and departure time is critical to the nature of the reason for travel. Under no circumstances shall "First Class" travel be reserved.
 - f. Individuals requesting travel reservations shall not insist on any certain commercial carrier if using the specified carrier will result in a fare which is higher than the lowest available fare.
 - g. Any deviation from lowest available rate for commercial carriers shall be at the Individual's expense.
4. The Individual shall be responsible for necessary cancellation of travel reservations, in accordance with the respective carrier rules and time limits. CalOptima shall not reimburse Individuals for fees associated with the failure to cancel reservations within the established carrier rules and time limits, unless the failure was due to circumstances beyond the control of the Individual. The Individual must also inform CalOptima's Purchasing Department of any such cancellations.
5. Use of Privately-Owned Vehicles
 - a. An authorized Individual may use a privately-owned vehicle for travel if such use is more economical than the lowest-priced direct commercial carrier fare plus rental car expenses. The Individual must be licensed, and shall carry liability insurance as required by the State of California, at the Individual's sole expense.

Policy #: GA.5004
Title: Travel Policy

Revised Date: 3/1/13

- b. CalOptima shall reimburse the use of privately-owned vehicles solely based on actual mileage at the Internal Revenue Service (IRS) Standard Mileage Rate. Total mileage reimbursed should consider the Individual's daily commute.
- c. CalOptima shall not reimburse costs for fuel, automobile repairs, or other automobile expense items.
- d. If more than one authorized Individual is traveling for CalOptima Business in the same personal vehicle, only one person shall be reimbursed for the use of a privately-owned vehicle.
- e. Travel shall be by the most practical direct route. Any person traveling by an indirect route shall assume any additional expense incurred.
- f. CalOptima shall compensate property damages to an Individual's automobile incurred without fault or cause on the part of the Individual up to two hundred fifty dollars (\$250), or the amount of the deductible on the Individual's insurance policy, whichever is the lesser amount, for each accident.

6. Rental Automobiles

- a. An Individual may rent automobile when such rental is considered to be more advantageous to CalOptima than other means of transportation.
- b. Advance reservations shall be made whenever possible. Reservations for employees, Board and Committee members shall be made in the Individual's name, acting for CalOptima. i.e., John Doe, for CalOptima.
- c. The vehicle rental agreement for the authorized Individual shall reference the Individual's name, acting for CalOptima. i.e., John Doe, for CalOptima.
- d. Rental automobile approved classes are as follows:
 - i. Economy Class: An Individual shall select an economy class vehicle whenever four (4) or fewer individuals, including the driver, will be passengers in the rental automobile at any one time.
 - ii. Mid-size Class: An Individual may select a mid-size class vehicle in the event more than four (4) individuals will be riding in the rental automobile at any one (1) time, or in the event an economy class vehicle is not available, and the nature of the travel requires immediate departure.
 - iii. Luxury Class: Under no circumstances shall an Individual select a luxury class vehicle.

7. Other Modes of Transportation

- a. Taxi Fares: CalOptima shall reimburse taxi fares when public transportation is not practical or available. Examples include travel between hotel and place of business, and from one business to another.

Policy #: GA.5004
 Title: Travel Policy

Revised Date: 3/1/13

III. PROCEDURE

A. Travel and Training Authorization Form

1. Shall be accessed and completed on-line by all Individuals or their designee using CalOptima's Intranet system (or similar system in place at the time request is made), and shall include all actual or estimated expense amounts related to the request; and
2. Shall be routed for approval systemically based on the Individual's level, cost center, and whether they are a CalOptima employee according to the following:

Individual	Approver
Employee through Department Manager	Department Director
Department Director	Executive Management
Executive Officer	CEO or designee
CEO	Board Chairperson or designee
Board Member/Standing Committee Member	Board Chairperson, CEO or designee

3. Shall also be routed systemically to the Human Resources Department in order to track the Individual's training.
4. Shall also be routed systemically to the Finance Department for confirmation that requested expenses are budgeted, and that enough budget remains to cover requested expenses.
5. Requestors shall receive an automatic e-mail after submitting their request, notifying them of the approval status, and providing a link to the electronic form to track approval progress.
6. The Purchasing Department shall review, authorize for appropriate approvals, and notify the requestors that they may begin making travel commitments.

B. Travel and Training Arrangements

1. Authorizations that include event registration fees shall be pre-paid and processed by CalOptima's Purchasing Department, where possible. CalOptima's Purchasing Department shall verify with the requestor that the registration has not been processed before proceeding with registration of the Individual for the event.
2. The requestor, or his or her designee, shall make air travel arrangements through CalOptima's travel services provider, where possible. Arrangements should be made as far in advance as possible to minimize costs. Exceptions to using CalOptima's travel services provider are subject to approval by CalOptima's Purchasing Department.
3. All other arrangements shall be made with the Individual's personal credit card, either through CalOptima's travel services provider, another approved method, or directly with the establishment(s), subject to CalOptima's Purchasing Department approval.

C. Expense Reimbursement using Expense Report

Policy #: GA.5004
 Title: Travel Policy

Revised Date: 3/1/13

1. Individuals or designees shall prepare and submit request claims for reimbursement of Travel Expenses on a CalOptima Expense Report. The report shall be completed by the Individual or designee, including all details, and shall be routed with a copy of the previously-approved Travel and Training Authorization Form for appropriate Expense Report approval signatures, if applicable, as follows:

Individual	Approver
Employee through Department Manager	Department Director
Department Director	Executive Management
Executive Officer	CEO or designee*
CEO	Board Chairperson or designee*
Board Member/Standing Committee Member	Board Chairperson, CEO or designee*

*Designee authorization is not valid when self approval would result.

2. Receipts

- a. For any expenses in excess of twenty-five dollars (\$25.00), the Individual shall include an original credit card receipt, if available, or other computer-generated or hand-written receipt, in the event a credit card receipt is unavailable. CalOptima contractors authorized to receive reimbursement for expenses shall submit receipts for all expenses, regardless of the dollar amount of the expenditure.
- b. Small receipts, such as credit card, gas and airline receipts, shall be attached to an 8 ½ by 11 inch sheet of paper. Hotel receipts and other larger receipts may be submitted as is.
- c. In the absence of credit card receipts, or other proof of actual expenditure, CalOptima shall reimburse lodging expenses only if marked "paid" by the management of the lodging facility.
- d. In most instances, airfare for CalOptima employees and Board members shall be prepaid by CalOptima. CalOptima contractors authorized to receive reimbursement for airfare, and employees and Board members for whom airfare was not prepaid for any reason, shall submit passenger receipts for reimbursement consideration.
- e. If receipts cannot be obtained or have been lost, a statement to that effect shall be made on the Expense Report, along with an appropriate explanation. In the absence of a satisfactory explanation, CalOptima shall not allow the amount.

3. Completed and approved Expense Reports and supporting documentation shall be submitted to the Accounting Department in a timely manner, preferably within thirty (30) days of completion of travel.
4. No reimbursement shall be made for Expense Reports submitted beyond six (6) months after completion of travel.

D. The Accounting Department shall:

1. Review submitted Expense Reports and supporting documentation for completeness;

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2. Code expenses to appropriate department and general ledger account numbers; and
3. Process payment for reimbursement.

E. The Purchasing Department shall:

1. Provide travel reports to the CEO, Executive Management, and Department Directors, upon request. Such reports may include a summary of travel by department, purpose, cost, and number of individuals per event, and may be required to distinguish between budgeted and non-budgeted travel.
2. Review details of statements/invoices received from the CalOptima travel services provider for accuracy and reasonableness;
3. Attach appropriate copies of completed Travel and Training Authorization Forms related to travel service provider invoice line items, and submit to Accounts Payable for payment.
4. Review details of statements/invoices received from credit card account used by Purchasing to arrange attendance at conferences, training, and other events, and to make authorized purchases.
5. Attach appropriate copies of completed Travel and Training Authorization Forms related to credit card invoice travel and training line items, and submit to Accounts Payable for payment.

IV. ATTACHMENTS

- A. Electronic Travel and Training Authorization Form
- B. CalOptima Expense Report
- C. Cash Advance Form

V. REFERENCES

- A. Internal Revenue Service Publication 463
- B. California Government Code Section 53232.2
- C. Bylaws of Orange County Health Authority dba Orange Prevention and Treatment Integrated Medical Assistance, Adopted December 6, 1994

VI. APPROVALS OR BOARD ACTION

9/6/12: CalOptima Regular Board Meeting

VII. REVISION HISTORY

- A. 9/6/12: GA.5004: Travel Policy
- B. 8/1/12: GA.5004: Travel Policy

VIII. KEYWORDS

Approved Lodging
CalOptima Business
Executive Management

Policy #: GA.5004
Title: Travel Policy

Revised Date: 3/1/13

Expense Report
Individual
Local Travel
Lodging
Meals
Miscellaneous Expenses
Non-Local Travel
Non-Reimbursable Expenses
Parking, Fees and Tolls
Registration Fees
Reimbursable Expenses
Transportation
Travel
Travel and Training Authorization Form
Travel Expenses

Exhibit D

MEDI-CAL DATA ACCESS AGREEMENT

As a condition of obtaining access to information concerning procedures or other data records utilized/maintained by the Department of Health Care Services and CalOptima, Versend Technologies, Inc., including any and all individual employees and agents, agrees not to divulge any information obtained in the course of completion of this Contract to any unauthorized persons.

CONTRACTOR further agrees not to publish or otherwise make public any information regarding persons receiving Medi-Cal services such that the persons who receive such services are identifiable.

CONTRACTOR further recognizes that unauthorized release of confidential information may be subject to civil and criminal sanctions pursuant to the provisions of the Welfare and Institutions Code Section 14100.2.

CONTRACTOR further agrees that this Medi-Cal Data Access Agreement shall remain in full force and effect after the termination of this Contract.

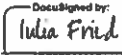
By:  _____ Date: 9/28/2018
Print Name: Julia Fried
Title: Compliance Officer

Exhibit E
Part 1

STATE OF CALIFORNIA
DEPARTMENT OF HEALTH CARE SERVICES
CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that :

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontractors, sub grants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Verscend Technologies, Inc.
Name of Contractor

David Mason
Printed Name of Person Signing for Contractor

19-10311
Contract/Grant Number

DocuSigned by:

7E3D3E066289E8
Signature of Person Signing for Contractor

9/28/2018
Date

COO
Title

After execution by or on behalf of Contractor, please return to:

Department of Health Care Services
Medi-Cal Managed Care Division
MS 4415, 1501 Capitol Avenue, Suite 71.4001
P.O. Box 997413
Sacramento, CA 95899-7413

Exhibit E
INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime federal recipients at the initiation or receipt of a covered federal action, or a material change to a previous filing, pursuant to Title 31, U.S.C., Section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered federal action. Use the SF - LLL- A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered federal action.
2. Identify the status of the covered federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered federal action.
4. Enter the full name, address, city, state, and ZIP code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub award recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Sub awards include but are not limited to subcontracts, sub grants, and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee," then enter the full name, address, city, state, and ZIP code of the prime federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation United States Coast Guard.
7. Enter the federal program name or description for the covered federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate federal identifying number available for the federal action identified in Item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract grant, or loan award number; the application/proposal control number assigned by the federal agency). Include prefixes, e.g., "RFP-DE-90401."
9. For a covered federal action where there has been an award or loan commitment by the federal agency, enter the federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
10. (a) Enter the full name, address, city, state, and ZIP code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered federal action.
 (b) Enter the full names of the Individual(s) performing services and include full address if different from 10.(a). Enter last name, first name, and middle initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with federal officials. Identify the federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Office of Management and Budget, Paperwork Reduction Project, (0348-0046), Washington, DC 20503.

Exhibit F

FDR Attestation



FDR COMPLIANCE ATTESTATION

Please complete and execute this attestation and return it to CalOptima's Office of Compliance via fax (714) 481-6457, email hreporting@caloptima.org, or mail: 505 City Parkway West, Orange, CA 92868, within fifteen (15) calendar days of the notice accompanying this form.

Check which CalOptima program(s) this form pertains to: OneCare
 Medi-Cal
 PACE

Verscend

I hereby attest that Technologies, Inc. (the "Organization"), and all its downstream entities, if any, that are involved in the provision of health or administrative services for any of the CalOptima programs identified above:

I. Provide effective Fraud, Waste and Abuse Training and Compliance Training to all Organization and downstream entity Board members, officers, employees, temporary employees, and volunteers, within 90 days of appointment, hire or contracting, as applicable, and at least annually thereafter as a condition of appointment, employment or contracting. The Organization and its downstream entities currently use (Select all that apply):

- CMS's Fraud, Waste, and Abuse Training and Compliance Training Module.
- An Internal training program that meets CMS's Fraud, Waste, and Abuse and Compliance Training Module requirements.
- Deemed to have met the Fraud, Waste and Abuse certification requirements through enrollment into the Medicare program or accreditation as a Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS).

II. Administer specialized compliance training to Organization and downstream entity Board members, employees, temporary employees, and volunteers: (i) based on their job function within the first 90 days of hire and at least annually thereafter as a condition of appointment, employment or contracting, (ii) when requirements change; (iii) when such persons work in an area previously found to be non-compliant with program requirements or implicated in past misconduct.

III. Have established and publicized compliance policies and procedures, standards of conduct, and compliance reference material that meet the requirements outlined in 42 CFR § 422.503(b)(4)(vi)(A) and 42 CFR § 423.504(b)(4)(vi)(A) which information, and any updates thereto, are distributed to all Organization and downstream entity Board members, officers, employees, temporary employees, and volunteers within 90 days of appointment, hire or contracting, as applicable, and at least annually thereafter. Evidence of receipt of such compliance by such persons is obtained and retained by the Organization. The Organization and its downstream entities currently use (Select all that apply):



- Our own compliance policies and procedures, standards of conduct, and compliance reference material. (Please provide to CalOptima for review).
- CalOptima's compliance policies and procedures, Code of Conduct, and compliance reference material.

- IV. Review all Organization and downstream entity Board members, officers, potential and actual employees, temporary employees, and volunteers against the HHS OIG List of Excluded Individuals & Entities list and GSA Debarment list upon appointment, hire or contracting, as applicable, and monthly thereafter. Further, in the event that the Organization or downstream entity becomes aware that any of the foregoing persons or entities are included on these Lists, the Organization will notify CalOptima within 5 calendar days, the relationship with the listed person/entity will be terminated as it relates to CalOptima, and appropriate corrective action will be taken.
- V. Screen its and its subcontractors' governing bodies for conflicts of interest as defined in state and federal law and CalOptima Policies upon hire and annually thereafter.
- VI. Will report suspected fraud, waste, and abuse, as well as all other forms of non-compliance, as it relates to CalOptima.
- VII. Understand that any violation of any laws, regulations, or CalOptima Policies is grounds for disciplinary action, up to and including termination of Organization's contractual status.
- VIII. Are aware that persons reporting suspected fraud, waste, and abuse, and other non-compliance are protected from retaliation under the False Claims Act and other applicable laws prohibiting retaliation.
- IX. Will retain documented evidence of compliance with the above, including training and exclusion screening (i.e. sign-in sheets, certificates, attestations, OIG and GSA search results, etc.) for at least ten (10) years, and provide such documentation to CalOptima upon request.

That the individual signing below is knowledgeable about and authorized to attest to the foregoing matters on behalf of the Organization.

DocuSigned by: <i>Iulia Fried</i>	9/28/2018
5DB7EB0958CA412 Signature	Date
Iulia Fried	Verscend Technologies, Inc.
Name	Organization

Exhibit G

**ADDENDUM 1
MEDICARE ADVANTAGE PROGRAM**

The following additional terms and conditions apply to the provision of goods or services to be utilized, directly or indirectly, by or for the Medicare Advantage Program. These terms and conditions are additive to those contained in the main Contract, and apply to the extent applicable to the services provided by CONTRACTOR. In the event that these terms and conditions conflict with those in the main Contract, these terms and conditions shall prevail.

- A. In addition to compliance with the provisions of Section 8 in the Contract, CONTRACTOR expressly warrants that CONTRACTOR and CONTRACTOR's subcontractors, if any, shall comply with all applicable Medicare laws, regulations, and CMS instructions. CONTRACTOR further agrees and acknowledges that this provision will be included in any and all agreements with CONTRACTOR's subcontractors.
- B. For any medical records or other health and enrollment information CONTRACTOR maintains with respect to Medicare enrollees, CONTRACTOR shall establish procedures to:
 1. Abide by all Federal and State laws regarding confidentiality and disclosure of medical records and other health and enrollment information. CONTRACTOR shall safeguard the privacy of any information that identifies a particular enrollee and shall have procedures that specify: (a) the purpose or purposes the information will be used within CONTRACTOR's organization; and (b) to whom and for what purpose CONTRACTOR will disclose the information.
 2. Ensure that the medical information is released only in accordance with applicable Federal or State law, or pursuant to court orders or subpoenas.
 3. Maintain the records and information in an accurate and timely manner.
 4. Ensure timely access by enrollees to the records and information that pertain to them.
- C. CONTRACTOR shall comply with the reporting requirements provided in Title 42 of the Code of Federal Regulations, Section 422.516 as well as the encounter data submission requirements of 42 CFR Section 422.257.
- D. For all contracts in the amount of \$100,000 or more, in addition to the Equal Opportunity provisions included in the Contract, CONTRACTOR and CONTRACTOR's subcontractors, if any, shall comply with 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) as follows:
 1. **THIS CONTRACTOR AND SUBCONTRACTOR SHALL ABIDE BY THE REQUIREMENTS OF 41 CFR 60-300.5(a). THIS REGULATION PROHIBITS DISCRIMINATION AGAINST QUALIFIED PROTECTED VETERANS, AND REQUIRES AFFIRMATIVE ACTION BY COVERED PRIME CONTRACTORS AND SUBCONTRACTORS TO EMPLOY AND ADVANCE IN EMPLOYMENT QUALIFIED PROTECTED VETERANS. (41 CFR 60-300.5(d).)**
 2. **THIS CONTRACTOR AND SUBCONTRACTOR SHALL ABIDE BY THE REQUIREMENTS OF 41 CFR 60-741.5(a). THIS REGULATION PROHIBITS DISCRIMINATION AGAINST QUALIFIED INDIVIDUALS ON THE BASIS OF DISABILITY, AND REQUIRES AFFIRMATIVE ACTION BY COVERED PRIME CONTRACTORS AND SUBCONTRACTORS TO EMPLOY AND ADVANCE IN EMPLOYMENT QUALIFIED INDIVIDUALS WITH DISABILITIES. (41 CFR 60-741.5(d).)**
- E. In addition to the termination provisions of Section 16 of this Contract, CONTRACTOR agrees and acknowledges that CalOptima may terminate the Contract if CMS or CalOptima determines that CONTRACTOR has not satisfactorily performed its obligations under the Contract. Under such circumstances, CalOptima may pay CONTRACTOR its allowable costs incurred to the date of termination.

Thereafter, CONTRACTOR shall have no further claims against CalOptima for matters pertaining to this Contract.

- F. While CalOptima maintains ultimate responsibility for adhering to and complying with all terms and conditions of its contract with CMS, CONTRACTOR shall comply with all such requirements at the direction of CalOptima.
- G. CalOptima shall review, approve, and audit on an ongoing basis, the credentialing of medical professionals, if any, associated with CONTRACTOR and CONTRACTOR's performance of this Contract.
- H. Notwithstanding the delegation by CalOptima to CONTRACTOR for the selection of providers, contractors, or subcontractors, CalOptima expressly retains the right to approve, suspend, or terminate any such arrangement.
- I. Notwithstanding the written delegation by CalOptima to CONTRACTOR of any other activities under this Contract, CalOptima maintains ultimate responsibility for adhering to and complying with all terms and conditions of its contract with CMS, and expressly retains the right to approve, suspend, or terminate any such arrangement with CONTRACTOR. With all such delegated activities, CalOptima shall monitor CONTRACTOR's performance on an ongoing basis to ensure compliance with all applicable CalOptima and CMS requirements.

Exhibit H



Attestation Concerning the Use of Offshore Subcontractors

Please complete and execute this attestation and return it to CalOptima's Office of Compliance via fax (714) 481-6457, email hreporting@caloptima.org, or mail: 505 City Parkway West, Orange, CA 92868, within fifteen (15) calendar days of the notice accompanying this form.

Check which CalOptima program(s) this form pertains to:

<input type="checkbox"/>	OneCare HMO SNP
<input checked="" type="checkbox"/>	Medi-Cal
<input type="checkbox"/>	PACE

Are any administrative or other functions conducted on behalf of your organization by entities located offshore? This shall include employees of your firm, subcontractors and any 3rd party subcontractors. ("X" where appropriate)

No If NO, please complete Part I:

Yes If YES, please complete Parts II-VI of this form:

Part I — Our Firm is Not Using Offshore Subcontractors and/or Employees

Offshore Subcontractors

Our Organization is NOT using Offshore Subcontractors **for contract 19-10311 with CalOptima**

Offshore Employees

Our Organization does NOT employ workers who are located Offshore **for contract 19-10311 with CalOptima**

Name of Organization:	Verscend Technologies, Inc.
Name of Authorized Person:	Iulia Fried
Title:	Compliance Officer
Signature:	<i>Iulia Fried</i>
Date:	9/28/2018

Part II — Offshore Subcontractor Information

Offshore Subcontractors

Our Organization IS using Offshore Subcontractors

Offshore Employees

Our Organization DOES employ workers who are located Offshore

Subcontractor Name:	
Subcontractor Country:	
Subcontractor Address:	

Describe Offshore Subcontractor Functions:



State Proposed or Actual Effective Date for Offshore Subcontractor: _____

Part III — Precautions for Protected Health Information (PHI)

1. Describe the PHI that will be provided to the Offshore Subcontractor and/or Employee:

--

2. Explain why providing PHI is necessary to accomplish the Offshore Subcontractor's/Employee's objectives:

--

3. Describe alternatives considered to avoid providing PHI, and why each alternative was rejected:

--

Part IV — Attestation of Safeguards to Protect Beneficiary Information in the Offshore Subcontract

Item	Attestation	Response Yes / No
A.	Offshore Subcontractor/Employee arrangement has policies and procedures in place to ensure that Medi-Cal, Medicare and Healthy Families beneficiary protected health information (PHI) and other personal information remains secure.	
B.	Offshore Subcontractor/Employee arrangement prohibits Subcontractor/Employee access to Medi-Cal, Medicare, and Healthy Families data not associated with CalOptima's contract with the Offshore Subcontractor/Employee.	
C.	Offshore Subcontractor/Employee arrangement has policies and procedures in place that allow for immediate termination of the subcontractor/employee upon discovery of a significant security breach.	
D.	Offshore subcontractor/employee arrangement includes all required DIICS and/or CMS language as stipulated within your contract with CalOptima.	

Part V — Attestation of Audit Requirements to Ensure Protection of PHI

Item	Attestation	Response Yes / No
A.	Your organization will conduct an annual audit of the Offshore Subcontractor/Employee.	
B.	Audit results will be used by your organization to evaluate the continuation of its relationship with the Offshore Subcontractor/Employee.	



C.	Your organization agrees to share Offshore Subcontractor's/Employee's audit results with CalOptima upon request.	
----	--	--

Part VI — Organization Information

Name of Organization:	
Name of Authorized Person:	
Title:	
Signature:	
Date:	

Exhibit I

Officer, Owner, Shareholder, and Creditor Information

Contractor's Business Name: Verscend Technologies, Inc.

Business Entity Type: Delaware Corporation
(Sole Proprietorship, Partnership, LLC, California Corporation, etc.)

Business Address: 201 Jones Road

City: Waltham State: MA Zip: 02032

Business Phone: 718-693-3700 Email: legal@verscend.com

President: Emad Rizk, President & CEO


Contact Person: Jamie Adams, VP Account Management

Person(s) Signing Contract & Title: David Mason, COO

*Please provide names of owners, officers, stockholders, and creditors of Contractor's business if such interest is over 5%.

<u>Name</u>	<u>Officer Title or Ownership/Creditorship %</u>
<u>Verscend Holding Corp.</u>	<u>100% owner</u>
_____	_____
_____	_____
_____	_____

BY SIGNING BELOW, THE UNDERSIGNED HEREBY CERTIFIES THAT THE ABOVE INFORMATION IS TRUE AND CORRECT TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF.

DocuSigned by:

 7E4305E6648B4E3

Authorized Signature _____ Date 9/28/2018

David Mason COO _____
 Name and Title

Exhibit J
(Optional)

Exhibit K

Not applicable for this Contract

Exhibit L

Not applicable for this Contract

AMENDMENT NO. 1 TO
CONTRACT 19-10311

BY AND BETWEEN

ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY, dba ORANGE PREVENTION AND TREATMENT
INTEGRATED MEDICAL ASSISTANCE
DBA CALOPTIMA
(CalOptima)

AND

VERSCEND TECHNOLOGIES, INC.
(VENDOR)

AMENDMENT NO. 1 TO THIS CONTRACT is entered into as of the date last signed below, with respect to the following facts:

- A. CalOptima and VENDOR (hereinafter collectively referred to as "the Parties") entered into Contract 19-10311 on October 1, 2018, under which VENDOR agreed to provide Clinical Editing Solutions and Services as described in the Scope of Work; and
- B. Pursuant to Section 17 of the Contract, the Contract may be amended only in writing executed by the Parties.
- C. The Parties now desire to amend the Contract to update the legal name Verscend Technologies, Inc.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

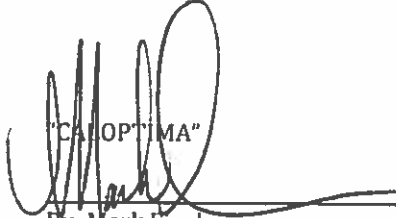
1. All capitalized terms used herein shall have the same meanings given them in the Agreement, unless the context specifically provides otherwise herein.
2. Any reference in the Contract or any agreement in accordance with the Contract, to "Verscend Technologies, Inc.," or "Verscend," is hereby replaced with "Cotiviti" or "Cotiviti, Inc."
3. **No Other Changes.** This Amendment No. 1 is by this reference made part of said Contract. Except as otherwise provided in this Amendment No. 1, all of the terms, conditions, and provisions of the Contract and prior amendments shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment No. 1 and any provisions of the Contract and prior amendments, if any, the provisions of this Amendment No. 1 shall in all respect govern and control. Unless otherwise specifically defined herein, terms used in this Amendment No. 1 shall have the same meaning as ascribed to them in the Contract. The execution and delivery of this Amendment No. 1 shall have the same meaning as ascribed to them in the Contract. The execution and delivery of this Amendment No. 1 shall not operate as a waiver of or, except as expressly set forth herein, an amendment of any right, power or remedy of either party in effect prior to the date hereof.

[SIGNATURES ON FOLLOWING PAGE]

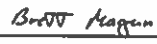

Contract No. 19-10311
Amendment No. 1

IN WITNESS THEREOF, these Parties have, by their duly authorized representatives, executed this Amendment No. 1 on the day and year last shown below.

Date: 1/9/2019


By: Mark Finch
Its: Purchasing Manager

Date: 1/9/2019

"VENDOR"
DocuSigned by:

Brett Magun
By: SVP, Managing Counsel
Its: [Chairman, President or Vice President]
DocuSigned by:

David Mason
By: COO
Its: [Secretary or CFO]

If VENDOR is a corporation, two officer signatures or Corporate Resolution or Corporate Seal is required.

AMENDMENT NO. 2
TO CONTRACT NO. 19-10311

BY AND BETWEEN

ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY,
DBA ORANGE PREVENTION & TREATMENT INTEGRATED MEDICAL ASSISTANCE,
DBA CALOPTIMA
(CalOptima)

AND

COTIVITI, INC.
(CONTRACTOR)

AMENDMENT NO. 2 TO THIS CONTRACT is entered into as the date last signed below, with respect to the following facts:

- A. CalOptima and CONTRACTOR (hereinafter collectively referred to as "the Parties") entered into Contract 19-10311 on October 1, 2018, under which CONTRACTOR agreed to Clinical Edition Solution and Services, as described in the Scope of Work (hereinafter, "Contract").
- B. Pursuant to Section 17 of the Contract, the Contract may be amended only in writing executed by the Parties.
- C. The Parties now desire to amend the Contract by extending the contract term.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. All capitalized terms used herein shall have the same meanings given them in the Agreement, unless the context specifically provides otherwise herein.
2. The Parties now agree extend this contract for an additional 12 months. The new contract termination date will be 10/7/2022.
3. **No Other Changes.** This Amendment No. 2 is by this reference made part of said Contract. Except as otherwise provided in this Amendment, all of the terms, conditions, and provisions of the Contract and prior amendments shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Contract and prior amendments, if any, the provisions of this Amendment No. 2 shall in all respect govern and control. Unless otherwise specifically defined herein, terms used in this Amendment shall have the same meaning as ascribed to them in the Agreement. The execution and delivery of this Amendment shall have the same meaning as ascribed to them in the Contract. The execution and delivery of this Amendment shall not operate as a waiver of or, except as expressly set forth herein, an amendment of any right, power or remedy of either party in effect prior to the date hereof.

[SIGNATURES ON FOLLOWING PAGE]

Contract No. 19-10311
Amendment No. 2

IN WITNESS THEREOF, these Parties have, by their duly authorized representatives, executed this Amendment No. 2 on the day and year last shown below.

Date: 08/02/2021

"CALOPTIMA"
DocuSigned by:
Nancy Huang
D22E3B87032848E
By: Nancy Huang
Its: Chief Financial Officer

Date: 08/02/2021

"CALOPTIMA"
DocuSigned by:
Richard Sanchez
234AD421BDEC4D8
By: Richard Sanchez
Its: Chief Executive Officer

Date: 7/22/2021

"VENDOR"
DocuSigned by:
Matthew Hawley
24B1AD6C0298492...
matthew hawley
By: _____
Its: EVP Operations
[Chairman, President or Vice President]

By: _____
Its: _____
[Secretary or CFO]

If VENDOR is a corporation, two officer signatures or Corporate Resolution or Corporate Seal is required.

Contract No. 19-10311
Amendment No. 2

CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Verscend Corp.	1 Glenlake Pkwy NE #1400	Atlanta	GA	30328
Cotiviti	10701 S. River Front Pkwy, #200	South Jordan	UT	84095

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 1, 2022

Regular Meeting of the CalOptima Health Board of Directors

Report Item

17. Adopt Resolution Approving and Adopting Updated CalOptima Health Human Resources Policies

Contacts

Michael Hunn, Chief Executive Officer, (657) 900-1481

Brigitte Hoey, Chief Human Resources Officer, (714) 246-8405

Recommended Actions

1. Adopt resolution approving updated CalOptima Health policies:
 - a. GA. 8012: Conflicts of Interest and Attachments A-C
 - b. GA. 8022: Performance and Behavior Standards
 - c. GA. 8025: Equal Employment Opportunity
 - d. GA. 8052: Drug-Free and Alcohol-Free Workplace and Attachment A

Background

Near CalOptima Health's inception, the Board of Directors (Board) delegated authority to the Chief Executive Officer to develop and implement employee policies and procedures and to amend them as appropriate from time to time. The delegated authority for employee policies and procedures is subject to bi-annual updates to the Board with emphasis on needed changes to the policies. CalOptima Health's Bylaws require that the Board adopt by resolution, and from time to time amend, procedures, practices, and policies for, among other things, hiring employees and managing personnel.

Discussion

GA. 8012: Conflicts of Interest: This policy establishes guidelines and standards for CalOptima Health's employees to avoid conflicts of interest and incompatible outside activities. The changes are also intended align this policy with the active job classifications in GA.8058 Salary Schedule.

Policy Section	Proposed Change	Rationale	Impact
II.K	Added section on preventing conflicts for executive level positions for a post-employment period of 12 months.	CA Government Code section 87206.3 and 87206.3(c) and Legal Guidance (RLS 21-0504-1).	Clarity and alignment with hiring practices.
Attachment A	Additions, revisions, and removal of positions on the Conflicts of Interest Code Exhibit A.	Consistency with GA.8058 for Statement of Economic Interest Form 700 reporting.	Aligns with related policy.

GA. 8022: Performance and Behavior Standards: This policy outlines an approach that can be used, at CalOptima Health's discretion, to help correct and/or improve employee performance and behavior through corrective action or termination when employee performance and/or behavior is/are not meeting expectations and/or fails to follow CalOptima Health's policies and procedures.

Policy Section	Proposed Change	Rationale	Impact
Throughout	Minor text revisions and revising to include gender neutral pronouns.	Gender neutral pronouns and minor grammatical edits.	Promotes inclusivity.
I.	Edited to include “corrective action or termination”.	Aligns with policy terminology.	Provides clarity.
II.B, C & E	Minor text revisions.	Clarity and alignment with practice.	Provides clarity.
II.D	Added clarification that corrective actions may be issued without regard to a particular order or steps. Removed statement about skipping steps.	Alignment with at-will employment and CalOptima Health’s discretion on corrective action.	Provides clarity and alignment with employment practices.
II.E	Removed “coaching” as it is included in “corrective action.” Added “termination” as it is not considered “corrective action.”	Clarity.	Provides clarity.
II.G	Added “demotion” as a part of corrective action.	Aligns with CalOptima Health’s practice.	Provides transparency with practice.
II.H	Added and revised language for corrective action and demotion.	Clarity and alignment with CalOptima Health’s practice.	Provides clarity and alignment with employment practices.
III.Employee.1	Text edits regarding sustain improvement and corrective action.	Clarity of employee responsibilities.	Provides clarity and employee expectations.
IV.A-f & V D-H	Removing policy attachments and adding all templates except Coaching Memo Template to References.	To update and maintain corrective action templates.	Allows for template revision as needed.
IX. Glossary	Updated and added Glossary terms	Word choice and terms used in policy.	Provides clarity.

GA. 8025: Equal Employment Opportunity: This policy outlines CalOptima Health’s approach to equal employment opportunities. The changes are intended to align this policy with the recent revisions to the GA.8027 Anti-Harassment policy.

Policy Section	Proposed Change	Rationale	Impact
II.A-D	Updated protected characteristics for which CalOptima Health prohibits unlawful discrimination. Statements from A, broken down to section II A-D.	Updated to align with recent revision of GA.8027 Anti-Harassment policy.	Provides clarity and alignment with related policy.

Policy Section	Proposed Change	Rationale	Impact
II.D	Added statement about prohibited retaliation for engaging in good faith activities.	Updated to align with recent revision of GA.8027 Anti-Harassment policy.	Provides clarity and alignment with related policy.
III.A	Updated section to include applicants and interns and replaced duplicate list with reference to initial list in section II.B of the policy.	Clarity and removal of repetitive information.	Provides clarity.
III.B.1-4	Updated procedure to reference confidentiality and split section into two subsections. Added paid interns to applicant list and minor text revisions.	Clarity and updated to align with recent revision of GA.8027 Anti-Harassment policy.	Provides clarity and alignment with related policy.
III.C.1-2	Updated procedure to reference protected activities, adverse action, and examples of retaliation.	Updated to align with recent revision of GA.8027 Anti-Harassment policy	Provides clarity and alignment with related policy
IX. Glossary	Updated and added Glossary terms.	Revised word choice and terms used in policy to align with GA.8027 Anti-Harassment policy.	Provides clarity and alignment with related policy.

GA. 8052: Drug-Free and Alcohol-Free Workplace: This policy establishes guidelines for a drug-free and alcohol-free workplace at CalOptima Health and CalOptima Health PACE. The policy further enhances safety in the workplace for all employees, promotes employee health, maintains a high level of quality in service to CalOptima Health’s Members, ensures productivity, protects against liability, and promotes the public’s trust in CalOptima Health.

Policy Section	Proposed Change	Rationale	Impact
Throughout	Minor text revisions.	Gender neutral pronouns and minor grammatical edits.	Promotes inclusivity.
V.B	Removed Employee Handbook as a reference.	Policies are the preferred resource and contain more detailed information.	Provides for consistency with other policies.
IX. Glossary	Updated glossary definition for CalOptima Property.	Clarity and to include newly purchased 500 building in definition	Increases accuracy.
Attachment A	Minor text revisions.	Word choice.	Provides clarity.

Fiscal Impact

The recommended action to revise GA.8012, GA.8022, GA.8025, and GA.8052 is operational in nature and has no additional fiscal impact beyond what was included in the CalOptima Health Fiscal Year 2022-23 Operating Budget.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. Resolution No. 22-0901-03, Approve Updated Human Resources Policies
2. Revised CalOptima Health Policies
 - a. GA. 8012: Conflicts of Interest and Attachments A-C
 - b. GA. 8022: Performance and Behavior Standards
 - c. GA. 8025: Equal Employment Opportunity
 - d. GA. 8052: Drug-Free and Alcohol-Free Workplace and Attachment A

/s/ Michael Hunn
Authorized Signature

08/25/2022
Date

RESOLUTION NO. 22-0901-03

**RESOLUTION OF THE BOARD OF DIRECTORS
ORANGE COUNTY HEALTH AUTHORITY
d.b.a. CalOptima**

APPROVE UPDATED CALOPTIMA POLICIES

WHEREAS, section 13.1 of the Bylaws of the Orange County Health Authority, dba CalOptima, provide that the Board of Directors shall adopt by resolution, and may from time to time amend, procedures, practices and policies for, inter alia, hiring employees, and managing personnel; and

WHEREAS, in 1994, the Board of Directors designated the Chief Executive Officer as the Appointing Authority with full power to hire and terminate CalOptima employees at will, to set compensation within the boundaries of the budget limits set by the Board, to promulgate employee policies and procedures, and to amend said policies and procedures from time to time, subject to annual review by the Board of Directors, or a committee appointed by the Board for that purpose; and

WHEREAS, California Code of Regulations, Title 2, Section 570.5, requires CalOptima to adopt a publicly available pay schedule that identifies the position title and pay rate for every employee position, and CalOptima regularly reviews CalOptima’s salary schedule accordingly.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That the Board of Directors hereby approves and adopts the attached updated CalOptima Policies:

- a. GA. 8012: Conflicts of Interest and Attachments A-C
- b. GA. 8022: Performance and Behavior Standards
- c. GA. 8025: Equal Employment Opportunity
- d. GA. 8052: Drug-Free and Alcohol-Free Workplace and Attachment A

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this September 1, 2022.

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

/s/ _____

Title: Chair, Board of Directors

Printed Name and Title: Andrew Do, Chair, CalOptima Board of Directors

Attest:

/s/ _____

Sharon Dwiers, Clerk of the Board



Policy: GA.8012
 Title: **Conflicts of Interest**
 Department: CalOptima Health Administrative
 Section: Human Resources

CEO Approval: /s/

Effective Date: 02/01/2000

Revised Date: TBD

- Applicable to:
- Medi-Cal
 - OneCare
 - OneCare Connect
 - PACE
 - Administrative

1 **I. PURPOSE**

2
 3 This policy establishes guidelines and standards for CalOptima Health Employees to avoid conflicts of
 4 interest and incompatible outside activities.
 5

6 **II. POLICY**

- 7
 8 A. CalOptima Health Employees shall avoid anything that constitutes a real or apparent conflict
 9 between their personal interests and the interests of CalOptima Health.
 10
 11 B. CalOptima Health Employees shall avoid conflicts of interest and shall adhere to applicable state
 12 and federal laws and regulations, including, but not limited to:
 13
 14 1. California Government Code Section 81000 et seq., requiring all designated employees to
 15 comply with the reporting requirements in CalOptima Health'ss Conflict of Interest Code;
 16
 17 2. California Government Code Section 87100, prohibiting each CalOptima Health Employee
 18 from making, participating in making or in any way attempting to use his or her official position
 19 to influence a governmental decision in which he or she knows or has reason to know that he or
 20 she has a financial interest;
 21
 22 3. California Government Code section 1090, prohibiting each CalOptima Health Employee from
 23 being financially interested in any contract made by the employee in his or her official capacity,
 24 and -prohibiting each employee from being a purchaser at any sale or vendor at any purchase
 25 made by him or her in his or her official capacity.
 26
 27 4. California Government Code section 1126, which prohibits each CalOptima Health Employee
 28 from engaging in any employment, activity, or enterprise for compensation which is
 29 inconsistent, incompatible, in conflict with, or inimical to his or her duties as a local agency
 30 officer or employee or with the duties, functions, or responsibilities of CalOptima Health.
 31
 32 5. Title 42 of the United States Code section 1320-7b(b), prohibiting the knowing and willful
 33 offer, payment, solicitation or receipt of incentives or remuneration (including any kickback,
 34 bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, to induce the

1 referral of business reimbursable under the Medi-Cal or Medicare programs or to induce an
2 enrollee to use a particular practitioner, provider or supplier.

3
4 6. Title 42 of the Code of Federal Regulations section 460.68 regarding the disclosure and recusal
5 requirement of the governing board for direct or indirect interest in any contract that supplies
6 any administrative or care-related service or materials to PACE.

7
8 C. A conflict of interest exists in any situation in which an employee uses his or her position or
9 association with CalOptima Health for personal or financial gain. The following guidelines are used
10 to determine whether a real or apparent conflict of interest would exist.

11
12 1. *Avoidance of Unfair Competitive Advantage.* An employee's outside employment, consulting,
13 or other business activity outside CalOptima Health may not influence decisions made by
14 CalOptima Health in such a way as to give unfair competitive advantage to the employee's
15 outside business activity.

16
17 2. *Use of Privileged or Official Information.* The use of privileged or official information for
18 personal financial gain while employed with or after separating from employment is a type of
19 conflict of interest and is prohibited. Privileged or official information is information that is
20 known to an employee because of his or her employment with CalOptima Health but is not
21 available to the public. The information covered under this provision includes, but is not limited
22 to, personal health information (PHI), provider rates, personnel records, or proprietary
23 information.

24
25 3. *Protection of Information Not Yet in Public Domain.* A CalOptima Health Employee acting as
26 an independent consultant or as an employee of another organization may not use information,
27 skills or knowledge obtained as a result of CalOptima Health employment, that is material or
28 necessary to a current, in-progress, or proposed CalOptima Health project, that is proprietary to
29 CalOptima Health and that is not yet in the public domain.

30
31 4. *Noncompetition with CalOptima Health.* An employee's outside employment or consulting
32 activity must not compete with current or proposed CalOptima Health projects, programs or
33 initiatives.

34
35 D. CalOptima Employees shall not handle member or provider issues, applications, requests, or cases
36 on behalf of CalOptima Health for -member(s) of the employee's own family or for personal
37 friends.

38
39 E. CalOptima Health Employees shall comply with the Code of Conduct and CalOptima Health
40 Policies AA.1204: Gifts, Honoraria, and Travel Payments and AA.1216: Solicitation and Receipt of
41 Gifts to CalOptima Health. Other than as permitted in CalOptima Health Policies, employees shall
42 not receive gratuity, rebates, kickbacks, accommodation, or other unlawful consideration from any
43 one provider, supplier, vendor, firm, or organization with whom CalOptima Health is currently
44 doing or could potentially do business with. It is the responsibility of the employee to return any gift
45 delivered to them and to notify the Clerk of the Board of such action.

46
47 F. CalOptima Health Employees shall be aware of what outside activities, investments, and/or
48 positions may conflict with or detract from their effectiveness in employment with CalOptima
49 Health, and shall avoid such conflicts.

50
51 G. CalOptima Health Employees shall promptly disclose all potential, suspected, or actual conflicts of
52 interest to CalOptima Health's Human Resources Department (HR) and shall personally withdraw

1 from discussion, voting, or other decision-making process where an employee knows or has reason
2 to know the employee has a real or apparent conflict of interest.

3
4 H. Designated CalOptima Health Employees in those positions listed in the CalOptima Health Conflict
5 of Interest Code shall complete Statements of Economic Interests (FPPC Form 700) and a
6 CalOptima Health Supplement to Form 700 upon hire, annually, and upon termination of
7 employment. If an employee or an employee's immediate family member, as defined in the
8 Political Reform Act, has a financial or employment relationship with a current or potential
9 provider, supplier, vendor, consultant or member, the employee must disclose this fact in writing to
10 HR.

11
12 1. CalOptima Health Employees are required to promptly report any non-CalOptima Health job
13 positions, positions held on non-profit/charitable organizations and/or their affiliations or
14 interests in job-related businesses or organizations on an Employee Report of Outside Interest
15 and/or Other Employment form provided by HR. CalOptima Health employees shall not
16 participate in any of the following activities without the prior written approval of the Chief
17 Executive Officer (or in the case of the Chief Executive Officer, the Chair of the CalOptima
18 Health Board of Directors):

- 19
20 a. Perform work or render services for any Contractor/Vendor/Provider, association of
21 Contractors/Vendors/Providers or other organizations with which CalOptima Health does
22 business or which seek to do business with CalOptima Health;
- 23
24 b. Be a director, officer, or consultant of any Contractor/Vendor/Provider or association of
25 Contractors/Vendors/Providers or other organizations with which CalOptima Health does
26 business or which seek to do business with CalOptima Health; or
- 27
28 c. Permit his or her name to be used in any fashion that would tend to indicate a business
29 connection with any Contractor/Vendor/Provider or association of Contractors/Vendors/
30 Providers or other organizations with which CalOptima Health does business or which seek
31 to do business with CalOptima Health.

32
33 I. Employees may participate in the political process on their own time and at their own expense but
34 shall not give the impression that they are speaking on behalf of or representing CalOptima Health
35 in these activities.

36
37 J. As required in CalOptima Health's contract with the Department of Health Care Services (DHCS)
38 and applicable state and federal laws and regulations, CalOptima Health shall avoid conflicts of
39 interest in the employment of current and former state officers and employees.

40
41 K. Employees in Executive Staff positions shall not, for a period of twelve (12) months after leaving
42 that position or employment with CalOptima Health, act as an agent for, or otherwise represent, for
43 compensation, any other person, contractor, or organization, directly or indirectly, by negotiating,
44 servicing, or soliciting contracts with CalOptima Health.

45
46 K.L. Failure to adhere to this Policy, including failure to promptly disclose any potential or actual
47 conflicts or seek an exception may result in corrective action, up to and including termination of
48 employment and/or legal action. Conflicts that violate state or federal laws may result in regulatory
49 or legal action, including possible fines and criminal prosecution.

50 51 III. PROCEDURE

1 A. HR shall:

- 2
- 3 1. Provide all new CalOptima Health Employees with a copy of this Policy and CalOptima
 - 4 Health's Code of Conduct.
 - 5
 - 6 2. Provide each designated CalOptima Health employee with a copy of the Conflict of Interest
 - 7 Code and a link to the County of Orange's eDisclosure System to the Form 700 Statement of
 - 8 Economic Interests, to complete when assuming office, annually, and upon termination of
 - 9 employment. HR will also provide the Supplement to Form 700 upon hire and annually.
 - 10
 - 11 3. Make the Employee Report of Outside Interest and/or Other Employment form available to all
 - 12 CalOptima Health employees.
 - 13
 - 14 4. Collect and review the completed Supplement to Form 700 forms and/or Employee Report of
 - 15 Outside Interest and/or Other Employment Forms and obtain necessary approvals where
 - 16 required.
 - 17
 - 18 5. Not employ an individual holding a permanent or intermittent position in the State civil service
 - 19 or other appointed State official or an individual who was employed within the previous one (1)
 - 20 year as an appointee or civil service employee with DHCS, subject to certain exceptions which
 - 21 employment determination shall be made in conjunction with the Compliance Department.
 - 22

23 B. All CalOptima Health Employees shall:

- 24
- 25 1. Review and comply with this Policy, CalOptima's Code of Conduct, and the CalOptima Health
- 26 Employee Handbook;
- 27
- 28 2. Avoid any actual or potential conflict between their personal interests and the interest of
- 29 CalOptima Health;
- 30
- 31 3. Promptly report any job-related outside or personal positions or interests on the Employee
- 32 Report of Outside Interest and/or Other Employment form and submit such forms to HR.
- 33
- 34 4. Not make, or participate in making, or in any way attempt to use his or her official position to
- 35 influence a governmental decision in which he or she knows or has reason to know he or she
- 36 has a financial interest.
- 37
- 38 5. Not offer, pay, solicit or receive an incentive or remuneration (including any kickback, bribe, or
- 39 rebate) directly or indirectly, overtly or covertly, in cash or in kind, to induce the referral of
- 40 business reimbursable under the Medi-Cal or Medicare programs or to induce an enrollee to use
- 41 a particular practitioner, provider or supplier.
- 42
- 43 6. Promptly report any suspected or apparent violation of this Policy to CalOptima Health's HR
- 44 Department with detailed information sufficient for HR to investigate the issue and cooperate
- 45 with any subsequent investigation.
- 46
- 47 7. CalOptima Health Employees unsure as to whether a certain transaction, activity, or relationship
- 48 constitutes a conflict of interest should discuss it with their supervisor or HR for clarification.
- 49
- 50 8. Upon being notified that an actual or apparent conflict exists, and an exception is not granted,
- 51 the employee must promptly resolve the conflict by:
- 52

- a. Terminating the outside activity;
- b. Cooperating in reassignment, when appropriate or reasonable or;
- c. Resigning from CalOptima Health.

C. Designated CalOptima Health Employees in those positions listed in the CalOptima Health Conflict of Interest Code shall:

- 1. Upon assuming office, annually, and upon termination of employment, complete and submit a Statement of Economic Interests (FPPC Form 700) on the County of Orange eDisclosure system (<https://cobcoi.ocgov.com/edisclosure/>); and
- 2. Complete a Supplement to Form 700 upon hire and annually.

IV. ATTACHMENT(S)

- A. Conflict of Interest Code Exhibits A and B
- B. Supplement to Form 700
- C. Employee Report of Outside Interest and/or Other Employment Form

V. REFERENCE(S)

- A. CalOptima Health Code of Conduct
- B. CalOptima Health Conflict of Interest Code
- C. CalOptima Health Employee Handbook
- D. CalOptima Health Contract with the Department of Health Care Services (DHCS)
- E. CalOptima Health Policy AA.1204: Gifts, Honoraria and Travel Payments (20200604-BOD)
- F. CalOptima Health Policy AA.1216: Solicitation and Receipt of Gifts to CalOptima Health (20200604-BOD)
- G. Political Reform Act, Government Code §§81000-91014
- H. Title 2, California Code of Regulations (C.C.R.), §§18730 *-et seq.*
- I. California Government Code, §§1090 *et. seq.*
- J. California Government Code, -§1126
- K. California Government Code §§ 87206.3 and 87206.3(c)
- ~~K.L.~~ Title 22, California Code of Regulations, §53600
- ~~L.M.~~ Title 42, United States Code, §§1320a-7b(b)
- ~~M.N.~~ Title 42, Code of Federal Regulations, §460.68

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/08/2009	Regular Meeting of the CalOptima Board of Directors
05/04/2017	Regular Meeting of the CalOptima Board of Directors
02/07/2019	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors
<u>TBD</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

1
2

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	02/01/2000	GA.8012	Conflicts of Interest	Administrative
Revised	07/01/2007	GA.8012	Conflicts of Interest	Administrative
Revised	05/04/2017	GA.8012	Conflicts of Interest	Administrative
Revised	02/07/2019	GA.8012	Conflicts of Interest	Administrative
Revised	12/03/2020	GA.8012	Conflicts of Interest	Administrative
<u>Revised</u>	<u>TBD</u>	<u>GA.8012</u>	<u>Conflicts of Interest</u>	<u>Administrative</u>

3
4
5

For 20220901 BOD Review Only

1
2
3
4

IX. GLOSSARY

Term	Definition
CalOptima <u>Health</u> Employee(s)	For purposes of this policy, include, but are not limited to, all full-time and part-time regular CalOptima <u>Health</u> employees, all temporary employees, interns, CalOptima <u>Health</u> Board members, and applicable contractors and consultants.

For 20220901 BOD Review Only



Policy: GA.8012
 Title: **Conflicts of Interest**
 Department: CalOptima Health Administrative
 Section: Human Resources

CEO Approval: /s/

Effective Date: 02/01/2000
 Revised Date: TBD

- Applicable to:
- Medi-Cal
 - OneCare
 - OneCare Connect
 - PACE
 - Administrative

1 **I. PURPOSE**

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This policy establishes guidelines and standards for CalOptima Health Employees to avoid conflicts of interest and incompatible outside activities.

6 **II. POLICY**

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A. CalOptima Health Employees shall avoid anything that constitutes a real or apparent conflict between their personal interests and the interests of CalOptima Health.

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B. CalOptima Health Employees shall avoid conflicts of interest and shall adhere to applicable state and federal laws and regulations, including, but not limited to:

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1. California Government Code Section 81000 et seq., requiring all designated employees to comply with the reporting requirements in CalOptima Health’s Conflict of Interest Code;

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2. California Government Code Section 87100, prohibiting each CalOptima Health Employee from making, participating in making or in any way attempting to use his or her official position to influence a governmental decision in which he or she knows or has reason to know that he or she has a financial interest;

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3. California Government Code section 1090, prohibiting each CalOptima Health Employee from being financially interested in any contract made by the employee in his or her official capacity, and prohibiting each employee from being a purchaser at any sale or vendor at any purchase made by him or her in his or her official capacity.

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4. California Government Code section 1126, which prohibits each CalOptima Health Employee from engaging in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a local agency officer or employee or with the duties, functions, or responsibilities of CalOptima Health.

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5. Title 42 of the United States Code section 1320-7b(b), prohibiting the knowing and willful offer, payment, solicitation or receipt of incentives or remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, to induce the

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1 referral of business reimbursable under the Medi-Cal or Medicare programs or to induce an
2 enrollee to use a particular practitioner, provider or supplier.

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4 6. Title 42 of the Code of Federal Regulations section 460.68 regarding the disclosure and recusal
5 requirement of the governing board for direct or indirect interest in any contract that supplies
6 any administrative or care-related service or materials to PACE.

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8 C. A conflict of interest exists in any situation in which an employee uses his or her position or
9 association with CalOptima Health for personal or financial gain. The following guidelines are used
10 to determine whether a real or apparent conflict of interest would exist.

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12 1. *Avoidance of Unfair Competitive Advantage.* An employee's outside employment, consulting,
13 or other business activity outside CalOptima Health may not influence decisions made by
14 CalOptima Health in such a way as to give unfair competitive advantage to the employee's
15 outside business activity.
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17 2. *Use of Privileged or Official Information.* The use of privileged or official information for
18 personal financial gain while employed with or after separating from employment is a type of
19 conflict of interest and is prohibited. Privileged or official information is information that is
20 known to an employee because of his or her employment with CalOptima Health but is not
21 available to the public. The information covered under this provision includes, but is not limited
22 to, personal health information (PHI), provider rates, personnel records, or proprietary
23 information.
- 24
25 3. *Protection of Information Not Yet in Public Domain.* A CalOptima Health Employee acting as
26 an independent consultant or as an employee of another organization may not use information,
27 skills or knowledge obtained as a result of CalOptima Health employment, that is material or
28 necessary to a current, in-progress, or proposed CalOptima Health project, that is proprietary to
29 CalOptima Health and that is not yet in the public domain.
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31 4. *Noncompetition with CalOptima Health.* An employee's outside employment or consulting
32 activity must not compete with current or proposed CalOptima Health projects, programs or
33 initiatives.

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35 D. CalOptima Employees shall not handle member or provider issues, applications, requests, or cases
36 on behalf of CalOptima Health for member(s) of the employee's own family or for personal friends.

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38 E. CalOptima Health Employees shall comply with the Code of Conduct and CalOptima Health
39 Policies AA.1204: Gifts, Honoraria, and Travel Payments and AA.1216: Solicitation and Receipt of
40 Gifts to CalOptima Health. Other than as permitted in CalOptima Health Policies, employees shall
41 not receive gratuity, rebates, kickbacks, accommodation, or other unlawful consideration from any
42 one provider, supplier, vendor, firm, or organization with whom CalOptima Health is currently
43 doing or could potentially do business with. It is the responsibility of the employee to return any gift
44 delivered to them and to notify the Clerk of the Board of such action.

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46 F. CalOptima Health Employees shall be aware of what outside activities, investments, and/or
47 positions may conflict with or detract from their effectiveness in employment with CalOptima
48 Health and shall avoid such conflicts.

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50 G. CalOptima Health Employees shall promptly disclose all potential, suspected, or actual conflicts of
51 interest to CalOptima Health's Human Resources Department (HR) and shall personally withdraw

1 from discussion, voting, or other decision-making process where an employee knows or has reason
2 to know the employee has a real or apparent conflict of interest.
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4 H. Designated CalOptima Health Employees in those positions listed in the CalOptima Health Conflict
5 of Interest Code shall complete Statements of Economic Interests (FPPC Form 700) and a
6 CalOptima Health Supplement to Form 700 upon hire, annually, and upon termination of
7 employment. If an employee or an employee's immediate family member, as defined in the
8 Political Reform Act, has a financial or employment relationship with a current or potential
9 provider, supplier, vendor, consultant or member, the employee must disclose this fact in writing to
10 HR.
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12 1. CalOptima Health Employees are required to promptly report any non-CalOptima Health job
13 positions, positions held on non-profit/charitable organizations and/or their affiliations or
14 interests in job-related businesses or organizations on an Employee Report of Outside Interest
15 and/or Other Employment form provided by HR. CalOptima Health employees shall not
16 participate in any of the following activities without the prior written approval of the Chief
17 Executive Officer (or in the case of the Chief Executive Officer, the Chair of the CalOptima
18 Health Board of Directors):
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- 20 a. Perform work or render services for any Contractor/Vendor/Provider, association of
21 Contractors/Vendors/Providers or other organizations with which CalOptima Health does
22 business or which seek to do business with CalOptima Health;
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24 b. Be a director, officer, or consultant of any Contractor/Vendor/Provider or association of
25 Contractors/Vendors/Providers or other organizations with which CalOptima Health does
26 business or which seek to do business with CalOptima Health; or
27
28 c. Permit his or her name to be used in any fashion that would tend to indicate a business
29 connection with any Contractor/Vendor/Provider or association of Contractors/Vendors/
30 Providers or other organizations with which CalOptima Health does business or which seek
31 to do business with CalOptima Health.
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33 I. Employees may participate in the political process on their own time and at their own expense but
34 shall not give the impression that they are speaking on behalf of or representing CalOptima Health
35 in these activities.
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37 J. As required in CalOptima Health's contract with the Department of Health Care Services (DHCS)
38 and applicable state and federal laws and regulations, CalOptima Health shall avoid conflicts of
39 interest in the employment of current and former state officers and employees.
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41 K. Employees in Executive Staff positions shall not, for a period of twelve (12) months after leaving
42 that position or employment with CalOptima Health, act as an agent for, or otherwise represent, for
43 compensation, any other person, contractor, or organization, directly or indirectly, by negotiating,
44 servicing, or soliciting contracts with CalOptima Health.
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46 L. Failure to adhere to this Policy, including failure to promptly disclose any potential or actual
47 conflicts or seek an exception may result in corrective action, up to and including termination of
48 employment and/or legal action. Conflicts that violate state or federal laws may result in regulatory
49 or legal action, including possible fines and criminal prosecution.
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51 III. PROCEDURE 52

1 A. HR shall:
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- 3 1. Provide all new CalOptima Health Employees with a copy of this Policy and CalOptima
4 Health's Code of Conduct.
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6 2. Provide each designated CalOptima Health employee with a copy of the Conflict of Interest
7 Code and a link to the County of Orange's eDisclosure System to the Form 700 Statement of
8 Economic Interests, to complete when assuming office, annually, and upon termination of
9 employment. HR will also provide the Supplement to Form 700 upon hire and annually.
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11 3. Make the Employee Report of Outside Interest and/or Other Employment form available to all
12 CalOptima Health employees.
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14 4. Collect and review the completed Supplement to Form 700 forms and/or Employee Report of
15 Outside Interest and/or Other Employment Forms and obtain necessary approvals where
16 required.
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18 5. Not employ an individual holding a permanent or intermittent position in the State civil service
19 or other appointed State official or an individual who was employed within the previous one (1)
20 year as an appointee or civil service employee with DHCS, subject to certain exceptions which
21 employment determination shall be made in conjunction with the Compliance Department.
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23 B. All CalOptima Health Employees shall:
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- 25 1. Review and comply with this Policy, CalOptima's Code of Conduct, and the CalOptima Health
26 Employee Handbook;
27
28 2. Avoid any actual or potential conflict between their personal interests and the interest of
29 CalOptima Health;
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31 3. Promptly report any job-related outside or personal positions or interests on the Employee
32 Report of Outside Interest and/or Other Employment form and submit such forms to HR.
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34 4. Not make, or participate in making, or in any way attempt to use his or her official position to
35 influence a governmental decision in which he or she knows or has reason to know he or she
36 has a financial interest.
37
38 5. Not offer, pay, solicit or receive an incentive or remuneration (including any kickback, bribe, or
39 rebate) directly or indirectly, overtly or covertly, in cash or in kind, to induce the referral of
40 business reimbursable under the Medi-Cal or Medicare programs or to induce an enrollee to use
41 a particular practitioner, provider or supplier.
42
43 6. Promptly report any suspected or apparent violation of this Policy to CalOptima Health's HR
44 Department with detailed information sufficient for HR to investigate the issue and cooperate
45 with any subsequent investigation.
46
47 7. CalOptima Health Employees unsure as to whether a certain transaction, activity, or relationship
48 constitutes a conflict of interest should discuss it with their supervisor or HR for clarification.
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50 8. Upon being notified that an actual or apparent conflict exists, and an exception is not granted,
51 the employee must promptly resolve the conflict by:
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- a. Terminating the outside activity;
- b. Cooperating in reassignment, when appropriate or reasonable or;
- c. Resigning from CalOptima Health.

C. Designated CalOptima Health Employees in those positions listed in the CalOptima Health Conflict of Interest Code shall:

- 1. Upon assuming office, annually, and upon termination of employment, complete and submit a Statement of Economic Interests (FPPC Form 700) on the County of Orange eDisclosure system (<https://cobcoi.ocgov.com/edisclosure/>); and
- 2. Complete a Supplement to Form 700 upon hire and annually.

IV. ATTACHMENT(S)

- A. Conflict of Interest Code Exhibits A and B
- B. Supplement to Form 700
- C. Employee Report of Outside Interest and/or Other Employment Form

V. REFERENCE(S)

- A. CalOptima Health Code of Conduct
- B. CalOptima Health Conflict of Interest Code
- C. CalOptima Health Employee Handbook
- D. CalOptima Health Contract with the Department of Health Care Services (DHCS)
- E. CalOptima Health Policy AA.1204: Gifts, Honoraria and Travel Payments (20200604-BOD)
- F. CalOptima Health Policy AA.1216: Solicitation and Receipt of Gifts to CalOptima Health (20200604-BOD)
- G. Political Reform Act, Government Code §§81000-91014
- H. Title 2, California Code of Regulations (C.C.R.), §§18730 *et seq.*
- I. California Government Code, §§1090 *et. seq.*
- J. California Government Code, §1126
- K. California Government Code §§ 87206.3 and 87206.3(c)
- L. Title 22, California Code of Regulations, §53600
- M. Title 42, United States Code, §§1320a-7b(b)
- N. Title 42, Code of Federal Regulations, §460.68

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/08/2009	Regular Meeting of the CalOptima Board of Directors
05/04/2017	Regular Meeting of the CalOptima Board of Directors
02/07/2019	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors
TBD	Regular Meeting of the CalOptima Health Board of Directors

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VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	02/01/2000	GA.8012	Conflicts of Interest	Administrative
Revised	07/01/2007	GA.8012	Conflicts of Interest	Administrative
Revised	05/04/2017	GA.8012	Conflicts of Interest	Administrative
Revised	02/07/2019	GA.8012	Conflicts of Interest	Administrative
Revised	12/03/2020	GA.8012	Conflicts of Interest	Administrative
Revised	TBD	GA.8012	Conflicts of Interest	Administrative

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For 20220901 BOD Review Only

1 IX. GLOSSARY
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Term	Definition
CalOptima Health Employee(s)	For purposes of this policy, include, but are not limited to, all full-time and part-time regular CalOptima Health employees, all temporary employees, interns, CalOptima Health Board members, and applicable contractors and consultants.

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For 20220901 BOD Review Only



Conflict of Interest Code EXHIBIT A

Approved September 01, 2022, by
CalOptima Health Board of Directors

Entity: Other Misc. Authorities, Districts and Commissions

Agency: CalOptima Health

Position	Disclosure Category	Files With	Status
Assistant Director	OC-41	COB	<u>Revised Job Title</u>
Associate Director, Customer Service	OC-41	COB	<u>Revised Job Title</u>
Associate Director, Information Services	OC-08	COB	<u>Revised Job Title</u>
Associate Director, Provider Network	OC-41	COB	<u>Revised Job Title</u>
<u>Associate Director I</u>	<u>OC-41</u>	<u>COB</u>	<u>New Job Title</u>
<u>Associate Director II</u>	<u>OC-41</u>	<u>COB</u>	<u>New Job Title</u>
<u>Associate Director III</u>	<u>OC-41</u>	<u>COB</u>	<u>New Job Title</u>
<u>Associate Director IV</u>	<u>OC-41</u>	<u>COB</u>	<u>New Job Title</u>
Buyer	OC-01	COB	Unchanged
Buyer, Int.	OC-01	COB	Unchanged
Buyer, Sr.	OC-01	COB	Unchanged
Chief Counsel	OC-01	COB	<u>Job Title Eliminated</u>
<u>Chief Compliance Officer</u>	<u>OC-01</u>	<u>COB</u>	<u>New Position</u>
Chief Executive Officer	OC-01	COB	Unchanged
Chief Financial Officer	OC-01	COB	Unchanged
<u>Chief Health Equity Officer</u>	<u>OC-01</u>	<u>COB</u>	<u>New Position</u>
<u>Chief Human Resources Officer</u>	<u>OC-01</u>	<u>COB</u>	<u>New Position</u>
Chief Information Officer	OC-01	COB	Unchanged
Chief Medical Officer	OC-01	COB	Unchanged
<u>Chief of Staff</u>	<u>OC-01</u>	<u>COB</u>	<u>New Position</u>
Chief Operating Officer	OC-01	COB	Unchanged
Clerk of the Board	OC-06	COB	Unchanged
Clinical Pharmacist	OC-20	COB	Unchanged
Consultant	OC-01	Agency	Unchanged
Contract Administrator	OC-06	COB	Unchanged
Contracts Manager	OC-06	COB	Unchanged
Contracts Manager, Sr.	OC-06	COB	Unchanged
Contracts Specialist	OC-06	COB	Unchanged



Conflict of Interest Code EXHIBIT A

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Position	Disclosure Category	Files With	Status
Contracts Specialist, Int.	OC-06	COB	Unchanged
Contracts Specialist, Sr.	OC-06	COB	Unchanged
Controller	OC-01	COB	Unchanged
Deputy Chief Counsel	OC-01	COB	<u>Job Title Eliminated</u>
Deputy Chief Medical Officer	OC-01	COB	Unchanged
Deputy Clerk of the Board	OC-06	COB	<u>New Job Title</u>
<u>Director I</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
<u>Director II</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
<u>Director III</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
<u>Director IV</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
Director, Accounting	OC-01	COB	<u>Revised Job Title</u>
Director, Applications Management	OC-08	COB	<u>Revised Job Title</u>
Director, Audit and Oversight	OC-01	COB	<u>Revised Job Title</u>
Director, Behavioral Health Services	OC-41	COB	<u>Revised Job Title</u>
Director, Budget & Procurement	OC-01	COB	<u>Revised Job Title</u>
Director, Business Development	OC-41	COB	<u>Revised Job Title</u>
Director, Business Integration	OC-41	COB	<u>Revised Job Title</u>
Director, Case Management	OC-41	COB	<u>Revised Job Title</u>
Director, Claims Administration	OC-41	COB	<u>Revised Job Title</u>
Director, Clinical Outcomes	OC-01	COB	<u>Revised Job Title</u>
Director, Clinical Pharmacy	OC-01	COB	<u>Revised Job Title</u>
Director, Coding Initiatives	OC-06	COB	<u>Revised Job Title</u>
Director, Communications	OC-13	COB	<u>Revised Job Title</u>
Director Community Relations	OC-41	COB	<u>Revised Job Title</u>
Director, Configuration & Coding	OC-06	COB	<u>Revised Job Title</u>
Director, Contracting	OC-01	COB	<u>Revised Job Title</u>
Director, COREC	OC-08	COB	<u>Revised Job Title</u>
Director, Customer Service	OC-41	COB	<u>Revised Job Title</u>
Director, Electronic Business	OC-06	COB	<u>Revised Job Title</u>
Director, Enterprise Analytics	OC-06	COB	<u>Revised Job Title</u>



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Position	Disclosure Category	Files With	Status
Director, Facilities	OC 41	COB	<u>Revised Job Title</u>
Director, Finance & Procurement	OC 01	COB	<u>Revised Job Title</u>
Director, Financial Analysis	OC 01	COB	<u>Revised Job Title</u>
Director, Financial Compliance	OC 01	COB	<u>Revised Job Title</u>
Director, Fraud, Waste & Abuse and Privacy	OC 01	COB	<u>Revised Job Title</u>
Director, Government Affairs	OC 41	COB	<u>Revised Job Title</u>
Director, Grievance & Appeals	OC 41	COB	<u>Revised Job Title</u>
Director, Health Services	OC 41	COB	<u>Revised Job Title</u>
Director, Human Resources	OC 11	COB	<u>Revised Job Title</u>
Director, Information Services	OC 08	COB	<u>Revised Job Title</u>
Director, Long Term Support Services	OC 41	COB	<u>Revised Job Title</u>
Director, Medi-Cal Plan Operations	OC 41	COB	<u>Revised Job Title</u>
Director, Network Management	OC 41	COB	<u>Revised Job Title</u>
Director, OneCare Operations	OC 41	COB	<u>Revised Job Title</u>
Director, Organizational Training & Education	OC 11	COB	<u>Revised Job Title</u>
Director, PACE Program	OC 41	COB	<u>Revised Job Title</u>
Director, Population Health Management	OC 41	COB	<u>Revised Job Title</u>
Director, Process Excellence	OC 41	COB	<u>Revised Job Title</u>
Director, Program Implementation	OC 41	COB	<u>Revised Job Title</u>
Director, Project Management	OC 41	COB	<u>Revised Job Title</u>
Director, Provider Data Quality	OC 41	COB	<u>Revised Job Title</u>
Director, Provider Services	OC 41	COB	<u>Revised Job Title</u>
Director, Public Policy	OC 41	COB	<u>Revised Job Title</u>
Director, Quality (LTSS)	OC 41	COB	<u>Revised Job Title</u>
Director, Quality Analytics	OC 06	COB	<u>Revised Job Title</u>
Director, Quality Improvement	OC 41	COB	<u>Revised Job Title</u>
Director, Regulatory Affairs and Compliance	OC 01	COB	<u>Revised Job Title</u>
Director, Strategic Development	OC 41	COB	<u>Revised Job Title</u>
Director, Systems Development	OC 08	COB	<u>Revised Job Title</u>



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Position	Disclosure Category	Files With	Status
Director, Utilization Management	OC-41	COB	<u>Revised Job Title</u>
Director, Vendor Management	OC-01	COB	<u>Revised Job Title</u>
Enterprise Analytics Manager	OC-06	COB	Unchanged
<u>Executive Director</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
Executive Director, Behavioral Health Integration	OC-41	COB	<u>Revised Job Title</u>
Executive Director, Clinical Operations	OC-01	COB	<u>Revised Job Title</u>
Executive Director, Compliance	OC-01	COB	<u>Revised Job Title</u>
Executive Director, Human Resources	OC-01	COB	<u>Revised Job Title</u>
Executive Director, Network Operations	OC-01	COB	<u>Revised Job Title</u>
Executive Director, Operations	OC-01	COB	<u>Revised Job Title</u>
Executive Director, Program Implementation	OC-01	COB	<u>Revised Job Title</u>
Executive Director, Public Affairs	OC-01	COB	<u>Revised Job Title</u>
Executive Director, Quality & Population Health Management	OC-01	COB	<u>Revised Job Title</u>
Financial Analyst Financial Analyst I	OC-01	COB	<u>Revised Job Title</u>
Financial Analyst Sr Financial Analyst II	OC-01	COB	<u>Revised Job Title</u>
<u>Financial Analyst III</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
<u>Financial Analyst IV</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
Financial Reporting Analyst	OC-01	COB	Unchanged
Litigation Support Specialist	OC-41	COB	Unchanged
Manager, Accounting	OC-01	COB	Unchanged
Manager, Actuary	OC-01	COB	Unchanged
Manager, Applications Management	OC-08	COB	<u>Job Title Eliminated</u>
Manager, Audit and Oversight	OC-01	COB	Unchanged
Manager, Behavioral Health	OC-41	COB	Unchanged
Manager, Business Integration	OC-06	COB	Unchanged
Manager, Case Management	OC-41	COB	Unchanged
Manager, Claims	OC-41	COB	Unchanged
Manager, Clinic Operations	OC-06	COB	Unchanged
Manager, Clinical Pharmacists	OC-20	COB	Unchanged



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CalOptima Health Board of Directors

Position	Disclosure Category	Files With	Status
Manager, Coding Quality	OC-06	COB	Unchanged
Manager, Communications	OC-13	COB	Unchanged
Manager, Community Relations	OC-06	COB	Unchanged
Manager, Contracting	OC-41	COB	Unchanged
Manager, Creative Branding	OC-13	COB	Unchanged
Manager, Cultural & Linguistics	OC-06	COB	Unchanged
Manager, Customer Service	OC-41	COB	Unchanged
Manager, Decision Support	OC-06	COB	<u>Job Title Eliminated</u>
Manager, Electronic Business	OC-06	COB	Unchanged
Manager, Employment Services	OC-11	COB	<u>Job Title Eliminated</u>
Manager, Encounters	OC-06	COB	Unchanged
Manager, Environmental Health & Safety	OC-06	COB	Unchanged
Manager, Facilities	OC-41	COB	<u>Job Title Eliminated</u>
Manager, Finance	OC-01	COB	Unchanged
Manager, Financial Analysis	OC-01	COB	Unchanged
Manager, Government Affairs	OC-41	COB	Unchanged
Manager, Grievance and Appeals	OC-41	COB	Unchanged
Manager, Health Education	OC-41	COB	<u>Job Title Eliminated</u>
Manager, HEDIS	OC-06	COB	<u>Job Title Eliminated</u>
Manager, Human Resources	OC-11	COB	Unchanged
Manager Information <u>Technology</u> Services	OC-08	COB	<u>Revised Job Title</u>
Manager, Information Technology	OC-08	COB	<u>Job Title Eliminated</u>
Manager, Integration Government Liaison	OC-41	COB	<u>Job Title Eliminated</u>
Manager, Long Term Support Services	OC-41	COB	Unchanged
Manager, Marketing and Enrollment (PACE)	OC-06	COB	Unchanged
Manager, Marketing & Outreach	OC-06	COB	Unchanged
Manager, Medical Data Management	OC-06	COB	<u>Job Title Eliminated</u>
Manager, Medi-Cal Program Operations	OC-41	COB	<u>Job Title Eliminated</u>
Manager, Member Liaison Program	OC-41	COB	Unchanged



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Position	Disclosure Category	Files With	Status
Manager, Member Outreach & Education	OC-41	COB	Unchanged
Manager, Member Outreach, Education and Provider Relations	OC-41	COB	Job Title Eliminated
Manager, MSSP	OC-41	COB	Unchanged
Manager, OneCare Clinical	OC-41	COB	New Job Title
Manager, OneCare Customer Service	OC-41	COB	New Job Title
Manager, Outreach & Enrollment	OC-41	COB	New Job Title
Manager, PACE Center	OC-41	COB	New Job Title
Manager, Population Health Management	OC-41	COB	Unchanged
Manager, Process Excellence	OC-41	COB	Unchanged
Manager, Program Implementation	OC-06	COB	Unchanged
Manager, Project Management	OC-06	COB	Job Title Eliminated
Manager, Provider Data Management Services	OC-41	COB	Unchanged
Manager, Provider Network	OC-41	COB	Unchanged
Manager, Provider Relations	OC-41	COB	Unchanged
Manager, Provider Services	OC-41	COB	Job Title Eliminated
Manager, Purchasing	OC-01	COB	Unchanged
Manager, QI Initiatives	OC-41	COB	Unchanged
Manager, Quality Analytics	OC-06	COB	Unchanged
Manager, Quality Improvement	OC-41	COB	Unchanged
Manager, Regulatory Affairs and Compliance	OC-41	COB	Unchanged
Manager, Reporting & Financial Compliance	OC-01	COB	Unchanged
Manager, Strategic Development	OC-41	COB	Unchanged
Manager, Strategic Operations	OC-41	COB	Job Title Eliminated
Manager, Systems Development	OC-08	COB	Job Title Eliminated
Manager, Utilization Management	OC-06	COB	Unchanged
Medical Case Manager	OC-41	COB	Unchanged
Medical Case Manager (LVN)	OC-41	COB	Unchanged
Medical Director	OC-01	COB	Unchanged



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Position	Disclosure Category	Files With	Status
Medical Services Case Manager	OC-41	COB	Unchanged
Nurse Practitioner (PACE)	OC-41	COB	Unchanged
OneCare Operations Manager	OC-41	COB	Unchanged
Pharmacy Resident	OC-20	COB	Unchanged
Pharmacy Services Specialist	OC-20	COB	Unchanged
Pharmacy Services Specialist, Int.	OC-20	COB	Unchanged
Pharmacy Services Specialist, Sr.	OC-20	COB	Unchanged
Policy Advisor, Sr.	OC-41	COB	Unchanged
<u>Principal Financial Analyst</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
Privacy Manager	OC-41	COB	Unchanged
Privacy Officer	OC-41	COB	Unchanged
Process Excellence Manager	OC-41	COB	Unchanged
Program Manager	OC-06	COB	Unchanged
Program Manager, Sr.	OC-06	COB	Unchanged
Project Manager	OC-06	COB	Unchanged
Project Manager, Lead	OC-06	COB	Unchanged
Project Manager, Sr.	OC-06	COB	Unchanged
QI Nurse Specialist (RN or LVN)	OC-06	COB	Unchanged
<u>Records Manager</u>	<u>OC-06</u>	<u>COB</u>	<u>New Position</u>
Regulatory Affairs and Compliance Analyst	OC-41	COB	Unchanged
Regulatory Affairs and Compliance Analyst, Sr.	OC-41	COB	Unchanged
Regulatory Affairs and Compliance, Lead	OC-41	COB	Unchanged
RN (PACE)	OC-41	COB	Unchanged
Security Officer	OC-41	COB	<u>Job Title Eliminated</u>
Senior Manager, Government Affairs	OC-06	COB	<u>Revised Job Title</u>
Special Counsel	OC-01	COB	<u>Job Title Eliminated</u>
Sr. Director, Regulatory Affairs and Compliance	OC-01	COB	<u>Revised Job Title</u>
Sr. Manager, Financial Analysis	OC-01	COB	<u>Revised Job Title</u>
Sr. Manager, Human Resources	OC-11	COB	<u>Revised Job Title</u>



Conflict of Interest Code EXHIBIT A

Approved September 01, 2022, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With	Status
Sr. Manager, Information Services	OC-08	COB	<u>Revised Job Title</u>
Sr. Manager, Provider Network	OC-41	COB	<u>Revised Job Title</u>
<u>Sr Director</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
<u>Sr Manager I</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
<u>Sr Manager II</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
<u>Sr Manager III</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
<u>Sr Manager IV</u>	<u>OC-01</u>	<u>COB</u>	<u>New Job Title</u>
Staff Attorney	OC-01	COB	<u>Job Title Eliminated</u>
Staff Attorney, Sr.	OC-01	COB	<u>Job Title Eliminated</u>
Supervisor, Accounting	OC-01	COB	Unchanged
Supervisor, Audit and Oversight	OC-01	COB	Unchanged
Supervisor, Behavioral Health	OC-41	COB	Unchanged
Supervisor, Budgeting	OC-01	COB	Unchanged
Supervisor, Case Management	OC-41	COB	Unchanged
Supervisor, Claims	OC-06	COB	Unchanged
Supervisor, Coding Initiatives	OC-06	COB	Unchanged
Supervisor, Credentialing	OC-41	COB	Unchanged
Supervisor, Customer Service	OC-06	COB	Unchanged
Supervisor, Data Entry	OC-06	COB	Unchanged
Supervisor, Day Center (PACE)	OC-06	COB	Unchanged
Supervisor, Dietary Services (PACE)	OC-41	COB	Unchanged
Supervisor, Encounters	OC-06	COB	Unchanged
Supervisor, Facilities	OC-41	COB	Unchanged
Supervisor, Finance	OC-01	COB	Unchanged
Supervisor, Grievance and Appeals	OC-41	COB	Unchanged
Supervisor, Health Education	OC-06	COB	<u>Job Title Eliminated</u>
Supervisor Information <u>Technology</u> Services	OC-08	COB	<u>Revised Job Title</u>
Supervisor, Long Term Support Services	OC-41	COB	Unchanged
Supervisor, Member Outreach and Education	OC-06	COB	Unchanged



Conflict of Interest Code EXHIBIT A

Approved September 01, 2022, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With	Status
Supervisor, MSSP	OC-06	COB	Unchanged
Supervisor, Nursing Services (PACE)	OC-41	COB	Unchanged
Supervisor, OneCare Customer Service	OC-06	COB	Unchanged
Supervisor, Payroll	OC-06	COB	Unchanged
Supervisor, Pharmacist	OC-20	COB	Unchanged
Supervisor, Population Health Management	OC-41	COB	Unchanged
Supervisor, Provider <u>Enrollment Data Management Services</u>	OC-06	COB	<u>Revised Job Title</u>
Supervisor, Provider Relations	OC-41	COB	Unchanged
Supervisor, Quality Analytics	OC-06	COB	Unchanged
Supervisor, Quality Improvement	OC-41	COB	Unchanged
Supervisor, Regulatory Affairs and Compliance	OC-41	COB	Unchanged
Supervisor, Social Work (PACE)	OC-41	COB	Unchanged
Supervisor, Systems Development	OC-08	COB	<u>Job Title Eliminated</u>
Supervisor, Therapy Services (PACE)	OC-41	COB	Unchanged
Supervisor, Utilization Management	OC-06	COB	Unchanged

Total: 221-153

OFFICIALS WHO ARE SPECIFIED IN GOVERNMENT CODE SECTION 87200

Officials who are specified in Government Code section 87200 (including officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3 (b)), are NOT subject to the Agency’s Conflict of Interest Code but are subject to the disclosure requirements of the Political Reform Act, Government Code section 87100, et seq. Gov’t Code § 87203. These positions are listed here for informational purposes only.

The positions listed below are officials who are specified in Government Code section 87200:

Alternate Member of the Board of Directors	Files with	COB
Chief Executive Officer	Files with	COB
Chief Financial Officer	Files with	COB
Member of the Board of Directors	Files with	COB



Conflict of Interest Code EXHIBIT A

Approved September 01, 2022, by
CalOptima Health Board of Directors

The disclosure requirements for these positions are set forth in Government Code section 87200, et. seq. They require the disclosure of interests in real property in the agency's jurisdiction, as well as investments, business positions and sources of income (including gifts, loans and travel payments).



Disclosure Descriptions

EXHIBIT B

Entity: Other Misc. Authorities, Districts and
Commissions Agency: CalOptima Health

Disclosure Category	Disclosure Description
87200 Filer	Form 87200 filers shall complete all schedules for Form 700 and disclose all reportable sources of income, interests in real property, investments and business positions in business entities, if applicable, pursuant to Government Code Section 87200 <i>et seq...</i>
OC-01	All interests in real property in Orange County, the authority or the District as applicable, as well as investments, business positions and sources of income (including gifts, loans and travel payments).
OC-06	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide leased facilities and goods, supplies, equipment, vehicles, machinery or services (including training and consulting services) of the types used by the County Department, Authority or District, as applicable.
OC-08	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that develop or provide computer hardware/software, voice data communications, or data processing goods, supplies, equipment, or services (including training and consulting services) used by the County Department, Authority or District, as applicable.
OC-11	All interests in real property in Orange County or located entirely or partly within the Authority or District boundaries as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that are engaged in the supply of equipment related to recruitment, employment search & marketing, classification, training, or negotiation with personnel; employee benefits, and health and welfare benefits.
OC-13	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that produce or provide promotional items for public outreach programs; present, facilitate, market or otherwise act as agent for media relations with regard to public relations; provide printing, copying, or mail services; or provide training for or development of customer service representatives.
OC-20	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide pharmaceutical services, supplies, materials or equipment.

Disclosure Category	Disclosure Description
OC-30	<p>Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The County Department Head/Director/General Manager/Superintendent/etc. may determine that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.</p>
OC-41	<p>All interests in real property in Orange County, the District or Authority, as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide services, supplies, materials, machinery, vehicles, or equipment (including training and consulting services) used by the County Department, Authority or District, as applicable.</p>

Grand Total: 9



Conflict of Interest Code EXHIBIT A

Approved September 01, 2022, by
CalOptima Health Board of Directors

Entity: Other Misc. Authorities, Districts and Commissions

Agency: CalOptima Health

Position	Disclosure Category	Files With	Status
Associate Director I	OC-41	COB	New Job Title
Associate Director II	OC-41	COB	New Job Title
Associate Director III	OC-41	COB	New Job Title
Associate Director IV	OC-41	COB	New Job Title
Buyer	OC-01	COB	Unchanged
Buyer, Int.	OC-01	COB	Unchanged
Buyer, Sr.	OC-01	COB	Unchanged
Chief Compliance Officer	OC-01	COB	New Position
Chief Executive Officer	OC-01	COB	Unchanged
Chief Financial Officer	OC-01	COB	Unchanged
Chief Health Equity Officer	OC-01	COB	New Position
Chief Human Resources Officer	OC-01	COB	New Position
Chief Information Officer	OC-01	COB	Unchanged
Chief Medical Officer	OC-01	COB	Unchanged
Chief of Staff	OC-01	COB	New Position
Chief Operating Officer	OC-01	COB	Unchanged
Clerk of the Board	OC-06	COB	Unchanged
Clinical Pharmacist	OC-20	COB	Unchanged
Consultant	OC-01	Agency	Unchanged
Contract Administrator	OC-06	COB	Unchanged
Contracts Manager	OC-06	COB	Unchanged
Contracts Manager, Sr.	OC-06	COB	Unchanged
Contracts Specialist	OC-06	COB	Unchanged
Contracts Specialist, Int.	OC-06	COB	Unchanged
Contracts Specialist, Sr.	OC-06	COB	Unchanged
Controller	OC-01	COB	Unchanged
Deputy Chief Medical Officer	OC-01	COB	Unchanged
Deputy Clerk of the Board	OC-06	COB	New Job Title



Conflict of Interest Code

EXHIBIT A

Approved September 01, 2022, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With	Status
Director I	OC-01	COB	New Job Title
Director II	OC-01	COB	New Job Title
Director III	OC-01	COB	New Job Title
Director IV	OC-01	COB	New Job Title
Enterprise Analytics Manager	OC-06	COB	Unchanged
Executive Director	OC-01	COB	New Job Title
Financial Analyst I	OC-01	COB	Revised Job Title
Financial Analyst II	OC-01	COB	Revised Job Title
Financial Analyst III	OC-01	COB	New Job Title
Financial Analyst IV	OC-01	COB	New Job Title
Financial Reporting Analyst	OC-01	COB	Unchanged
Litigation Support Specialist	OC-41	COB	Unchanged
Manager, Accounting	OC-01	COB	Unchanged
Manager, Actuary	OC-01	COB	Unchanged
Manager, Audit and Oversight	OC-01	COB	Unchanged
Manager, Behavioral Health	OC-41	COB	Unchanged
Manager, Business Integration	OC-06	COB	Unchanged
Manager, Case Management	OC-41	COB	Unchanged
Manager, Claims	OC-41	COB	Unchanged
Manager, Clinic Operations	OC-06	COB	Unchanged
Manager, Clinical Pharmacists	OC-20	COB	Unchanged
Manager, Coding Quality	OC-06	COB	Unchanged
Manager, Communications	OC-13	COB	Unchanged
Manager, Community Relations	OC-06	COB	Unchanged
Manager, Contracting	OC-41	COB	Unchanged
Manager, Creative Branding	OC-13	COB	Unchanged
Manager, Cultural & Linguistics	OC-06	COB	Unchanged
Manager, Customer Service	OC-41	COB	Unchanged
Manager, Electronic Business	OC-06	COB	Unchanged
Manager, Encounters	OC-06	COB	Unchanged



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Approved September 01, 2022, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With	Status
Manager, Environmental Health & Safety	OC-06	COB	Unchanged
Manager, Finance	OC-01	COB	Unchanged
Manager, Financial Analysis	OC-01	COB	Unchanged
Manager, Government Affairs	OC-41	COB	Unchanged
Manager, Grievance and Appeals	OC-41	COB	Unchanged
Manager, Human Resources	OC-11	COB	Unchanged
Manager, Information Technology Services	OC-08	COB	Revised Job Title
Manager, Long Term Support Services	OC-41	COB	Unchanged
Manager, Marketing & Outreach	OC-06	COB	Unchanged
Manager, Marketing and Enrollment (PACE)	OC-06	COB	Unchanged
Manager, Member Liaison Program	OC-41	COB	Unchanged
Manager, Member Outreach & Education	OC-41	COB	Unchanged
Manager, MSSP	OC-41	COB	Unchanged
Manager, OneCare Clinical	OC-41	COB	New Job Title
Manager, OneCare Customer Service	OC-41	COB	New Job Title
Manager, Outreach & Enrollment	OC-41	COB	New Job Title
Manager, PACE Center	OC-41	COB	New Job Title
Manager, Population Health Management	OC-41	COB	Unchanged
Manager, Process Excellence	OC-41	COB	Unchanged
Manager, Program Implementation	OC-06	COB	Unchanged
Manager, Provider Data Management Services	OC-41	COB	Unchanged
Manager, Provider Network	OC-41	COB	Unchanged
Manager, Provider Relations	OC-41	COB	Unchanged
Manager, Purchasing	OC-01	COB	Unchanged
Manager, QI Initiatives	OC-41	COB	Unchanged
Manager, Quality Analytics	OC-06	COB	Unchanged
Manager, Quality Improvement	OC-41	COB	Unchanged
Manager, Regulatory Affairs and Compliance	OC-41	COB	Unchanged
Manager, Reporting & Financial Compliance	OC-01	COB	Unchanged
Manager, Strategic Development	OC-41	COB	Unchanged



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Approved September 01, 2022, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With	Status
Manager, Utilization Management	OC-06	COB	Unchanged
Medical Case Manager	OC-41	COB	Unchanged
Medical Case Manager (LVN)	OC-41	COB	Unchanged
Medical Director	OC-01	COB	Unchanged
Medical Services Case Manager	OC-41	COB	Unchanged
Nurse Practitioner (PACE)	OC-41	COB	Unchanged
OneCare Operations Manager	OC-41	COB	Unchanged
Pharmacy Resident	OC-20	COB	Unchanged
Pharmacy Services Specialist	OC-20	COB	Unchanged
Pharmacy Services Specialist, Int.	OC-20	COB	Unchanged
Pharmacy Services Specialist, Sr.	OC-20	COB	Unchanged
Policy Advisor, Sr.	OC-41	COB	Unchanged
Principal Financial Analyst	OC-01	COB	New Job Title
Privacy Manager	OC-41	COB	Unchanged
Privacy Officer	OC-41	COB	Unchanged
Process Excellence Manager	OC-41	COB	Unchanged
Program Manager	OC-06	COB	Unchanged
Program Manager, Sr.	OC-06	COB	Unchanged
Project Manager	OC-06	COB	Unchanged
Project Manager, Lead	OC-06	COB	Unchanged
Project Manager, Sr.	OC-06	COB	Unchanged
QI Nurse Specialist (RN or LVN)	OC-06	COB	Unchanged
Records Manager	OC-06	COB	New Position
Regulatory Affairs and Compliance Analyst	OC-41	COB	Unchanged
Regulatory Affairs and Compliance Analyst, Sr.	OC-41	COB	Unchanged
Regulatory Affairs and Compliance, Lead	OC-41	COB	Unchanged
RN (PACE)	OC-41	COB	Unchanged
Sr Director	OC-01	COB	New Job Title
Sr Manager I	OC-01	COB	New Job Title
Sr Manager II	OC-01	COB	New Job Title



Conflict of Interest Code EXHIBIT A

Approved September 01, 2022, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With	Status
Sr Manager III	OC-01	COB	New Job Title
Sr Manager IV	OC-01	COB	New Job Title
Supervisor, Accounting	OC-01	COB	Unchanged
Supervisor, Audit and Oversight	OC-01	COB	Unchanged
Supervisor, Behavioral Health	OC-41	COB	Unchanged
Supervisor, Budgeting	OC-01	COB	Unchanged
Supervisor, Case Management	OC-41	COB	Unchanged
Supervisor, Claims	OC-06	COB	Unchanged
Supervisor, Coding Initiatives	OC-06	COB	Unchanged
Supervisor, Credentialing	OC-41	COB	Unchanged
Supervisor, Customer Service	OC-06	COB	Unchanged
Supervisor, Data Entry	OC-06	COB	Unchanged
Supervisor, Day Center (PACE)	OC-06	COB	Unchanged
Supervisor, Dietary Services (PACE)	OC-41	COB	Unchanged
Supervisor, Encounters	OC-06	COB	Unchanged
Supervisor, Facilities	OC-41	COB	Unchanged
Supervisor, Finance	OC-01	COB	Unchanged
Supervisor, Grievance and Appeals	OC-41	COB	Unchanged
Supervisor, Information Technology Services	OC-08	COB	Revised Job Title
Supervisor, Long Term Support Services	OC-41	COB	Unchanged
Supervisor, Member Outreach and Education	OC-06	COB	Unchanged
Supervisor, MSSP	OC-06	COB	Unchanged
Supervisor, Nursing Services (PACE)	OC-41	COB	Unchanged
Supervisor, OneCare Customer Service	OC-06	COB	Unchanged
Supervisor, Payroll	OC-06	COB	Unchanged
Supervisor, Pharmacist	OC-20	COB	Unchanged
Supervisor, Population Health Management	OC-41	COB	Unchanged
Supervisor, Provider Data Management Services	OC-06	COB	Revised Job Title
Supervisor, Provider Relations	OC-41	COB	Unchanged
Supervisor, Quality Analytics	OC-06	COB	Unchanged



Conflict of Interest Code EXHIBIT A

Approved September 01, 2022, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With	Status
Supervisor, Quality Improvement	OC-41	COB	Unchanged
Supervisor, Regulatory Affairs and Compliance	OC-41	COB	Unchanged
Supervisor, Social Work (PACE)	OC-41	COB	Unchanged
Supervisor, Therapy Services (PACE)	OC-41	COB	Unchanged
Supervisor, Utilization Management	OC-06	COB	Unchanged

Total: 153

OFFICIALS WHO ARE SPECIFIED IN GOVERNMENT CODE SECTION 87200

Officials who are specified in Government Code section 87200 (including officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3 (b)), are NOT subject to the Agency’s Conflict of Interest Code but are subject to the disclosure requirements of the Political Reform Act, Government Code section 87100, et seq. Gov’t Code § 87203. These positions are listed here for informational purposes only.

The positions listed below are officials who are specified in Government Code section 87200:

Alternate Member of the Board of Directors	Files with	COB
Chief Executive Officer	Files with	COB
Chief Financial Officer	Files with	COB
Member of the Board of Directors	Files with	COB

The disclosure requirements for these positions are set forth in Government Code section 87200, et. seq. They require the disclosure of interests in real property in the agency’s jurisdiction, as well as investments, business positions and sources of income (including gifts, loans and travel payments).



Disclosure Descriptions

EXHIBIT B

Entity: Other Misc. Authorities, Districts and
Commissions Agency: CalOptima Health

Disclosure Category	Disclosure Description
87200 Filer	Form 87200 filers shall complete all schedules for Form 700 and disclose all reportable sources of income, interests in real property, investments and business positions in business entities, if applicable, pursuant to Government Code Section 87200 <i>et seq...</i>
OC-01	All interests in real property in Orange County, the authority or the District as applicable, as well as investments, business positions and sources of income (including gifts, loans and travel payments).
OC-06	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide leased facilities and goods, supplies, equipment, vehicles, machinery or services (including training and consulting services) of the types used by the County Department, Authority or District, as applicable.
OC-08	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that develop or provide computer hardware/software, voice data communications, or data processing goods, supplies, equipment, or services (including training and consulting services) used by the County Department, Authority or District, as applicable.
OC-11	All interests in real property in Orange County or located entirely or partly within the Authority or District boundaries as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that are engaged in the supply of equipment related to recruitment, employment search & marketing, classification, training, or negotiation with personnel; employee benefits, and health and welfare benefits.
OC-13	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that produce or provide promotional items for public outreach programs; present, facilitate, market or otherwise act as agent for media relations with regard to public relations; provide printing, copying, or mail services; or provide training for or development of customer service representatives.
OC-20	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide pharmaceutical services, supplies, materials or equipment.

Disclosure Category	Disclosure Description
OC-30	<p>Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The County Department Head/Director/General Manager/Superintendent/etc. may determine that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.</p>
OC-41	<p>All interests in real property in Orange County, the District or Authority, as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide services, supplies, materials, machinery, vehicles, or equipment (including training and consulting services) used by the County Department, Authority or District, as applicable.</p>

Grand Total: 9

SUPPLEMENT TO FORM

700 CALOPTIMA HEALTH

Please print:

Name: _____

The purpose of this disclosure form is to ensure that decisions are in the best interest of CalOptima Health and that no individual achieves personal gain because of his / her position with or without knowledge of CalOptima Health.

Please complete the following:

- 1. Are you or anyone in your family a director, officer, employee or owner in any business or entity (e.g., bank, real estate brokerage firm, consulting firm, construction company, insurance broker, architectural, law firm, medical group, etc.) which has done business in the past 12 months with CalOptima Health, or currently is or contemplates doing business with CalOptima Health in the next 12 months? _____(yes or no)

Entity for these purposes includes any for profit, non-profit or public entity. *If yes, please disclose at end*

Please explain your relationship with such business or entity and the transaction with CalOptima Health.

- 2. Are there any circumstances or other matters of a personal or family nature, direct or indirect, which could conflict with the interests of CalOptima Health ____ (yes or no) *If yes, please disclose at end.*

- 3. Disclose any other activities which you or anyone in your family are engaging in, or are considering engaging in, which may be deemed by CalOptima Health’s management or Board to present a potential conflict of interest.

Signature

Date

Please disclose any information here:

(Please attach additional sheets if needed)



Employee Report of Outside Interest and/or Other Employment

Employees are required to submit this form to Human Resources in the event of:

- A) Any other job being held while employed with CalOptima Health, and/or;
- B) Any outside interest(s) he/she may have which might be foreseeable or could be perceived as a potential conflict of interest with his/her employment with CalOptima Health.

It is understood that not all personal outside interest(s) which may interact with and/or relate to CalOptima Health employment constitute a conflict of interest. By reporting any such related outside interest(s), it is hoped that any potential conflict may be avoided.

Name _____ Position _____

Department _____ Supervisor _____

A) **Other Job / Position:**

Place of Employment _____

Location/Address _____

Hours/Schedule _____

- B) **Outside Interest:** Describe the nature of your association/position in which you have an outside interest, which may have a real or perceived connection, influence or interaction with your employment/position at CalOptima Health:

Explain any actions/precautions that you will take to avoid any conflict of interest with your CalOptima Health employment:

I understand that it is my responsibility to ensure there are no conflicts of interest with my CalOptima Health employment:

Employee Name (please print): _____

Employee signature: _____ **Date** _____

Approved by:

Manager/Executive: _____ **Date** _____

Compliance: _____ **Date** _____

Human Resources: _____ **Date** _____

Legal (if necessary): _____ **Date** _____

This form must be typed. Signatures need to be in blue or black ink.

Additional Comments:

Policy: GA.8022
 Title: **Performance and Behavior Standards**
 Department: ~~Human Resources~~ CalOptima Health Administrative
 Section: ~~Not Applicable~~ Human Resources

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: TBD

Applicable to:

- Medi-Cal
- OneCare
- OneCare Connect
- PACE
- Administrative

1 **I. PURPOSE**

2
 3 This policy outlines an approach that can be used, at CalOptima Health's discretion, depending on the
 4 nature of the issues that are to be addressed and the extent of such issues, to help correct and/or improve
 5 employee performance and behavior through ~~a coaching process~~ corrective action or termination when
 6 employee performance and/or behavior is/are not meeting expectations, and/or fails to follow
 7 CalOptima Health's policies and procedures.

8
 9 **II. POLICY**

- 10
 11 A. As a public agency, CalOptima Health abides by its core values of Collaboration, Accountability,
 12 Respect, Excellence, and Stewardship and expects employees to be committed to ethical conduct,
 13 excellent service, consistent attendance, positive teamwork, and compliance with CalOptima
 14 ~~policies~~ Health policies and procedures. Appropriate conduct is expected at all times while
 15 employees are on duty and/or on CalOptima Health property.
- 16
 17 B. Employment with CalOptima Health is at will. As at-will employees, CalOptima Health employees
 18 may be terminated at any time, with or without cause, and with or without advance notice.
- 19
 20 C. In cases involving conduct that is a serious violation of policy, performance issue(s), or behavioral
 21 problem(s), or where the conduct cannot be corrected, ~~immediate~~ prompt termination from
 22 employment ~~will~~ may result.
- 23
 24 D. Prior to issuing formal corrective action, depending on the severity or correctability of the issue, in
 25 certain circumstances at the discretion of CalOptima Health's management, CalOptima Health may
 26 elect to informally discuss and coach employees regarding their conduct or performance in order to
 27 provide the employee with an opportunity to correct or improve ~~his/her~~ their behavior. ~~Coaching~~
 28 ~~and corrective~~ Corrective action ~~does~~ not apply to all performance issues or undesirable behaviors
 29 and will be ~~employed~~ issued on a case by case basis. ~~-~~ CalOptima Health may ~~skip~~ issue any one of
 30 the corrective actions without regard to any particular order, repeat ~~certain steps~~ any one of the
 31 corrective actions, or skip the entire corrective action process altogether.
- 32
 33 E. CalOptima Health reserves the right to initiate ~~coaching or~~ corrective action or termination for
 34 various reasons, including, but not limited to: poor job performance; poor attendance; creating

1 conflict with co-workers, supervisors, Members or visitors; damaging or unauthorized use of
 2 CalOptima Health-owned equipment; violation of CalOptima Health's Code of Conduct; and/or
 3 violation of any other CalOptima Health policy. -The type of the corrective action will depend on
 4 the nature of the offense, taking into consideration an employee's past performance and
 5 employment record, where applicable, and may range from coaching to immediate termination.
 6 Corrective action should be assessed in a fair and consistent manner.

7
 8
 9 F. Employees are not guaranteed a right to corrective action prior to termination.

10 G. When used, the corrective action process may in some, but not all, cases include:

- 11 1. Coaching discussion;
- 12 2. Documented Counseling Memo;
- 13 3. Written Warning;
- 14 4. Performance Improvement Plan;
- 15 5. Final Warning;
- 16 5-6. Demotion; and/or
- 17 6-7. Termination.

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 27 H. Although one (1) or more of these stepscorrective actions may be taken in connection with a
 28 particular employee, no formal order or system is necessary. An employee may, of course, resign at
 29 any time. The employee may be demoted as necessary. CalOptima Health may also terminate the
 30 employment relationship at any time without following any particular series of stepscorrective
 31 actions depending on the individual circumstances surrounding the performance or misconduct.

32
 33 I. CalOptima Health may place an employee on administrative leave with or without pay while
 34 Human Resources (HR) conducts their investigation and/or final determination is pending and/or
 35 when there is a risk to CalOptima Health if the employee is permitted to continue in his or hertheir
 36 role. If an employee for any reason represents a danger to themselves or other employees,
 37 demonstrates extreme misconduct and/or an egregious act, CalOptima Health has the right to
 38 remove the employee pending investigation into the alleged misconduct. This will allow HR to
 39 conduct a full, fair investigation while minimizing any risks to the organization and others. An
 40 employee may be required to fully reimburse CalOptima Health for any salary provided during his
 41 or hertheir administrative leave, as required, pursuant to California Government Code, Section
 42 53243.

43
 44 **III. PROCEDURE**

Responsible Party	Action
Supervisor	1. Partner with Human Resources (HR) to discuss the employee issue. 2. Partner with HR to properly document performance and/or behavior issue, and if applicable determine corrective action. 3. Discuss issue(s) with employee and make sure the employee signs and dates the appropriate form.

Responsible Party	Action
	<p>4. Return the signed form to HR to file in employee's personnel record.</p> <p>5. Participate in and/or direct staff member(s) to participate in, the investigation, where applicable.</p> <p>6.5.</p>
Employee	<p>1. Employees are expected to take personal responsibility to fulfill the duties and responsibilities of their positions, as outlined in their job descriptions and as discussed with<u>directed by</u> their supervisors, and take<u>make</u> immediate action to improve their and sustained improvement in work performance and behavior if when presented with coaching or a performance improvement plan<u>corrective action</u>. Employees are responsible for reviewing, understanding and abiding by CalOptima <u>Health</u> policies, procedures, core values, and Code of Conduct.</p> <p>2. Employees are required to cooperate and participate in this process, so they have a clear understanding regarding where they need to improve, if applicable.</p> <p>3. Employees acknowledge the applicable corrective action form by signing that the issues were discussed and presented to the employee and that they demonstrate a commitment to adhere to and correct or improve the performance or behavioral issue. The employee may submit a written rebuttal for consideration/reconsideration of the corrective action; however, a written rebuttal does not change the employee's responsibility to acknowledge receipt of the corrective action and demonstration of a commitment to improve<u>improvement</u>, where applicable.</p> <p>4. Employees are required to cooperate in a reasonable investigation by CalOptima <u>Health</u> (if applicable).</p> <p>5.4.</p>
Human Resources (HR)	<p>1. Partner with Supervisor to help plan Coaching discussion and counseling to address employee's performance/behavior issues.</p> <p>2. Assist Supervisor in properly documenting performance/behavior issues and partner in communicating these issues to the employee, if applicable.</p> <p>3. Assist in completing corrective action and/or termination documentation.</p> <p>4. Securely house and file all related forms and written correspondence in employee's personnel record.</p> <p>a. If issued to the employee, copies of Documented Counseling Memos, Written Warnings, Performance Improvement Plans, Final Warnings, and Termination Communication Memos are all held in the employee personnel file.</p>

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IV. ATTACHMENT(S)

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- ~~A. Coaching Memo Template~~
- ~~B. Documented Counseling Memo Template~~
- ~~C. Written Warning Template~~
- ~~D. Performance Improvement Plan~~
- ~~E. Final Warning Template~~
- ~~F. Termination Communication Memo Template~~
- Not Applicable

For 20220901 BOD Review Only

1 **V. REFERENCE(S)**
2

- 3 A. CalOptima Health's Code of Conduct
- 4 B. CalOptima Health Employee Handbook
- 5 C. California Government Code, §53243
- 6 D. Sample Documented Counseling Memo Template
- 7 E. Sample Written Warning Template
- 8 F. Sample Performance Improvement Plan
- 9 G. Sample Final Warning Template
- 10 H. Sample Termination Communication Memo Template

11
12 **VI. REGULATORY AGENCY APPROVAL(S)**

13
14 None to Date

15
16 **VII. BOARD ACTION(S)**
17

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
08/02/2018	Regular Meeting of the CalOptima Board of Directors
<u>TBD</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

18
19 **VIII. REVISION HISTORY**
20

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8022	Progressive Discipline	Administrative
Revised	08/07/2014	GA.8022	Progressive Discipline	Administrative
Revised	08/02/2018	GA.8022	Performance and Behavior Standards	Administrative
<u>Revised</u>	<u>TBD</u>	<u>GA.8022</u>	<u>Performance and Behavior Standards</u>	<u>Administrative</u>

1 IX. GLOSSARY

2

Term	Definition
Coaching Memo	Verbal Oral discussion(s) between supervisor and employee with the purpose of notifying/clarifying substandard employee performance/behavior or policy violation and exploration of possible causes. Goal is to change behavior. An informal written record of the <u>coaching</u> discussion, noting the date and recommended action is completed and held by the supervisor.
<u>Demotion</u>	<u>A change of employee's position to one at a lower Salary Schedule pay grade, whether in the same or a different department. A demotion may be either voluntary or involuntary.</u>
Documented Counseling Memo	A Written Counseling Memo issued to an employee to formally document substandard performance/behavior or policy violation specifically identifying areas requiring improvement.
<u>Final Warning</u>	<u>Notification to an employee that their performance/behavior or violation(s) of CalOptima Health policy is at a very critical stage in their employment and that continued lack of improvement may result in termination.</u>
<u>Member</u>	<u>A beneficiary enrolled in a CalOptima Health program.</u>
<u>Performance Improvement Plan</u>	<u>The plan is used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.</u>
<u>Termination</u>	<u>The end of the employment relationship.</u>
<u>Termination Communication Memo</u>	<u>Documentation of a decision to end the employment relationship from the employee's Department leadership to Human Resources.</u>
Written Warning	A Written Warning issued to an employee documenting substandard employee performance/behavior or policy violation.
Performance Improvement Plan	A developmental coaching tool used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.
Final Warning	Notification to an employee that his/her performance/behavior or violation(s) of CalOptima policy is at a very critical stage in their employment and that continued lack of improvement may result in termination.
Member	An enrollee beneficiary of a CalOptima program.
Termination	The end of the employment relationship.
Termination Communication Memo	Documentation of a decision to end the employment relationship.

3

Policy: GA.8022
 Title: **Performance and Behavior Standards**
 Department: CalOptima Health Administrative
 Section: Human Resources

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: TBD

Applicable to: Medi-Cal
 OneCare
 OneCare Connect
 PACE
 Administrative

FOR BOD REVIEW ONLY

1 **I. PURPOSE**

2
 3 This policy outlines an approach that can be used, at CalOptima Health’s discretion, depending on the
 4 nature of the issues that are to be addressed and the extent of such issues, to help correct and/or improve
 5 employee performance and behavior through corrective action or termination when employee
 6 performance and/or behavior is/are not meeting expectations, and/or fails to follow CalOptima Health’s
 7 policies and procedures.

8
 9 **II. POLICY**

- 10
 11 A. As a public agency, CalOptima Health abides by its core values of Collaboration, Accountability,
 12 Respect, Excellence, and Stewardship and expects employees to be committed to ethical conduct,
 13 excellent service, consistent attendance, positive teamwork, and compliance with CalOptima Health
 14 policies and procedures. Appropriate conduct is expected at all times while employees are on duty
 15 and/or on CalOptima Health property.
- 16
 17 B. Employment with CalOptima Health is at will. As at-will employees, CalOptima Health employees
 18 may be terminated at any time, with or without cause, and with or without advance notice.
- 19
 20 C. In cases involving conduct that is a serious violation of policy, performance issue(s), or behavioral
 21 problem(s), or where the conduct cannot be corrected, prompt termination from employment may
 22 result.
- 23
 24 D. Prior to issuing formal corrective action, depending on the severity or correctability of the issue, in
 25 certain circumstances at the discretion of CalOptima Health’s management, CalOptima Health may
 26 elect to informally discuss and coach employees regarding their conduct or performance in order to
 27 provide the employee with an opportunity to correct or improve their behavior. Corrective action
 28 does not apply to all performance issues or undesirable behaviors and will be issued on a case by
 29 case basis. CalOptima Health may issue any one of the corrective actions without regard to any
 30 particular order, repeat any one of the corrective actions, or skip the entire corrective action process
 31 altogether.
- 32
 33 E. CalOptima Health reserves the right to initiate corrective action or termination for various reasons,
 34 including, but not limited to: poor job performance; poor attendance; creating conflict with co-
 35 workers, supervisors, Members or visitors; damaging or unauthorized use of CalOptima Health-

1 owned equipment; violation of CalOptima Health’s Code of Conduct; and/or violation of any other
 2 CalOptima Health policy. The type of the corrective action will depend on the nature of the offense,
 3 taking into consideration an employee’s past performance and employment record, where
 4 applicable, and may range from coaching to immediate termination. Corrective action should be
 5 assessed in a fair and consistent manner.
 6

7 F. Employees are not guaranteed a right to corrective action prior to termination.
 8

9 G. When used, the corrective action process may in some, but not all, cases include:
 10

- 11 1. Coaching discussion;
- 12 2. Documented Counseling Memo;
- 13 3. Written Warning;
- 14 4. Performance Improvement Plan;
- 15 5. Final Warning;
- 16 6. Demotion; and/or
- 17 7. Termination.

18 H. Although one (1) or more of these corrective actions may be taken in connection with a particular
 19 employee, no formal order or system is necessary. An employee may, of course, resign at any time.
 20 The employee may be demoted as necessary. CalOptima Health may also terminate the employment
 21 relationship at any time without following any particular series of corrective actions depending on
 22 the individual circumstances surrounding the performance or misconduct.
 23

24 I. CalOptima Health may place an employee on administrative leave with or without pay while
 25 Human Resources (HR) conducts their investigation and/or final determination is pending and/or
 26 when there is a risk to CalOptima Health if the employee is permitted to continue in their role. If an
 27 employee for any reason represents a danger to themselves or other employees, demonstrates
 28 extreme misconduct and/or an egregious act, CalOptima Health has the right to remove the
 29 employee pending investigation into the alleged misconduct. This will allow HR to conduct a full,
 30 fair investigation while minimizing any risks to the organization and others. An employee may be
 31 required to fully reimburse CalOptima Health for any salary provided during their administrative
 32 leave, as required, pursuant to California Government Code, Section 53243.
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41 **III. PROCEDURE**
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Responsible Party	Action
Supervisor	1. Partner with Human Resources (HR) to discuss the employee issue. 2. Partner with HR to properly document performance and/or behavior issue, and if applicable determine corrective action. 3. Discuss issue(s) with employee and make sure the employee signs and dates the appropriate form. 4. Return the signed form to HR to file in employee’s personnel record.

Responsible Party	Action
	5. Participate in and/or direct staff member(s) to participate in, the investigation, where applicable.
Employee	<ol style="list-style-type: none"> 1. Employees are expected to take personal responsibility to fulfill the duties and responsibilities of their positions, as outlined in their job descriptions and as directed by their supervisors, and make immediate and sustained improvement in work performance and behavior when presented with corrective action. Employees are responsible for reviewing, understanding and abiding by CalOptima Health policies, procedures, core values, and Code of Conduct. 2. Employees are required to cooperate and participate in this process, so they have a clear understanding regarding where they need to improve, if applicable. 3. Employees acknowledge the applicable corrective action form by signing that the issues were discussed and presented to the employee and that they demonstrate a commitment to adhere to and correct or improve the performance or behavioral issue. The employee may submit a written rebuttal for consideration/reconsideration of the corrective action; however, a written rebuttal does not change the employee's responsibility to acknowledge receipt of the corrective action and demonstration of improvement, where applicable. 4. Employees are required to cooperate in a reasonable investigation by CalOptima Health (if applicable).
Human Resources (HR)	<ol style="list-style-type: none"> 1. Partner with Supervisor to help plan Coaching discussion and counseling to address employee's performance/behavior issues. 2. Assist Supervisor in properly documenting performance/behavior issues and partner in communicating these issues to the employee, if applicable. 3. Assist in completing corrective action and/or termination documentation. 4. Securely house and file all related forms and written correspondence in employee's personnel record. <ol style="list-style-type: none"> a. If issued to the employee, copies of Documented Counseling Memos, Written Warnings, Performance Improvement Plans, Final Warnings, and Termination Communication Memos are all held in the employee personnel file.

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IV. ATTACHMENT(S)

Not Applicable

1 **V. REFERENCE(S)**

- 2
3 A. CalOptima Health Code of Conduct
4 B. CalOptima Health Employee Handbook
5 C. California Government Code, §53243
6 D. Sample Documented Counseling Memo Template
7 E. Sample Written Warning Template
8 F. Sample Performance Improvement Plan
9 G. Sample Final Warning Template
10 H. Sample Termination Communication Memo Template

11
12 **VI. REGULATORY AGENCY APPROVAL(S)**

13
14 None to Date

15
16 **VII. BOARD ACTION(S)**

17

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
08/02/2018	Regular Meeting of the CalOptima Board of Directors
TBD	Regular Meeting of the CalOptima Health Board of Directors

18
19 **VIII. REVISION HISTORY**

20

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8022	Progressive Discipline	Administrative
Revised	08/07/2014	GA.8022	Progressive Discipline	Administrative
Revised	08/02/2018	GA.8022	Performance and Behavior Standards	Administrative
Revised	TBD	GA.8022	Performance and Behavior Standards	Administrative

21

1 **IX. GLOSSARY**

2

Term	Definition
Coaching Memo	Oral discussion(s) between supervisor and employee with the purpose of notifying/clarifying substandard employee performance/behavior or policy violation and exploration of possible causes. Goal is to change behavior. An informal written record of the coaching discussion, noting the date and recommended action is completed and held by the supervisor.
Demotion	A change of employee’s position to one at a lower Salary Schedule pay grade, whether in the same or a different department. A demotion may be either voluntary or involuntary.
Documented Counseling Memo	A Written Counseling Memo issued to an employee to formally document substandard performance/behavior or policy violation specifically identifying areas requiring improvement.
Final Warning	Notification to an employee that their performance/behavior or violation(s) of CalOptima Health policy is at a very critical stage in their employment and that continued lack of improvement may result in termination.
Member	A beneficiary enrolled in a CalOptima Health program.
Performance Improvement Plan	The plan is used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.
Termination	The end of the employment relationship.
Termination Communication Memo	Documentation of a decision to end the employment relationship from the employee’s Department leadership to Human Resources.
Written Warning	A Written Warning issued to an employee documenting substandard employee performance/behavior or policy violation.

3

For 20220901 DOR REVIEW ONLY



Policy: GA.8025
Title: **Equal Employment Opportunity**
Department: CalOptima Health Administrative
Section: Human Resources

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: TBD

Applicable to: Medi-Cal
 OneCare
 OneCare Connect
 PACE
 Administrative

1 **I. PURPOSE**

2
3 This policy outlines CalOptima Health's approach to Equal Employment Opportunity (EEO).

4
5 **II. POLICY**

6
7 A. CalOptima Health is an equal opportunity employer ~~and makes~~making employment decisions on the
8 basis of merit. ~~CalOptima wants and strives to have employ~~ qualified ~~employees~~ candidates most
9 likely to succeed in ~~every job, the position.~~

10
11 B. CalOptima Health prohibits unlawful Discrimination against any ~~employee~~Employee, applicant for
12 employment, or those applying for or engaged in a paid or unpaid internship or training program
13 leading to employment with CalOptima Health based on ~~race, religion~~one or more of the following
14 protected category(ies):

15
16 1. Race, color, or hairstyle

17
18 2. Religion, religious creed, ~~color, national origin~~ (including religious dress and grooming
19 practices)

20
21 3. National Origin, ancestry, or citizenship

22
23 4. Physical or mental ~~or physical~~ disability, ~~medical~~

24
25 5. Marital status or registered domestic partner status

26
27 6. Medical condition, (including cancer and genetic characteristics), genetic information, ~~marital~~
28 status, ~~protected medical leaves (requesting or approved for leave under the Family and Medical~~
29 Leave Act or the California Family Rights Act), or domestic violence victim status

30
31 7. Sex, (including pregnancy, childbirth, breastfeeding, or related medical conditions), Sex
32 Stereotype, gender, Transitioning status, Gender Identity, Gender Expression, ~~gender transition~~
33 status, ~~pregnancy, age, or~~ sexual orientation;
34

1 8. Age (40 years and over)

2
3 9. Veteran and/or military status, ~~status as a disabled veteran or veteran of the Vietnam era, or any~~

4
5 10. Political affiliation

6
7 11. Any other ~~consideration made unlawful~~ status protected by federal, state, or local laws.

8
9 A.C. CalOptima Health also prohibits unlawful Discrimination based on the perception that anyone
10 has any of those characteristics, or is associated with a person who has, or is perceived as having,
11 any of those characteristics. ~~All such Discrimination is unlawful and in violation of this Policy.~~

12
13 D. CalOptima Health prohibits Retaliation against a person who engages reasonably and in good faith
14 in activities protected under this policy. Reporting or assisting in reporting suspected violations of
15 this policy and cooperating in investigations or proceedings arising out of an alleged violation of
16 this policy are protected activities.

17
18 B.E. CalOptima Health is committed to compliance with all applicable laws providing equal
19 employment opportunities. This commitment applies to all persons involved in CalOptima Health's
20 operations and prohibits unlawful Discrimination by any ~~employee~~ Employee of CalOptima Health.

21
22 C.F. Equal employment opportunity will be extended to all persons in all aspects of the employer-
23 ~~employee~~ Employee relationship, including recruitment, or recruitment advertising, hiring, training,
24 promotion, rates of pay or other forms of compensation, benefits, transfer, discipline, layoff, or
25 termination, career development opportunities, and social and recreational programs.

26
27 D.G. CalOptima Health shall also include equal employment opportunity language in every contract
28 with contractors and vendors requiring such persons and firms doing business with CalOptima
29 Health to comply with all federal, state, and local equal employment opportunity laws.

30
31 E.H. It is the responsibility of every CalOptima Health ~~employee~~ Employee to adhere to this Policy.
32 Any ~~employee~~ Employee with questions regarding this Policy should discuss it with the Human
33 Resources (HR) Department.

34 35 III. PROCEDURE

36
37 A. ~~No employee shall deny employment opportunity or discriminate in terms of employment because~~
38 ~~of race, religion, religious creed, color, national origin, ancestry, mental or physical disability,~~
39 ~~medical condition, genetic information, marital status, Sex, Sex Stereotype, gender, Gender Identity,~~
40 ~~Gender Expression, gender transition status, pregnancy, age, sexual orientation, military status,~~
41 ~~status as a disabled veteran or veteran of the Vietnam era, or any other consideration made unlawful~~
42 ~~by federal, state, or local laws.~~

43
44 A. CalOptima Health ~~encourages all Employees,~~ applicants for employment, or those applying for or
45 engaged in a paid or unpaid internship or training program leading to employment with CalOptima
46 Health will not be denied employment opportunities in accordance with Section II.B. of this policy.

47
48 B. Complaints employees

49
50 1. All applicants for employment, Employees, temporary ~~employees~~ Employees, volunteers, and
51 paid and unpaid interns ~~to shall immediately~~ report any incidents of Discrimination prohibited
52 by this Policy ~~immediately~~ to their supervisor, manager, and/or Human Resources ~~so that~~

1 complaints can be quickly and fairly resolved in accordance with the procedures
2 established representative for resolution in accordance with CalOptima Health Policy GA.8027:
3 Unlawful Anti-Harassment.

4
5 2. All complaints will be handled with confidentiality to the extent possible based on the
6 circumstances and applicable laws. When an investigation is required, the most appropriate
7 confidentiality will be utilized. Responses to complaints will be taken in a timely manner.

8
9 3. Supervisors and managers are required to immediately forward all complaints, oral and/or
10 written, alleging violation(s) of this policy to Human Resources.

11
12 1.4. Employees, temporary employees, volunteers, and paid and unpaid interns who
13 violate this Policy shall be subject to progressive discipline corrective action, up to and
14 including termination. ~~Complaints will be confidential to the extent possible and responses will~~
15 be timely.

16 B.C. Retaliation

17
18
19 1. CalOptima prohibits retaliation for bringing a complaint of **Discrimination** or harassment
20 pursuant to this Policy against any person employed, seeking employment, providing contract
21 services, or applying for or engaged in a paid or unpaid internship, volunteer capacity, or
22 training program leading to employment with CalOptima. CalOptima also prohibits retaliation
23 to a person that assists someone with a complaint of **Discrimination** or harassment. Retaliation
24 may include threats, intimidation, and/or adverse actions related to employment.

25 1. CalOptima Health prohibits Retaliation against an Employee because the Employee has
26 engaged in protected activity. Protected activities may include, but are not limited to, reporting
27 or assisting in in reporting suspected violations of this policy or other applicable laws and/or
28 cooperating in investigations or proceedings arising out of an alleged violation of this policy or
29 other applicable laws.

30
31 2. CalOptima Health shall not take any adverse action, based on the Employee's protected activity,
32 that materially affects the terms and conditions of the Employee's employment status or is
33 reasonably likely to deter the Employee from engaging in protected activity. Examples of
34 Retaliation under this policy include, but are not limited to: demotion; suspension; reduction in
35 pay; termination; denial of a merit salary increase; failure to hire or consider for hire; refusing to
36 promote or consider for promotion because of reporting a violation of this policy; harassing
37 another Employee for filing a complaint; denying employment opportunities for making a
38 complaint or cooperating in an investigation; changing someone's work assignments; treating
39 people differently such as denying an accommodation; not talking to an Employee when
40 otherwise required by job duties; or otherwise excluding the Employee from job-related
41 activities because of engagement in activities protected under this policy.

42 **IV. ATTACHMENT(S)**

43 Not Applicable

44 **V. REFERENCE(S)**

45 A. CalOptima Health Employee Handbook

46 B. CalOptima Policy GA.8000: Glossary of Terms

47 C. CalOptima Health Policy GA.8027: Unlawful Anti-Harassment

48 D. Government Code, §12920 and 12940 *et seq.*

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VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
02/02/2017	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors
<u>TBD</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

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10

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8025	Equal Employment Opportunity	Administrative
Revised	02/01/2014	GA.8025	Equal Employment Opportunity	Administrative
Revised	02/02/2017	GA.8025	Equal Employment Opportunity	Administrative
Revised	06/04/2020	GA.8025	Equal Employment Opportunity	Administrative
<u>Revised</u>	<u>TBD</u>	<u>GA.8025</u>	<u>Equal Employment Opportunity</u>	<u>Administrative</u>

11
12

For 20220901 BOB Review Only

1 IX. GLOSSARY
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Term	Definition
Discrimination	Unfair treatment of a person or group on the basis of a protected class.
<u>Employee</u>	<u>Any and all employees of CalOptima Health, including all permanent and temporary employees, volunteers, and other employed personnel.</u>
Gender Expression	A person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex at birth.
Gender Identity	A <u>Each person's identification as an internal understanding of their gender, or the perceptions of a person's gender identity, which may include male, female, a combination of male and female, neither male nor female, a gender different from the person's sex assigned at birth, or transgender.</u>
<u>Harassment</u>	<u>Unwelcome verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual, based on a protected characteristic, that is so severe or pervasive as to create an intimidating, hostile, or offensive working environment.</u>
<u>National Origin</u>	<u>Includes, but is not limited to, the individual's or ancestors' actual or perceived: (1) physical, cultural, or linguistic characteristics associated with a national origin group; (2) marriage to or association with persons of a national origin group; (3) tribal affiliation; (4) membership in or association with an organization identified with or seeking to promote the interests of a national origin group; (5) attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a national origin group; (6) name that is associated with a national origin group; and (7) the basis of possessing a driver's license granted under Section 12801.9 of the Vehicle Code.</u>
<u>Retaliation</u>	<u>Adverse employment action against an Employee because the Employee filed a complaint or engaged in a protected activity.</u>
Sex	Includes the same definition as provided in Government Code section 12926 and Title 42 of the United States Code section 2000 e(k), which includes, but is not limited to, pregnancy, childbirth; breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, gender, <u>gender</u> identity, and gender expression.
Sex Stereotype	A <u>Includes, but is not limited to, an assumption about a person's appearance or behavior, gender roles, gender expression, or gender identity, or about an individual's ability or inability to perform certain kinds of work based on a myth, social expectation, or generalization about the individual's sex.</u>
<u>Transgender</u>	<u>A general term that refers to a person whose gender identity differs from the person's sex assigned at birth. A transgender person may or may not have a gender expression that is different from the social expectations of the sex assigned at birth. A transgender person may or may not identify as "transsexual."</u>
<u>Transitioning</u>	<u>A process some transgender people go through to begin living as the gender with which they identify, rather than the sex assigned to them at birth. This process may include, but is not limited to, changes in name and pronoun usage, facility usage, participation in employer-sponsored activities (e.g., sports teams, team-building projects, or volunteering), or undergoing hormone therapy, surgeries, or other medical procedures.</u>



Policy: GA.8025
 Title: **Equal Employment Opportunity**
 Department: CalOptima Health Administrative
 Section: Human Resources

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: TBD

Applicable to:

- Medi-Cal
- OneCare
- OneCare Connect
- PACE
- Administrative

1 **I. PURPOSE**

2
 3 This policy outlines CalOptima Health’s approach to Equal Employment Opportunity (EEO).

4
 5 **II. POLICY**

- 6
 7 A. CalOptima Health is an equal opportunity employer making employment decisions on the basis of
 8 merit and strives to employ qualified candidates most likely to succeed in the position.
 9
 10 B. CalOptima Health prohibits unlawful Discrimination against any Employee, applicant for
 11 employment, or those applying for or engaged in a paid or unpaid internship or training program
 12 leading to employment with CalOptima Health based on one or more of the following protected
 13 category(ies):
 14
 15 1. Race, color, or hairstyle
 16
 17 2. Religion, religious creed (including religious dress and grooming practices)
 18
 19 3. National Origin, ancestry, or citizenship
 20
 21 4. Physical or mental disability
 22
 23 5. Marital status or registered domestic partner status
 24
 25 6. Medical condition (including cancer and genetic characteristics), genetic information, protected
 26 medical leaves (requesting or approved for leave under the Family and Medical Leave Act or
 27 the California Family Rights Act), or domestic violence victim status
 28
 29 7. Sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), Sex
 30 Stereotype, gender, Transitioning status, Gender Identity, Gender Expression, or sexual
 31 orientation
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 33 8. Age (40 years and over)
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1 9. Veteran and/or military status

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3 10. Political affiliation

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5 11. Any other status protected by federal, state, or local laws

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7 C. CalOptima Health also prohibits unlawful Discrimination based on the perception that anyone has
8 any of those characteristics, or is associated with a person who has, or is perceived as having, any of
9 those characteristics.

10
11 D. CalOptima Health prohibits Retaliation against a person who engages reasonably and in good faith
12 in activities protected under this policy. Reporting or assisting in reporting suspected violations of
13 this policy and cooperating in investigations or proceedings arising out of an alleged violation of
14 this policy are protected activities.

15
16 E. CalOptima Health is committed to compliance with all applicable laws providing equal employment
17 opportunities. This commitment applies to all persons involved in CalOptima Health's operations
18 and prohibits unlawful Discrimination by any Employee of CalOptima Health.

19
20 F. Equal employment opportunity will be extended to all persons in all aspects of the employer-
21 Employee relationship, including recruitment, or recruitment advertising, hiring, training,
22 promotion, rates of pay or other forms of compensation, benefits, transfer, discipline, layoff, or
23 termination, career development opportunities, and social and recreational programs.

24
25 G. CalOptima Health shall also include equal employment opportunity language in every contract with
26 contractors and vendors requiring such persons and firms doing business with CalOptima Health to
27 comply with all federal, state, and local equal employment opportunity laws.

28
29 H. It is the responsibility of every CalOptima Health Employee to adhere to this Policy. Any
30 Employee with questions regarding this Policy should discuss it with the Human Resources (HR)
31 Department.

32
33 **III. PROCEDURE**

34
35 A. CalOptima Health Employees, applicants for employment, or those applying for or engaged in a
36 paid or unpaid internship or training program leading to employment with CalOptima Health will
37 not be denied employment opportunities in accordance with Section II.B. of this policy.

38
39 B. Complaints

40
41 1. All applicants for employment, Employees, temporary Employees, volunteers, and paid and
42 unpaid interns shall immediately report any incidents of Discrimination prohibited by this
43 Policy to their supervisor, manager, and/or Human Resources representative for resolution in
44 accordance with CalOptima Health Policy GA.8027: Anti-Harassment.

45
46 2. All complaints will be handled with confidentiality to the extent possible based on the
47 circumstances and applicable laws. When an investigation is required, the most appropriate
48 confidentiality will be utilized. Responses to complaints will be taken in a timely manner.

49
50 3. Supervisors and managers are required to immediately forward all complaints, oral and/or
51 written, alleging violation(s) of this policy to Human Resources.

4. Employees, temporary Employees, volunteers, and paid and unpaid interns who violate this policy shall be subject to corrective action, up to and including termination.

C. Retaliation

1. CalOptima Health prohibits Retaliation against an Employee because the Employee has engaged in protected activity. Protected activities may include, but are not limited to, reporting or assisting in reporting suspected violations of this policy or other applicable laws and/or cooperating in investigations or proceedings arising out of an alleged violation of this policy or other applicable laws.
2. CalOptima Health shall not take any adverse action, based on the Employee's protected activity, that materially affects the terms and conditions of the Employee's employment status or is reasonably likely to deter the Employee from engaging in protected activity. Examples of Retaliation under this policy include, but are not limited to: demotion; suspension; reduction in pay; termination; denial of a merit salary increase; failure to hire or consider for hire; refusing to promote or consider for promotion because of reporting a violation of this policy; harassing another Employee for filing a complaint; denying employment opportunities for making a complaint or cooperating in an investigation; changing someone's work assignments; treating people differently such as denying an accommodation; not talking to an Employee when otherwise required by job duties; or otherwise excluding the Employee from job-related activities because of engagement in activities protected under this policy.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Employee Handbook
- B. CalOptima Health Policy GA.8027: Anti-Harassment
- C. Government Code, §12920 and 12940 *et seq.*

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
01/05/2012	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
02/02/2017	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors
TBD	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/05/2012	GA.8025	Equal Employment Opportunity	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	02/01/2014	GA.8025	Equal Employment Opportunity	Administrative
Revised	02/02/2017	GA.8025	Equal Employment Opportunity	Administrative
Revised	06/04/2020	GA.8025	Equal Employment Opportunity	Administrative
Revised	TBD	GA.8025	Equal Employment Opportunity	Administrative

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For 20220901 BOD Review Only

1 IX. GLOSSARY
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Term	Definition
Discrimination	Unfair treatment of a person or group on the basis of a protected class.
Employee	Any and all employees of CalOptima Health, including all permanent and temporary employees, volunteers, and other employed personnel.
Gender Expression	A person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex at birth.
Gender Identity	Each person's internal understanding of their gender, or the perceptions of a person's gender identity, which may include male, female, a combination of male and female, neither male nor female, a gender different from the person's sex assigned at birth, or transgender.
Harassment	Unwelcome verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual, based on a protected characteristic, that is so severe or pervasive as to create an intimidating, hostile, or offensive working environment.
National Origin	Includes, but is not limited to, the individual's or ancestors' actual or perceived: (1) physical, cultural, or linguistic characteristics associated with a national origin group; (2) marriage to or association with persons of a national origin group; (3) tribal affiliation; (4) membership in or association with an organization identified with or seeking to promote the interests of a national origin group; (5) attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a national origin group; (6) name that is associated with a national origin group; and (7) the basis of possessing a driver's license granted under Section 12801.9 of the Vehicle Code.
Retaliation	Adverse employment action against an Employee because the Employee filed a complaint or engaged in a protected activity.
Sex	Includes the same definition as provided in Government Code section 12926 and Title 42 of the United States Code section 2000 e(k), which includes, but is not limited to, pregnancy, childbirth; breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, gender, gender identity, and gender expression.
Sex Stereotype	Includes, but is not limited to, an assumption about a person's appearance or behavior, gender roles, gender expression, or gender identity, or about an individual's ability or inability to perform certain kinds of work based on a myth, social expectation, or generalization about the individual's sex.
Transgender	A general term that refers to a person whose gender identity differs from the person's sex assigned at birth. A transgender person may or may not have a gender expression that is different from the social expectations of the sex assigned at birth. A transgender person may or may not identify as "transsexual."
Transitioning	A process some transgender people go through to begin living as the gender with which they identify, rather than the sex assigned to them at birth. This process may include, but is not limited to, changes in name and pronoun usage, facility usage, participation in employer-sponsored activities (e.g., sports teams, team-building projects, or volunteering), or undergoing hormone therapy, surgeries, or other medical procedures.



Policy: GA.8052
 Title: **Drug-Free and Alcohol-Free Workplace**
 Department: CalOptima Health Administrative
 Section: Human Resources

CEO Approval: /s/

Effective Date: 02/01/2014
 Revised Date: TBD

- Applicable to:
- Medi-Cal
 - OneCare
 - OneCare Connect
 - PACE
 - Administrative

I. PURPOSE

This policy establishes guidelines for a drug-free and alcohol-free workplace at CalOptima Health and CalOptima Health PACE to further enhance safety in the workplace for all employees, promote employee health, maintain a high level of quality in service to CalOptima Health's Members, ensure productivity, protect against liability, and promote the public's trust in CalOptima Health. Substance abuse, including the misuse of both legal and illegal drugs, in the workplace can negatively impact employee performance, employee safety, and/or safety of the public. For the purposes of this Policy, and in accordance with federal law, marijuana and other cannabis products fall under the category of "illegal drugs."

II. POLICY

- A. CalOptima Health has a vital interest in maintaining a safe and productive work environment for its employees, Members, and those who come into contact with CalOptima Health. To support this interest, CalOptima Health shall maintain a workplace that is free of alcohol, illegal drugs, and controlled substances and herein discourages alcohol and substance abuse by its employees.
- B. The following behavior while on duty or on CalOptima Health Property are separately, or in combination violations of CalOptima Health's Drug-Free and Alcohol-Free Workplace Policy:
 - 1. The unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance;
 - 2. Possession or use of alcohol or an illegal or controlled substance, or being under the influence of alcohol or an illegal or controlled substance, while on duty, or on or in CalOptima Health Property, except where the controlled substance is lawfully prescribed and used consistent with a doctor's authorization;
 - 3. Abuse of a legal drug, or the purchase, sale, manufacture, distribution, dispensation of any legal prescription drug in a manner inconsistent with the law;

- 1 4. Operating a CalOptima Health owned or leased vehicle or conducting CalOptima Health
2 business in a personal vehicle while under the influence of alcohol, illegal drugs, or controlled
3 substance; and
4
5 5. Distribution, sale, or purchase of alcohol and/or an illegal or controlled substance while on-duty
6 or on or in CalOptima Health Property.
7

8 C. This Policy and each of its rules apply:
9

- 10 1. Whenever an employee is on or in CalOptima Health Property;
11
12 2. During company time (includes breaks, meal periods, and work duties offsite (e.g., representing
13 CalOptima Health at community functions or meetings, meeting with Members, or providers,
14 etc.));
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16 3. In any vehicle used on company business; and
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18 4. In other circumstances (such as on customer premises, or at business/sales functions) that may
19 adversely affect CalOptima Health's operations, safety, reputation and/or the administration of
20 this Policy.
21

22 D. It is the policy of CalOptima Health and a condition of employment that an employee be present and
23 able to physically and mentally perform ~~his/her~~his job free from the effects of alcohol, narcotics,
24 depressants, stimulants, hallucinogens, and cannabis, or any other substances which can impair job
25 performance.
26

27 E. Violation of this Policy will not be tolerated, and CalOptima Health shall take appropriate actions,
28 including, but not limited to, corrective action, up to and including termination, to protect, as fully
29 as possible, all CalOptima Health employees and members of the public. CalOptima Health may
30 also bring the matter to the attention of appropriate law enforcement authorities and/or professional
31 licensing authorities.
32

33 **III. PROCEDURE**
34

35 A. Prohibitions: An employee who violates any ~~one (1)~~ of these prohibitions shall be subject to
36 corrective action, up to and including termination:
37

38 1. Alcohol: An employee may not possess, distribute, dispense, sell, use, transfer, offer, or be
39 under the influence of any intoxicating liquor such that the employee's blood alcohol
40 concentration (BAC) is .04, or above, while at work, or on-duty for CalOptima Health business.
41 Off-duty use of alcohol that adversely affects, or impairs, an employee's job performance, or
42 results in on-duty conduct which adversely affects, or threatens to adversely affect, CalOptima
43 Health's interest is prohibited.
44

45 a. This rule prohibits using any alcohol prior to reporting to work such that the employee's
46 BAC is .04 or above during breaks or meal periods, or in conjunction with any CalOptima
47 Health activity, except social or business events where the Chief Executive Officer and/or
48 other members of the Executive Staff has/have authorized the moderate consumption of
49 alcoholic beverages.
50

- 1 b. An employee at work or on-duty, for CalOptima Health business with a BAC level at .04, or
2 above, shall be removed from duty and may be subject to disciplinary action, up to and
3 including termination.
- 4
5
- 6 2. Drugs: An employee may not possess, distribute, dispense, sell, use, transfer, offer, share,
7 attempt to sell, or obtain, manufacture, or be under the influence of any illegal drug or
8 controlled substance, or have any trace of illegal drugs or controlled substance present in the
9 body while at work or on duty for CalOptima Health business. Therefore, an employee who
10 tests positive for any illegal drug or controlled substance will be deemed to have violated this
11 rule.
- 12
- 13 a. This rule also prohibits prescription drugs being taken while on duty without a doctor's
14 authorization.
- 15
- 16 b. Abuse of a legal drug or the purchase, sale, manufacture, distribution, dispensation of any
17 legal prescription drug in a manner inconsistent with the law is also prohibited under this
18 rule.
- 19
- 20 3. Prescriptions/Over-the-Counter Medications: An employee is responsible for checking the
21 potential side effects of prescription drugs and over-the-counter medications with their doctor or
22 pharmacist before reporting to work, and to immediately let their supervisor know when such
23 use makes it unsafe for them to report to work or do their job.
- 24
- 25 4. Adulterants: An employee is prohibited from using any substance that is used for the purpose
26 of manipulating the results of a drug test.
- 27
- 28 B. Pre-Employment Testing: All employees in Safety Sensitive classifications are required to pass a
29 pre-employment urine drug test as a condition of employment in the classification.
- 30
- 31 C. Random Drug Testing: Effective thirty (30) calendar days after the adoption of this Policy, the
32 following shall apply:
- 33
- 34 1. All CalOptima Health employees who provide health care services and personal care services to
35 CalOptima Health Members may be subject to random drug testing. This shall include any
36 employee who operates a CalOptima Health owned or leased motor vehicle.
- 37
- 38 2. All CalOptima Health employees who have face-to-face interaction in the residence of a
39 Member, or prospective Member, and provide health care services, or personal care services,
40 such as nurses in the field, may be subject to random drug testing.
- 41
- 42 D. Mandatory Post Traffic Accident Testing: When a CalOptima Health employee is involved in a
43 work-related traffic accident, CalOptima Health shall request a drug and/ alcohol -test if there is a
44 reasonable suspicion of the involvement of drugs and/or alcohol.
- 45
- 46 E. Reasonable Suspicion Testing or Reasonable Cause
- 47
- 48 1. If a supervisor, Human Resources and/or Manager, Environmental Health and Safety suspects
49 an employee is under the influence of drugs and/or alcohol and observes two (2) or more of the
50 following, shall immediately notify the Human Resources Department and submit a completed
51 *Drug ~~And~~ Alcohol Reasonable Suspicion Checklist* form to the Human Resources
52 Department within twenty-four (24) hours:

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- a. Difficulty walking such as swaying, an unstable gait, staggering, or stumbling, especially when not consistent with the employee's normal behavior;
 - b. Flushed skin;
 - c. Bloodshot eyes and/or inability to make eye contact;
 - d. Slurred speech;
 - e. Odor of alcohol or drugs on the employee's breath, clothes, or in an area (such as in a vehicle, office, work area, or restroom) immediately controlled or occupied, by the employee;
 - f. Alcohol, alcohol containers, illegal drugs, or drug paraphernalia in the employee's possession, or in an area controlled or occupied by the employee (such as in a vehicle, office, work area, or restroom);
 - g. Unexplained or significant deterioration in job performance;
 - h. Unexplained significant changes in behavior (e.g., lethargy, abusive behavior, repeated disregard of safety rules, or procedures, insubordination, etc.);
 - i. Unexplained absenteeism or tardiness;
 - j. Employee admissions regarding drug or alcohol use; and/or
 - k. Involvement in any work-related accident or near misses.
2. If a Human Resources representative or the Manager of Environmental Health and Safety or the supervisor along with the Human Resources Representative or Manager of Environmental Health and Safety have reasonable suspicion that an employee may be under the influence of or has consumed drugs or alcohol while on-duty or on CalOptima Health Property, CalOptima Health may direct the employee to undergo a drug and alcohol test. If the employee refuses to undergo the test, such refusal may result in corrective action, up to and including termination from employment.
 3. The supervisor and/or Human Resources representative or the Manager of Environmental Health and Safety will inform the employee about the consequences to the employee if the drug and alcohol test is positive, which shall include corrective action, up to and including termination from employment, and/or required admission to a drug and/or alcohol treatment program.
 4. If appropriate, Human Resources representative may assist the employee in making arrangements to be taken home after a drug and/or alcohol test is completed. CalOptima Health employees who are not relatives of the employee may not provide the transportation themselves.

48 F. Scope of Tests: All tests shall be conducted by a certified laboratory. Employees may be tested for,
49 but not limited to the following:

- 50
51 1. Alcohol;
52

2. Amphetamines, or other stimulants;
3. Cannabinoids (THC), such as marijuana and hashish;
4. Cocaine;
5. Opiates, or other narcotics;
6. Phencyclidine; and
7. Barbiturates, or other depressants.

G. Positive Tests: If a positive test result can be explained by the legal use of any substance, an employee may present verification by a licensed medical professional. Any employee who tests positive for drugs that are not prescribed to ~~him or her~~ them by their physician will be immediately removed from duty. Additionally, corrective action will be taken which may include:

1. Corrective action, up to and including termination;
2. Referral to a substance abuse professional for assessment and recommendations;
3. Requirement to pass a Return-to-Duty test; or
4. Requirement to sign a Return-to-Work Agreement.

H. Confidentiality: CalOptima Health shall maintain all drug-testing information in separate confidential records.

I. Employee Assistance Program:

1. CalOptima Health is committed to helping employees remain productive members of CalOptima Health's team. CalOptima Health provides an Employee Assistance Program (EAP) for employees to provide counseling and other services for employees with substance abuse and other personal or emotional problems that can affect work performance. The EAP will treat information obtained regarding an employee during participation in such program or services, as confidential in accordance with Federal and State laws.
2. No employee shall receive corrective action or be discriminated against for simply seeking help from the EAP, if such help or request for help is prior to a violation of this Policy.
3. In certain circumstances, CalOptima Health may insist upon a mandatory referral to CalOptima Health's EAP as a condition of continued employment.

J. Condition of Continued Employment: If a violation of the Policy has occurred continued employment with CalOptima Health may be conditioned upon:

1. Entering into and completing a treatment program approved by CalOptima Health;
2. Signing and complying with a last chance performance agreement; and/or
3. Undergoing random drug and/or alcohol test for a specified period of time.

1 K. Fit for Duty:

- 2
- 3 1. CalOptima Health may require a fit for duty exam by a certified medical practitioner. This
- 4 exam may be administered along with a drug test to determine if the employee is fit for duty.
- 5

6 L. Duty to Cooperate:

- 7
- 8 1. As a condition of continued employment, employees are expected to cooperate with the full
- 9 administration of this Policy. Violation of this Policy includes, but is not limited to:
- 10
- 11 a. Refusing to participate in testing, submit a sample, or sign required forms;
- 12
- 13 b. Refusing to cooperate in any way (for example, refusing to ~~courteously and candidly~~
- 14 cooperate in any interview or investigation courteously and candidly, including any form of
- 15 untruthfulness, misrepresentation, misleading statements, or omissions);
- 16
- 17 c. Any form of dishonesty in the testing process or related investigation;
- 18
- 19 d. Refusing to test again at a time of CalOptima Health's choosing whenever any test results in
- 20 a finding of a dilute sample, or reasonable suspicion; and/or
- 21
- 22 e. Failure to adhere to the conditions of continued employment.
- 23

24 M. Self-Disclosure of Convictions: Employees are required to report any drug and/or alcohol related
25 convictions occurring outside of the workplace to CalOptima Health within five (5) calendar days of
26 such conviction. Failure to do so is considered a violation of this Policy. This information may
27 subject the employee to corrective action, random testing requirements, referral to the EAP, and/or
28 may be reported to the appropriate licensing authority.

29
30 **IV. ATTACHMENT(S)**

31
32 A. Drug and Alcohol Reasonable Suspicion Checklist

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34 **V. REFERENCE(S)**

35
36 ~~A.~~ California Drug-Free Workplace Act of 1990 (California Government Code, §§8350-8351 and
37 8355-8357)

38 ~~B.A.~~ CalOptima Employee Handbook

39 ~~C.B.~~ CalOptima Health Policy GA.8022: Performance and Behavior Standards Performance
40 Improvement

41 ~~D.C.~~ Supervisor's Guide -Work Performance Behaviors, Alcohol and Drug Impairment Indicators,
42 Department of Transportation

43 ~~E.D.~~ Federal Drug-Free Workplace Act of 1988 (41, U.S.C., §701 *et seq.*)

44
45 **VI. REGULATORY AGENCY APPROVAL(S)**

46
47 None to Date

48
49 **VII. BOARD ACTION(S)**

Date	Meeting
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02/02/2017	Regular Meeting of the CalOptima Board of Directors
05/01/2014	Regular Meeting of the CalOptima Board of Directors
09/03/2020	Regular Meeting of the CalOptima Board of Directors
<u>TBD</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	02/01/2014	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	02/02/2017	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	09/03/2020	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
<u>Revised</u>	<u>TBD</u>	<u>GA.8052</u>	<u>Drug-Free and Alcohol-Free Workplace</u>	<u>Administrative</u>

For 20220901 BOD Review ONLY

1 IX. GLOSSARY
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Term	Definition
CalOptima <u>Health</u> Property	Any property owned, operated, or leased by CalOptima <u>Health</u> , including <u>but not limited to</u> CalOptima <u>Health</u> owned or leased vehicles, the administration building <u>buildings</u> at <u>500 and</u> 505 City Parkway West, in the City of Orange, State of California, the PACE building at 13300 Garden Grove Boulevard, in the City of Garden Grove, State of California, and the CalOptima <u>Health</u> satellite office located at the County Community Service Center, 15496 Magnolia Street, Suite 111, in the City of Westminster, State of California. CalOptima <u>Health</u> Property shall include surrounding ground and parking lots owned, operated, or leased by CalOptima <u>Health</u> , as well as other leased or rented spaces.
Member	A beneficiary who is enrolled in a CalOptima <u>Health</u> Program.
Safety Sensitive Employee	A position where the employee has the responsibility for his or her own safety or other people’s safety, such as administering medication, handling of controlled substances and/or providing health care services or personal care services to CalOptima <u>Health</u> Members. This shall include any employee who operates a CalOptima <u>Health</u> owned or leased motor vehicle.
Termination	The end of the employment relationship.
Under the Influence of Alcohol	An employee with a blood alcohol concentration (BAC) of .04 or above.

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For 20220901 BOD REVIEW ONLY



Policy: GA.8052
 Title: **Drug-Free and Alcohol-Free Workplace**
 Department: CalOptima Health Administrative
 Section: Human Resources

CEO Approval: /s/

Effective Date: 02/01/2014
 Revised Date: TBD

- Applicable to:
- Medi-Cal
 - OneCare
 - OneCare Connect
 - PACE
 - Administrative

I. PURPOSE

This policy establishes guidelines for a drug-free and alcohol-free workplace at CalOptima Health and CalOptima Health PACE to further enhance safety in the workplace for all employees, promote employee health, maintain a high level of quality in service to CalOptima Health’s Members, ensure productivity, protect against liability, and promote the public’s trust in CalOptima Health. Substance abuse, including the misuse of both legal and illegal drugs, in the workplace can negatively impact employee performance, employee safety, and/or safety of the public. For the purposes of this Policy, and in accordance with federal law, marijuana and other cannabis products fall under the category of “illegal drugs.”

II. POLICY

- A. CalOptima Health has a vital interest in maintaining a safe and productive work environment for its employees, Members, and those who come into contact with CalOptima Health. To support this interest, CalOptima Health shall maintain a workplace that is free of alcohol, illegal drugs, and controlled substances and herein discourages alcohol and substance abuse by its employees.
- B. The following behavior while on duty or on CalOptima Health Property are separately, or in combination violations of CalOptima Health’s Drug-Free and Alcohol-Free Workplace Policy:
 - 1. The unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance;
 - 2. Possession or use of alcohol or an illegal or controlled substance, or being under the influence of alcohol or an illegal or controlled substance, while on duty, or on or in CalOptima Health Property, except where the controlled substance is lawfully prescribed and used consistent with a doctor’s authorization;
 - 3. Abuse of a legal drug, or the purchase, sale, manufacture, distribution, dispensation of any legal prescription drug in a manner inconsistent with the law;

- 1 4. Operating a CalOptima Health owned or leased vehicle or conducting CalOptima Health
2 business in a personal vehicle while under the influence of alcohol, illegal drugs, or controlled
3 substance; and
4
5 5. Distribution, sale, or purchase of alcohol and/or an illegal or controlled substance while on-duty
6 or on or in CalOptima Health Property.
7

8 C. This Policy and each of its rules apply:
9

- 10 1. Whenever an employee is on or in CalOptima Health Property;
11
12 2. During company time (includes breaks, meal periods, and work duties offsite (e.g., representing
13 CalOptima Health at community functions or meetings, meeting with Members, or providers,
14 etc.));
15
16 3. In any vehicle used on company business; and
17
18 4. In other circumstances (such as on customer premises, or at business/sales functions) that may
19 adversely affect CalOptima Health's operations, safety, reputation and/or the administration of
20 this Policy.
21

22 D. It is the policy of CalOptima Health and a condition of employment that an employee be present and
23 able to physically and mentally perform their job free from the effects of alcohol, narcotics,
24 depressants, stimulants, hallucinogens, and cannabis, or any other substances which can impair job
25 performance.
26

27 E. Violation of this Policy will not be tolerated, and CalOptima Health shall take appropriate actions,
28 including, but not limited to, corrective action, up to and including termination, to protect, as fully
29 as possible, all CalOptima Health employees and members of the public. CalOptima Health may
30 also bring the matter to the attention of appropriate law enforcement authorities and/or professional
31 licensing authorities.
32

33 **III. PROCEDURE**
34

35 A. Prohibitions: An employee who violates any of these prohibitions shall be subject to corrective
36 action, up to and including termination:
37

38 1. Alcohol: An employee may not possess, distribute, dispense, sell, use, transfer, offer, or be
39 under the influence of any intoxicating liquor such that the employee's blood alcohol
40 concentration (BAC) is .04, or above, while at work, or on-duty for CalOptima Health business.
41 Off-duty use of alcohol that adversely affects, or impairs, an employee's job performance, or
42 results in on-duty conduct which adversely affects, or threatens to adversely affect, CalOptima
43 Health's interest is prohibited.
44

45 a. This rule prohibits using any alcohol prior to reporting to work such that the employee's
46 BAC is .04 or above during breaks or meal periods, or in conjunction with any CalOptima
47 Health activity, except social or business events where the Chief Executive Officer and/or
48 other members of the Executive Staff has/have authorized the moderate consumption of
49 alcoholic beverages.
50

- 1 b. An employee at work or on-duty, for CalOptima Health business with a BAC level at .04, or
2 above, shall be removed from duty and may be subject to disciplinary action, up to and
3 including termination.
4
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6 2. Drugs: An employee may not possess, distribute, dispense, sell, use, transfer, offer, share,
7 attempt to sell, or obtain, manufacture, or be under the influence of any illegal drug or
8 controlled substance, or have any trace of illegal drugs or controlled substance present in the
9 body while at work or on duty for CalOptima Health business. Therefore, an employee who
10 tests positive for any illegal drug or controlled substance will be deemed to have violated this
11 rule.
12
13 a. This rule also prohibits prescription drugs being taken while on duty without a doctor's
14 authorization.
15
16 b. Abuse of a legal drug or the purchase, sale, manufacture, distribution, dispensation of any
17 legal prescription drug in a manner inconsistent with the law is also prohibited under this
18 rule.
19
20 3. Prescriptions/Over-The-Counter Medications: An employee is responsible for checking the
21 potential side effects of prescription drugs and over-the-counter medications with their doctor or
22 pharmacist before reporting to work, and to immediately let their supervisor know when such
23 use makes it unsafe for them to report to work or do their job.
24
25 4. Adulterants: An employee is prohibited from using any substance that is used for the purpose
26 of manipulating the results of a drug test.
27
28 B. Pre-Employment Testing: All employees in Safety Sensitive classifications are required to pass a
29 pre-employment urine drug test as a condition of employment in the classification.
30
31 C. Random Drug Testing: Effective thirty (30) calendar days after the adoption of this Policy, the
32 following shall apply:
33
34 1. All CalOptima Health employees who provide health care services and personal care services to
35 CalOptima Health Members may be subject to random drug testing. This shall include any
36 employee who operates a CalOptima Health owned or leased motor vehicle.
37
38 2. All CalOptima Health employees who have face-to-face interaction in the residence of a
39 Member, or prospective Member, and provide health care services, or personal care services,
40 such as nurses in the field, may be subject to random drug testing.
41
42 D. Mandatory Post Traffic Accident Testing: When a CalOptima Health employee is involved in a
43 work-related traffic accident, CalOptima Health shall request a drug and/ alcohol test if there is a
44 reasonable suspicion of the involvement of drugs and/or alcohol.
45
46 E. Reasonable Suspicion Testing or Reasonable Cause
47
48 1. If a supervisor, Human Resources and/or Manager, Environmental Health and Safety suspects
49 an employee is under the influence of drugs and/or alcohol and observes two (2) or more of the
50 following, shall immediately notify the Human Resources Department and submit a completed
51 *Drug and Alcohol Reasonable Suspicion Checklist* form to the Human Resources Department
52 within twenty-four (24) hours:

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- a. Difficulty walking such as swaying, an unstable gait, staggering, or stumbling, especially when not consistent with the employee's normal behavior;
 - b. Flushed skin;
 - c. Bloodshot eyes and/or inability to make eye contact;
 - d. Slurred speech;
 - e. Odor of alcohol or drugs on the employee's breath, clothes, or in an area (such as in a vehicle, office, work area, or restroom) immediately controlled or occupied, by the employee;
 - f. Alcohol, alcohol containers, illegal drugs, or drug paraphernalia in the employee's possession, or in an area controlled or occupied by the employee (such as in a vehicle, office, work area, or restroom);
 - g. Unexplained or significant deterioration in job performance;
 - h. Unexplained significant changes in behavior (e.g., lethargy, abusive behavior, repeated disregard of safety rules, or procedures, insubordination, etc.);
 - i. Unexplained absenteeism or tardiness;
 - j. Employee admissions regarding drug or alcohol use; and/or
 - k. Involvement in any work-related accident or near misses.
2. If a Human Resources representative or the Manager of Environmental Health and Safety or the supervisor along with the Human Resources Representative or Manager of Environmental Health and Safety have reasonable suspicion that an employee may be under the influence of or has consumed drugs or alcohol while on-duty or on CalOptima Health Property, CalOptima Health may direct the employee to undergo a drug and alcohol test. If the employee refuses to undergo the test, such refusal may result in corrective action, up to and including termination from employment.
3. The supervisor and/or Human Resources representative or the Manager of Environmental Health and Safety will inform the employee about the consequences to the employee if the drug and alcohol test is positive, which shall include corrective action, up to and including termination from employment, and/or required admission to a drug and/or alcohol treatment program.
4. If appropriate, Human Resources representative may assist the employee in making arrangements to be taken home after a drug and/or alcohol test is completed. CalOptima Health employees who are not relatives of the employee may not provide the transportation themselves.

48 F. Scope of Tests: All tests shall be conducted by a certified laboratory. Employees may be tested for,
49 but not limited to the following:

- 50
51 1. Alcohol;

2. Amphetamines, or other stimulants;
3. Cannabinoids (THC), such as marijuana and hashish;
4. Cocaine;
5. Opiates, or other narcotics;
6. Phencyclidine; and
7. Barbiturates, or other depressants.

G. Positive Tests: If a positive test result can be explained by the legal use of any substance, an employee may present verification by a licensed medical professional. Any employee who tests positive for drugs that are not prescribed to them by their physician will be immediately removed from duty. Additionally, corrective action will be taken which may include:

1. Corrective action, up to and including termination;
2. Referral to a substance abuse professional for assessment and recommendations;
3. Requirement to pass a Return-to-Duty test; or
4. Requirement to sign a Return-to-Work Agreement.

H. Confidentiality: CalOptima Health shall maintain all drug-testing information in separate confidential records.

I. Employee Assistance Program:

1. CalOptima Health is committed to helping employees remain productive members of CalOptima Health's team. CalOptima Health provides an Employee Assistance Program (EAP) for employees to provide counseling and other services for employees with substance abuse and other personal or emotional problems that can affect work performance. The EAP will treat information obtained regarding an employee during participation in such program or services, as confidential in accordance with Federal and State laws.
2. No employee shall receive corrective action or be discriminated against for simply seeking help from the EAP, if such help or request for help is prior to a violation of this Policy.
3. In certain circumstances, CalOptima Health may insist upon a mandatory referral to CalOptima Health's EAP as a condition of continued employment.

J. Condition of Continued Employment: If a violation of the Policy has occurred continued employment with CalOptima Health may be conditioned upon:

1. Entering into and completing a treatment program approved by CalOptima Health;
2. Signing and complying with a last chance performance agreement; and/or
3. Undergoing random drug and/or alcohol test for a specified period of time.

1 K. Fit for Duty:

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3 1. CalOptima Health may require a fit for duty exam by a certified medical practitioner. This
4 exam may be administered along with a drug test to determine if the employee is fit for duty.
5

6 L. Duty to Cooperate:

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8 1. As a condition of continued employment, employees are expected to cooperate with the full
9 administration of this Policy. Violation of this Policy includes, but is not limited to:
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11 a. Refusing to participate in testing, submit a sample, or sign required forms;
12
13 b. Refusing to cooperate in any way (for example, refusing to cooperate in any interview or
14 investigation courteously and candidly, including any form of untruthfulness,
15 misrepresentation, misleading statements, or omissions);
16
17 c. Any form of dishonesty in the testing process or related investigation;
18
19 d. Refusing to test again at a time of CalOptima Health's choosing whenever any test results in
20 a finding of a dilute sample, or reasonable suspicion; and/or
21
22 e. Failure to adhere to the conditions of continued employment.
23

- 24 M. Self-Disclosure of Convictions: Employees are required to report any drug and/or alcohol related
25 convictions occurring outside of the workplace to CalOptima Health within five (5) calendar days of
26 such conviction. Failure to do so is considered a violation of this Policy. This information may
27 subject the employee to corrective action, random testing requirements, referral to the EAP, and/or
28 may be reported to the appropriate licensing authority.
29

30 **IV. ATTACHMENT(S)**

- 31
32 A. Drug and Alcohol Reasonable Suspicion Checklist
33

34 **V. REFERENCE(S)**

- 35
36 A. California Drug-Free Workplace Act of 1990 (California Government Code, §§8350-8351 and
37 8355-8357)
38 B. CalOptima Health Policy GA.8022: Performance and Behavior Standards Performance
39 Improvement
40 C. Supervisor's Guide -Work Performance Behaviors, Alcohol and Drug Impairment Indicators,
41 Department of Transportation
42 D. Federal Drug-Free Workplace Act of 1988 (41, U.S.C., §701 *et seq.*)
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44 **VI. REGULATORY AGENCY APPROVAL(S)**

45 None to Date

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48 **VII. BOARD ACTION(S)**
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Date	Meeting
02/02/2017	Regular Meeting of the CalOptima Board of Directors

05/01/2014	Regular Meeting of the CalOptima Board of Directors
09/03/2020	Regular Meeting of the CalOptima Board of Directors
TBD	Regular Meeting of the CalOptima Health Board of Directors

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VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	02/01/2014	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	02/02/2017	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	09/03/2020	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative
Revised	TBD	GA.8052	Drug-Free and Alcohol-Free Workplace	Administrative

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For 20220901 BOD Review ONLY

1 IX. GLOSSARY
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Term	Definition
CalOptima Health Property	Any property owned, operated, or leased by CalOptima Health, including but not limited to CalOptima Health owned or leased vehicles, the administration buildings at 500 and 505 City Parkway West, in the City of Orange, State of California, the PACE building at 13300 Garden Grove Boulevard, in the City of Garden Grove, State of California, and the CalOptima Health satellite office located at the County Community Service Center, 15496 Magnolia Street, Suite 111, in the City of Westminster, State of California. CalOptima Health Property shall include surrounding ground and parking lots owned, operated, or leased by CalOptima Health, as well as other leased or rented spaces.
Member	A beneficiary who is enrolled in a CalOptima Health Program.
Safety Sensitive Employee	A position where the employee has the responsibility for his or her own safety or other people's safety, such as administering medication, handling of controlled substances and/or providing health care services or personal care services to CalOptima Health Members. This shall include any employee who operates a CalOptima Health owned or leased motor vehicle.
Termination	The end of the employment relationship.
Under the Influence of Alcohol	An employee with a blood alcohol concentration (BAC) of .04 or above.

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For 20220901 BOD REVIEW ONLY



DRUG AND ALCOHOL REASONABLE SUSPICION CHECKLIST

GENERAL		
Employee Name:	Date of Observation:	Time of Observation:
Location:	Reasonable suspicion of: <input type="checkbox"/> Alcohol <input type="checkbox"/> Drugs	Employee agreeagreed to testing? <input type="checkbox"/> Yes <input type="checkbox"/> No

When there is reasonable suspicion that an employee is under the influence of drugs and/or alcohol and is unfit for duty, the supervisor or manager observing the behavior, as well as another supervisor/manager as a witness, if possible, must complete the checklist below. Where "Other" is checked, please describe. **Submit the completed form to Human Resources within 24 hours of the ~~incident~~observation.**

Observation Checklist (check all observations that are applicable):

Speech:	<input type="checkbox"/> Normal <input type="checkbox"/> Incoherent <input type="checkbox"/> Loud <input type="checkbox"/> Silent <input type="checkbox"/> Slurred <input type="checkbox"/> Whispering <input type="checkbox"/> Disruptive <input type="checkbox"/> Rambling <input type="checkbox"/> Slobbering <input type="checkbox"/> Slow <input type="checkbox"/> Other: _____
Standing:	<input type="checkbox"/> Normal <input type="checkbox"/> Swaying <input type="checkbox"/> Unable to Stand <input type="checkbox"/> Unsteady <input type="checkbox"/> Staggering <input type="checkbox"/> Falling <input type="checkbox"/> Other: _____
Walking:	<input type="checkbox"/> Normal <input type="checkbox"/> Stumbling <input type="checkbox"/> Unable to Walk <input type="checkbox"/> Unsteady <input type="checkbox"/> Swaying <input type="checkbox"/> Holding On/Reach for Support <input type="checkbox"/> Falling <input type="checkbox"/> Staggering <input type="checkbox"/> Other: _____
Demeanor:	<input type="checkbox"/> Normal <input type="checkbox"/> Paranoid <input type="checkbox"/> Lack of Coordination <input type="checkbox"/> Disoriented/Confused <input type="checkbox"/> Sleepy/Lethargic <input type="checkbox"/> Excited <input type="checkbox"/> Argumentative <input type="checkbox"/> Talkative <input type="checkbox"/> Crying <input type="checkbox"/> Overly Nervous <input type="checkbox"/> Difficulty Concentrating <input type="checkbox"/> Isolation <input type="checkbox"/> Other For each item checked in this box, describe your observations: _____ _____
Actions:	<input type="checkbox"/> Normal <input type="checkbox"/> Hyperactive <input type="checkbox"/> Resisting Communication <input type="checkbox"/> Hostile <input type="checkbox"/> Erratic <input type="checkbox"/> Profanity <input type="checkbox"/> Threatening <input type="checkbox"/> Drowsy <input type="checkbox"/> Calm <input type="checkbox"/> Lethargic <input type="checkbox"/> Other For each item checked in this box, describe your observations: _____ _____
Eyes:	<input type="checkbox"/> Normal <input type="checkbox"/> Closed <input type="checkbox"/> Droopy/Half-closed <input type="checkbox"/> Bloodshot/Red <input type="checkbox"/> Dilated Pupils <input type="checkbox"/> Constricted Pupils <input type="checkbox"/> Glassy <input type="checkbox"/> Inability of Make Eye Contract <input type="checkbox"/> Use of Sunglasses Indoors <input type="checkbox"/> Jerky Movement of Eyes <input type="checkbox"/> Blank Stare <input type="checkbox"/> Other _____

Skin:	<input type="checkbox"/> Normal <input type="checkbox"/> Flushed Face/Neck/Head <input type="checkbox"/> Sweaty <input type="checkbox"/> Redness/Irritation around nasal area <input type="checkbox"/> Other: _____
Appearance/Clothing:	<input type="checkbox"/> Normal <input type="checkbox"/> Unruly/Messy <input type="checkbox"/> Dirty/Stains <input type="checkbox"/> Other Describe the appearance: _____
Odor:	<input type="checkbox"/> Normal <input type="checkbox"/> Alcohol/drug odor <input type="checkbox"/> Heavy breath spray/cologne <input type="checkbox"/> Glue/Solvent/Paint <input type="checkbox"/> Other: _____
Movements:	<input type="checkbox"/> Normal <input type="checkbox"/> Jerky <input type="checkbox"/> Nervous <input type="checkbox"/> Lack of coordination <input type="checkbox"/> Muscle Rigidity <input type="checkbox"/> Fumbling <input type="checkbox"/> Slow <input type="checkbox"/> Hyperactive <input type="checkbox"/> Hand or Finger Tremors <input type="checkbox"/> Other: _____ For each item checked in this box, describe your observations: _____ _____
Miscellaneous:	<input type="checkbox"/> Alcohol and/or drugs present in employee's possession or vicinity <input type="checkbox"/> Employee admitted to alcohol and/or drug use or possession <input type="checkbox"/> Unexplained significant deterioration in job performance <input type="checkbox"/> Unexplained absenteeism or tardiness/leaving early <input type="checkbox"/> Repeated disregard for safety and/or of safety rules/procedures <input type="checkbox"/> Amnesia <input type="checkbox"/> Hearing/Seeing things that aren't there <input type="checkbox"/> Coma <input type="checkbox"/> Convulsions <input type="checkbox"/> Other: _____

Other observations/Comments: _____

Supervisor/Manager Signature Print Name Date & Time

Witness Signature Print Name Date & Time

Human Resources Reviewer Signature Print Name/Title Date & Time



DRUG AND ALCOHOL REASONABLE SUSPICION CHECKLIST

GENERAL		
Employee Name:	Date of Observation:	Time of Observation:
Location:	Reasonable suspicion of: ___ Alcohol ___ Drugs	Employee agreed to testing? ___ Yes ___ No

When there is reasonable suspicion that an employee is under the influence of drugs and/or alcohol and is unfit for duty, the supervisor or manager observing the behavior, as well as another supervisor/manager as a witness, if possible, must complete the checklist below. Where "Other" is checked, please describe. **Submit the completed form to Human Resources within 24 hours of the observation.**

Observation Checklist (check all observations that are applicable):

Speech:	___ Normal ___ Slurred ___ Rambling ___ Other: _____	___ Incoherent ___ Whispering ___ Slobbering	___ Loud ___ Disruptive ___ Slow	___ Silent
Standing:	___ Normal ___ Unsteady ___ Other: _____	___ Swaying ___ Staggering	___ Unable to Stand ___ Falling	
Walking:	___ Normal ___ Unsteady ___ Falling ___ Other: _____	___ Stumbling ___ Swaying ___ Staggering	___ Unable to Walk ___ Holding On/Reach for Support	
Demeanor:	___ Normal ___ Disoriented/Confused ___ Argumentative ___ Overly Nervous	___ Paranoid ___ Sleepy/Lethargic ___ Talkative ___ Difficulty Concentrating	___ Lack of Coordination ___ Excited ___ Crying ___ Isolation	___ Other
For each item checked in this box, describe your observations: _____				
Actions:	___ Normal ___ Hostile ___ Threatening ___ Lethargic	___ Hyperactive ___ Erratic ___ Drowsy ___ Other	___ Resisting Communication ___ Profanity ___ Calm	
For each item checked in this box, describe your observations: _____				
Eyes:	___ Normal ___ Bloodshot/Red ___ Glassy ___ Use of Sunglasses Indoors ___ Other: _____	___ Closed ___ Dilated Pupils ___ Inability of Make Eye Contract ___ Jerky Movement of Eyes	___ Droopy/Half-closed ___ Constricted Pupils ___ Blank Stare	
Skin:	___ Normal ___ Redness/Irritation around nasal area ___ Other: _____	___ Flushed Face/Neck/Head	___ Sweaty	

Appearance/Clothing:	<input type="checkbox"/> Normal <input type="checkbox"/> Unruly/Messy <input type="checkbox"/> Dirty/Stains <input type="checkbox"/> Other Describe the appearance: _____
Odor:	<input type="checkbox"/> Normal <input type="checkbox"/> Alcohol/drug odor <input type="checkbox"/> Heavy breath spray/cologne <input type="checkbox"/> Glue/Solvent/Paint <input type="checkbox"/> Other: _____
Movements:	<input type="checkbox"/> Normal <input type="checkbox"/> Jerky <input type="checkbox"/> Nervous <input type="checkbox"/> Lack of coordination <input type="checkbox"/> Muscle Rigidity <input type="checkbox"/> Fumbling <input type="checkbox"/> Slow <input type="checkbox"/> Hyperactive <input type="checkbox"/> Hand or Finger Tremors <input type="checkbox"/> Other: _____ For each item checked in this box, describe your observations: _____ _____
Miscellaneous:	<input type="checkbox"/> Alcohol and/or drugs present in employee's possession or vicinity <input type="checkbox"/> Employee admitted to alcohol and/or drug use or possession <input type="checkbox"/> Unexplained significant deterioration in job performance <input type="checkbox"/> Unexplained absenteeism or tardiness/leaving early <input type="checkbox"/> Repeated disregard for safety and/or of safety rules/procedures <input type="checkbox"/> Amnesia <input type="checkbox"/> Hearing/Seeing things that aren't there <input type="checkbox"/> Coma <input type="checkbox"/> Convulsions <input type="checkbox"/> Other: _____

Other observations/Comments: _____

Supervisor/Manager Signature

Print Name

Date & Time

Witness Signature

Print Name

Date & Time

Human Resources Reviewer Signature

Print Name/Title

Date & Time



Board of Directors Meeting September 1, 2022

Regular Joint Meeting of the Member Advisory Committee and the Provider Advisory Committee

Report to the Board

On August 11, 2022, the Member Advisory Committee (MAC), and the Provider Advisory Committee (PAC) held their regular joint meeting to discuss topics of mutual interest.

Both MAC and PAC welcomed new members to their respective committees. In addition, the MAC reviewed and approved a recommendation to replace and rename three seats which was based on the Centers for Medicare & Medicaid Services (CMS) and the Department of Health Care Services' (DHCS) ruling in 2023, for the D-SNP 2023 program to allow OneCare representatives to sit on the MAC in place of creating a separate committee. With the MAC and the PAC now meeting jointly, the PAC has similar seats to those the MAC is requesting be replaced and renamed. The PAC also approved a recommendation to appoint a Physician Representative to fulfill an existing term through 2025. Both committees selected a new chair and vice chair for their respective committees.

Michael Hunn, Chief Executive Officer (CEO), provided a CEO update and noted that CalOptima's membership has continued to rise, and membership stands at approximately 915,000 Medi-Cal members. Mr. Hunn also discussed the efforts being undertaken to receive Board of Supervisors approval to change CalOptima's current ordinance. This would allow CalOptima to participate in the California Exchange and in turn would allow members who would be impacted by the redetermination to continue their coverage with CalOptima through Covered California. He also discussed CalOptima's rebranding initiative and noted that the Board had approved a name change to CalOptima Health. The Chairs of both committees thanked Mr. Hunn for being

receptive to the needs and the concerns that the MAC and PAC has brought forward during his tenure and for making sure the MAC and PAC input is heard.

Yunkyung Kim, Chief Operating Officer (COO), introduced Michael Gomez, Executive Director, Network Operations and Linda Lee, Executive Director, Senior Programs. She also introduced John Tanner as the Chief Compliance Officer. She also reviewed the redetermination that will be undertaken by the DHCS and asked the providers on the committees to notify CalOptima if they know of any member address changes. Ms. Kim also discussed the Board approved rate changes to the Applied Behavioral Analysis (ABA) providers.

Richard Pitts, D.O., Ph.D., Chief Medical Officer, introduced Zeinab Dabbah, M.D., J.D. as the new Deputy Chief Medical Officer and provided several updates to the committee on COVID, Syphilis and Monkeypox.

Nancy Huang, Chief Financial Officer, presented a brief overview of the CalOptima financials and noted that the 2022-2023 fiscal year started on July 1, 2022.

Katie Balderas, Director, Population Health Management, presented on Housing and Homelessness Incentive Program.

The members of the MAC and PAC appreciate the opportunity to update the Board on their current activities.