



**NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA HEALTH BOARD OF DIRECTORS'
WHOLE-CHILD MODEL FAMILY ADVISORY COMMITTEE**

**TUESDAY, SEPTEMBER 20, 2022
9:30 A.M.**

**CalOptima Health
505 City Parkway West, Suite 150-N
Orange, California 92868**

AGENDA

This agenda contains a brief, general description of each item to be considered. The Committee may take any action on all items listed. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda. To speak on an item during the public comment portion of the agenda, please register using the Webinar link below. Once the meeting begins the Question-and-Answer section of the Webinar will be open for those who wish to make a public comment and registered individuals will be unmuted when their name is called. You must be registered to make a public comment.

Information related to this agenda may be obtained by contacting the CalOptima Health Clerk of the Board at 714.246.8806 or by visiting our website at www.caloptima.org. In compliance with the Americans with Disabilities Act, those requiring special accommodations for this meeting should notify the Clerk of the Board's office at 714.246.8806. Notification at least 72 hours prior to the meeting will allow time to make reasonable arrangements for accessibility to this meeting.

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_P_EtMIETJWPvzft6U_W_A and Join the Meeting.

Webinar ID: 882 9116 3590

Passcode: 129470 -- Webinar instructions are provided below.

1. CALL TO ORDER

Pledge of Allegiance

2. ESTABLISH QUORUM

3. WELCOME NEW MEMBERS

4. APPROVE MINUTES

[Approve Minutes of the August 24, 2021 Regular Meeting of the CalOptima Board of Directors' Whole-Child Model Family Advisory Committee](#)

5. PUBLIC COMMENT

At this time, members of the public may address the Whole-Child Model Family Advisory committee on matters not appearing on the agenda, but within the subject matter jurisdiction of the Committee. Speakers will be limited to three (3) minutes.

6. REPORTS

- A. Consider Recommendation of Whole-Child Model Family Advisory Committee Chair and Vice Chair
- B. Approve Recommendation to Allow Community Based Organizations or Consumer Advocates to be appointed Chair and Vice Chair in Addition to Authorized Family Members

7. MANAGEMENT REPORTS

- A. [Chief Executive Officer Report](#)
- B. [Chief Operating Officer Report](#)
- C. Chief Medical Officer Report

8. INFORMATIONAL ITEMS

- A. Whole-Child Model Family Advisory Committee Member Updates
- B. California Children Services Update
- C. California Advancing and Innovating Medi-Cal (CalAIM) Update
- D. Medi-Cal Rx Update

9. COMMITTEE MEMBER COMMENTS

10. ADJOURNMENT

TO JOIN THE MEETING

Please register for the Regular Meeting of the CalOptima Health Board of Directors' Whole-Child Model Family Advisory Committee on September 20, 2022 at 9:30 a.m. (PDT)

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

Please click this URL to join.

https://us06web.zoom.us/webinar/register/WN_P_EtIMIETJWPvzfT6U_W_A

Or One tap mobile:

+16694449171,,88291163590#,,,,*129470# US

+17193594580,,88291163590#,,,,*129470# US

Or join by phone:

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

US: +1 669 444 9171 or +1 719 359 4580 or +1 720 707 2699 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592 or +1 309 205 3325 or +1 312 626 6799 or +1 386 347 5053 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860

Webinar ID: **882 9116 3590**

Passcode: **129470**

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

MINUTES

REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' WHOLE CHILD MODEL FAMILY ADVISORY COMMITTEE

August 24, 2021

A Regular Meeting of the CalOptima Board of Directors' Whole-Child Model Family Advisory Committee (WCM FAC) was held on April 27, 2021, CalOptima, 505 City Parkway West, Orange, California and via teleconference (Go-to-Webinar) in light of the COVID-19 public health emergency and consistent with Governor Newsom's executive orders EO-N-25-20 and EO-N-29-20, which temporarily relax the teleconferencing limitations of the Brown Act.

CALL TO ORDER

Kristen Rogers, WCM FAC Chair called the meeting to order at 9:30 a.m. and led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Kristen Rogers, Chair; Maura Byron; Jacqui Knudsen; Kathleen Lear; Monica Maier; Sandra Cortez-Schultz Malissa Watson

Members Absent: Cathleen Collins

Others Present: Ladan Khamseh, Chief Operations Officer; Emily Fonda, M.D., Chief Medical Officer; Tracy Hitzeman, Executive Director, Clinical Operation; Thanh-Tam Nguyen, M.D., Medical Director; Kris Gericke, Director, Pharmacy Management; Albert Cardenas, Director, Customer Service; Debra Kegel, Director, Strategic Development; Vy Nguyen, Manager, Customer Service; Jackie Mark, Manager, Government Affairs; Cheryl Simmons, Staff to the Advisory Committees; Jorge Dominguez, Lead Customer Service Representative, Customer Service; Mindy Winterswyck, Orange County Healthcare Agency

PUBLIC COMMENT

There were no public comments

At this time, Chair Kristen Rogers rearranged the agenda to hear VI. CEO and Management Reports and Information Items .VII.B.

CEO AND MANAGEMENT REPORTS

Chief Operating Officer Update

Ladan Khamseh, Chief Operating Officer shared that, in an effort to improve provider communications, CalOptima transitioned over 8,600 (90% of the CalOptima Community Network (CCN) providers) from fax-based provider alerts, updates and newsletters to electronic mail. This functionality gives providers instant access to links, websites and other documents which could not be achieved with blast-faxes. She also noted that the next steps will include gathering email addresses from health networks' exclusive providers who do not currently participate with CCN.

Ms. Khamseh also provided an update on the Centers for Medicare & Medicaid Services (CMS) audit of CalOptima's OneCare and OneCare Connect programs that had just been completed. Ms. Khamseh also introduced Mike Herman as the Interim Executive Director of Program Implementation.

Chief Medical Officer Update

Emily Fonda, M.D., Chief Medical Officer, provided a COVID-19 update provided a comprehensive COVID-19 update and updated the WCM FAC on the current vaccine status in Orange County and distribution of the vaccine gift cards for CalOptima members. Dr. Fonda also updated the committee on the Delta Variant of COVID that has been spreading, primarily among unvaccinated individuals and answered questions on how CalOptima has been successful with vaccinations to children and young adults with special needs.

California Advancing and Innovating Medi-Cal (CalAIM) Update

Mike Herman, Interim Executive Director, Program Implemented presented an update on the CalAIM program noting that the program was scheduled to start on January 1, 2022 with rollout to a certain population of Medi-Cal members. Mr. Herman provided eligibility requirements and emphasized that it will be a voluntary enrollment benefit. Mr. Herman outlined housing support and stated CalOptima will be working with vendors to provide housing, deposits, and payments for initial services like gas and electricity. There will be a readiness assessment completed by a consultant group, as well as an assessment of the in-lieu of services (ILOS) vendors to assess insurance, facilities, and background checks for employees. Corrections will be addressed as they are prompted in the assessments. Mr. Herman reviewed the timeline for the program's full implementation detailing what will happen each month leading up to January 1, 2022.

MINUTES

Approve the Minutes of the April 27, 2021 Regular Meeting of the CalOptima Board of Directors' Whole-Child Model Family Advisory Committee

Action: On motion of Member Maura Byron, seconded and carried, the WCM FAC Committee approved the minutes of the April 27, 2021 meeting. (Motion carried 7-0-0; Member Cathleen Collins absent)

REPORTS

Consider Approval of Whole-Child Model Family Advisory Committee FY 2020-21 Accomplishments

Chair Kristen Rogers reviewed the FY 2020-21 WCM FAC accomplishments with the committee and asked for a motion to approve.

Action: On motion of Member Maura Byron, seconded and carried, the Committee approved the FY 2020-21 WCM FAC Accomplishments. (Motion carried 7-0-0; Member Cathleen Collins absent)

Consider Recommendation of WCM FAC Vice Chair

Chair Kristen Rogers reminded the committee that the Vice Chair seat had become vacant once Brenda Deeley's term ended and the family members were sent an email notifying them of the opening. The WCM FAC received one letter of interest from Kathleen Lear. There were no further nominations from the floor. Chair Kristen Rogers asked for a motion to recommend Kathleen Lear as the WCM FAC Vice Chair to fulfill the remaining term through June 30, 2022.

Action: On motion of Member Maura Byron, seconded and carried, the Committee approved the recommendation of Kathleen Lear as the Vice Chair. (Motion carried 7-0-0; Member Cathleen Collins absent)

INFORMATION ITEMS

Whole-Child Model Member Updates

Chair Kristen Rogers informed the committee that there are two family member seats available on the committee that still need to be filled as well as a consumer advocate seat and asked the members to assist with recruitment. She also notified the members that they would be receiving an email providing information on how to access the yearly compliance courses. These courses will be due in early November.

Medi-Cal Rx Update

Kristen Gericke, Ph.D, Director, Clinical Pharmacy, provided an update on the Medi-Cal Rx transition. As a reminder, Governor Newsom enacted an Executive Order on January 9, 2019 to carve out the pharmacy benefit from Medi-Cal managed care plans back to Medi-Cal fee-for-service plans and named this service Medi-Cal Rx. The program was scheduled to go live on January 1, 2021 and CalOptima was informed in November 2020 that due to COVID surges it would be postponed until April 1, 2021. In the beginning of 2021, it was announced that it would be postponed indefinitely due because the pharmacy benefits manager they chose to administer the program (Magellan Rx) announced it would be purchased by Centene who also owns other health plans and pharmacies and created conflict of interests with provisions of the request for proposal (RFP). Dr. Gericke announced that they went through the conflict of interest program and the Medi-Cal Rx program will be moving forward with an effective date of January 1, 2022. There would be no 90 day member notices, but rather the DHCS would be sending out 60 day notices around November 1, 2021. Future meetings on Medi-Cal Rx have not been scheduled, but dates are to be determined.

Federal and State Legislative Update

Jackie Mark, Manager, Government Affairs presented the state's budget for the next fiscal year which includes \$123 billion dollars for the Medi-Cal Budget which equates to an increase of seven percent for overall spending in the Medi-Cal program. She noted that Medi-Cal enrollment is expected to reach 14.5 million beneficiaries by 2022. Ms. Mark also explained that several of the initiatives included behavioral health for youth, CalAIM, and Medi-Cal eligibility expansion. The behavioral health for youth expansion budget includes \$4.4 billion over the next five years with several initiatives focusing on care coordination, prevention and access to care for Medi-Cal managed plans to increase behavioral health preventative and early intervention for students from

transitional kindergarten to 12th grade. Ms. Mark provided an update on several legislative items of interest to the committee and referred the committee to the handout that they had received in their meeting materials including the CalOptima's overview of the enacted state budget.

California Children Services (CCS) Update

Mindy Winterswyk, PT, DPT,PCS, Division Manager/Chief of the Medical Therapy Program California Children's Services at the Orange County Health Care Agency updated the members on coronavirus exposure amongst children. The Medical Therapy Unit (MTU) is educating families about the vaccine and safety of treatments through community outreach in African American communities. Ms. Winterswyk noted that there is hesitancy regarding vaccine information coming from a government agency and noted that hearing the information from a peer is better received, but they will keep monitoring and assessing the need for further outreach efforts for various communities throughout Orange County. Ms. Winterswyk reiterated the California Department of Public Health and Public Health Officers statement that requires all doctor's office and outpatient healthcare workers or volunteers to be fully vaccinated by September 30, 2021.

Community Relations Update

Tiffany Kaaiakamanu, Manager, Community Relations presented on efforts from the community relations team to strengthen the relationship with the community, community organizations and CalOptima. Ms. Kaaiakamanu introduced her team of community outreach specialists and presented a slide with information on community events prior to the covid pandemic and virtual events. Ms. Kaaiakamanu explained community outreach efforts to educate members on public assistance programs through expanded outreach to community partners, collaboratives, shelters via branded CalOptima materials. Ms. Kaaiakamanu presented new initiatives in response to COVID-19 through vaccine clinics and back-to-school resource fairs.

ADJOURNMENT

Chair Rogers reminded the committee members that the next meeting would be on October 26, 2021 at 9:30 a.m.

Hearing no further business, Chair Rogers adjourned the meeting at 11:20 a.m.

/s/ Cheryl Simmons

Cheryl Simmons
Staff to the Advisory Committees

Approved: September 20, 2022



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.

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><i>Potential CalOptima Health Impact:</i> 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><i>Potential CalOptima Health Impact:</i> 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
<p><u>AB 1400</u> Kalra, Lee, Santiago</p>	<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>	<p>CalOptima Health: Watch CAHP: Oppose</p>
<p><u>AB 1937</u> Patterson</p>	<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>	<p>CalOptima Health: Watch</p>
<p><u>AB 1944</u> Lee</p>	<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>	<p>CalOptima Health: Watch</p>

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>	<p>CalOptima Health: Watch LHPC: Support</p>
<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>	<p>CalOptima Health: Watch CalPACE: Support LHPC: Support</p>
<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>	<p>CalOptima Health: Watch</p>

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><i>Potential CalOptima Health Impact: De facto 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.</i></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><i>Potential CalOptima Health Impact: Implementation of new UM procedures to assess provider appeals rates and exempt certain providers from UM requirements.</i></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><i>Potential CalOptima Health Impact: Increased financial penalties for CalOptima Health OneCare and PACE.</i></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>	05/13/2021 Introduced; referred to committees	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>	06/24/2021 Introduced; referred to committees	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>	08/06/2021 Introduced; referred to committees	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 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 CAHP: Oppose 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>	<p>04/29/2022 Died in Assembly Health Committee</p>	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

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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.