



**NOTICE OF A  
SPECIAL MEETING OF THE  
CALOPTIMA BOARD OF DIRECTORS'  
MEMBER ADVISORY COMMITTEE**

**TUESDAY, FEBRUARY 25, 2020  
9:00 A.M.**

**CALOPTIMA  
505 CITY PARKWAY WEST, SUITE 109-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.

Information related to this agenda may be obtained by contacting the CalOptima Clerk of the Board at 714.246.8806 or by visiting our website at [www.caloptima.org](http://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.

**I. CALL TO ORDER**

*Pledge of Allegiance*

**II. ESTABLISH QUORUM**

**III. APPROVE MINUTES**

A. Approve Minutes of the August 8, 2019 Regular Meeting of the CalOptima Board of Directors' Member Advisory Committee

B. Approve Minutes of the October 10, 2019 Special Joint Meeting of the CalOptima Board of Directors' Member Advisory Committee OneCare Connect Member Advisory Committee, Provider Advisory Committee and the Whole-Child Model Family Advisory Committee

**IV. PUBLIC COMMENT**

*At this time, members of the public may address the Committee on general topics. Public Comment on posted item(s) will follow staff presentation of the item(s) to the Committee. If you wish to speak on an item contained in the agenda, please complete a Public Comment Request Form(s) identifying the item(s) and submit the form to the assistant to the Member Advisory Committee. When addressing the Committee, it is requested that you state your name for the record. Please address the Committee as a whole through the Chair. Comments to individual Committee members or staff are not permitted. Speakers will be limited to three (3) minutes.*

**V. REPORT**

- A. [Consider Recommendation to Rename Member Advisory Committee Seats](#)
- B. Consider Recommendation to Revise Member Advisory Chair and Vice Chair Term Lengths
- C. Consider Recommendation of Member Advisory Committee Candidate for Persons with Disabilities Representative

**VI. MANAGEMENT REPORTS**

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

**VII. INFORMATION ITEMS**

- A. [Committee Member Updates](#)
- B. [Trauma Informed Care and Adverse Childhood Experiences Screening \(ACE\)](#)
- C. [Health Homes Update](#)
- D. [Intergovernmental Transfer \(IGT\) 9 Update](#)
- E. [Medi-Cal Healthier California for All Update](#)
- F. [Behavioral Health Update](#)

**VIII. COMMITTEE MEMBER COMMENTS**

**IX. ADJOURNMENT**

# MINUTES

## REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' MEMBER ADVISORY COMMITTEE

August 8, 2019

A Regular Meeting of the CalOptima Board of Directors' Member Advisory Committee (MAC) was held on August 8, 2019, at CalOptima, 505 City Parkway West, Orange, California.

### **CALL TO ORDER**

Chair Molnar called the meeting to order at 2:32 p.m. and led the Pledge of Allegiance.

### **ESTABLISH QUORUM**

Members Present: Sally Molnar, Chair; Patty Mouton, Vice Chair (2:42 p.m.); Suzanne Butler; Sandra Finestone; Connie Gonzalez; Jaime Munoz; Ilia Rolon; Pamela Pimentel; Jacquelyn Ruddy; Mallory Vega (2:39 p.m.); Sr. Mary Therese Sweeney; Christine Tolbert.

Members Absent: Diana Cruz-Toro

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; David Ramirez, M.D., Chief Medical Officer; Belinda Abeyta, Interim Executive Director, Operations; Tracy Hitzeman, Executive Director Clinical Operations; Vy Nguyen, Manager Customer Service; Pallavi Patel, Director Process Excellence; Shamiq Hussain, Sr. Policy Advisor, Government Affairs; Rudy Huebner, Graphic Designer, Communications; Geoff Patino, Manager, Creative Branding, Communications; Cheryl Simmons, Staff to the Advisory Committees; Samantha Fontenot, Program Specialist

### **MINUTES**

#### **Approve the Minutes of the June 13, 2018 Special Meeting of the CalOptima Board of Directors' Member Advisory Committee**

*Action: On motion of Member Sandy Finestone, seconded and carried, the MAC approved the minutes of the June 13, 2019 meeting. (8-0-0, Member Diana Cruz-Toro; Patty Mouton; Mallory Vega absent)*

### **PUBLIC COMMENT**

There were no public comments.

## **REPORTS**

### **Consider Recommendation of Chair and Vice Chair**

MAC received a letter of interest from Christine Tolbert, Members with Special Needs Representative for the Chair position. After no further nominations from the floor Chair Molnar requested a motion to recommend Member Tolbert as the MAC Chair for FY 2019-20.

***Action: On motion of Member Rolon, seconded and carried, the MAC approved the recommendation of Christine Tolbert for a one-year term as the MAC Chair (8-0-0, Member Diana Cruz-Toro absent)***

MAC also received letters of interest from Sally Molnar the Representative for Medically Indigent Persons and Pamela Pimentel the Children's Representative for the Vice Chair position. There were no further nominations from the floor. Chair Molnar requested that her name be removed from Vice Chair consideration and asked for a motion to recommend Pamela Pimentel as MAC Vice Chair for 2019-20.

***Action: On motion of Member Butler, seconded and carried, the MAC approved the recommendation of Pamela Pimentel for a one-year term as the MAC Vice Chair (8-0-0, Member Diana Cruz-Toro absent)***

## **CEO AND MANAGEMENT REPORTS**

### **Chief Executive Officer Update**

Michael Shrader, Chief Executive Officer, provided a verbal update on the Board of Directors' Strategic Planning Session being held at CalOptima August 9, 2019 to develop a 3-year Strategic Plan for 2020-2022. Mr. Schrader noted that Chapman Consulting would be presenting along with two other speakers. He also noted that the meeting would be held at CalOptima as a public meeting.

### **Chief Operating Officer Update**

Ladan Khamseh, Chief Operating Officer, provided an update on the implementation of the Whole-Child Model (WCM) which was implemented July 1, 2019. Ms. Khamseh noted the transition went well with the help of the providers and health networks. She noted that staff at CalOptima continue to hold daily huddles with California Children Services staff from the county, health networks and the providers to ensure all the member needs were being met. CalOptima also participates in daily status call with the Department of Health Care Services (DHCS) to provide an update on the transition. . CalOptima continues to communicate to the members and to the providers the benefits of the program and continues to reach out to non-contracted providers for contracting opportunities.

### **Chief Medical Officer Update**

David Ramirez, M.D., Chief Medical Officer, discussed quality measures, and member experience. Dr. Ramirez announced that CalOptima is reviewing the opportunity for CalOptima to provide texting services to CalOptima members. Dr. Ramirez noted that DHCS is also in the process of releasing Tele Health guidelines which will contribute to the member experience.

## **INFORMATION ITEMS**

### **Health Home Program Update**

Pallavi Patel, Director, Process Excellence, presented an update on the Health Homes Program. (HHP). Ms. Patel noted that CalOptima's anticipated launch date is January 1, 2020 for members with chronic conditions and July 1, 2020 is for those with serious mental illness, with or without a chronic condition. Ms. Patel provided feedback from DHCS along with their recommended objectives and goals for HHP.

### **Annual Healthcare Effectiveness Data and Information Set (HEDIS) Report**

Irma Munoz, Lead Project Manager Quality Analytics, presented the updated HEDIS 2019 results for Medi-Cal, OneCare, and OneCare Connect. Ms. Munoz noted CalOptima's Medi-Cal results for all DHCS Minimum Performance Levels (MPLs) have been met for OneCare and that 44% of the measures performed higher than in 2018. For OneCare Connect she noted that 60% of the measures were higher than the 2018 results and noted that there are opportunities for additional improvement in each category.

### **Health Network Report Card for Members**

Marsha Choo, Manager, Quality Analytics, presented an updated on CalOptima's Health Network Quality Performance Report Card. Ms. Choo provided feedback to the MAC on the quality of care and member satisfaction surveys.

### **Provider Overcapacity Notification**

Marsha Choo, Manager, Quality Analytics, provided an updated on CalOptima's Medi-Cal Primary Care Providers (PCPs) Member Assignment goals and actions. Ms. Choo noted that the DHCS goals are to ensure PCPs do not have more than 2,000 CalOptima members assigned a PCP. CalOptima notifies the PCPs when they are approaching 2,000 or more members. Ms. Choo also mentioned that doctors with over 2,000 members will no longer be assigned new members. The PCP will have to wait three consecutive months before being assigned new members and must be below 2,000 members limit.

### **New CalOptima Website Demonstration**

Geoff Patino, Manager, Creative Branding, and Rudy Huebner, Graphic Designer, Communications, provided a comprehensive demonstration on the new CalOptima Website.

### **Federal & State Budget Update**

Shamiq Hussain, Sr. Policy Advisory, Government Affairs, provided a verbal update on the Federal & State Budget. Mr. Hussain noted the Proposition 56's (Tobacco tax) new proposed supplemental payments will stay in their current form and current payment levels until December 1, 2021. Mr. Hussain also discussed the expansion of the full scope Medi-Cal to the undocumented population starting with ages 19-25. This expansion is anticipated to go into effect no sooner than January 1, 2020. The California Legislature anticipates that there will be 90,000 new Medi-Cal enrollees across the state due to this expansion. Mr. Hussain also discussed the status of the Pharmacy carve-out which was initiated through Governor Newsom's Executive Order in January 2019.

### **MAC Member Updates**

Chair Molnar updated the MAC on an Intergovernmental Transfer Funds (IGT) item discussed at the August 1, 2019 Board meeting. Ms. Molnar also reminded the MAC of the recruitment for the current Long-Term Services and Supports Representative and noted that recruitment would remain open until a candidate was identified.

### **ADJOURNMENT**

Chair Molnar announced the next meeting will be a Special Joint Advisory Committee Meeting scheduled for Thursday, October 10, 2019 at 8:00 a.m.

Hearing no further business, Chair Molnar adjourned the meeting at 4:42 p.m.

/s/ Cheryl Simmons  
Cheryl Simmons  
Staff to the Advisory Committees

*Approved: February 25, 2020*

# MINUTES

**SPECIAL JOINT MEETING OF THE  
CALOPTIMA BOARD OF DIRECTORS'  
MEMBER ADVISORY COMMITTEE,  
ONECARE CONNECT  
CAL MEDICONNECT PLAN (MEDICARE-MEDICAID PLAN)  
MEMBER ADVISORY COMMITTEE,  
PROVIDER ADVISORY COMMITTEE AND  
WHOLE CHILD MODEL FAMILY ADVISORY COMMITTEE**

**October 10, 2019**

A Special Joint Meeting of the CalOptima Board of Directors' Member Advisory Committee (MAC), OneCare Connect Member Advisory Committee (OCC MAC), Provider Advisory Committee (PAC) and Whole-Child Model Advisory Committee (WCM FAC), was held on Thursday, November 8, 2018, at the CalOptima offices located at 505 City Parkway West, Orange, California.

## **CALL TO ORDER**

PAC Chair Nishimoto called the meeting to order at 8:12 a.m., and WCM FAC Chair Byron led the Pledge of Allegiance.

## **ESTABLISH QUORUM**

### **Member Advisory Committee**

Members Present: Christine Tolbert, Chair; Pamela Pimentel, Vice Chair; Diana Cruz-Toro; Connie Gonzalez; Sally Molnar; Patty Mouton; Jamie Munoz (8:50 A.M.); Ilia Rolon; Sr. Mary Therese Sweeney

Members Absent: Sandy Finestone, Jacqueline Ruddy, Mallory Vega

### **OneCare Connect Member Advisory Committee**

Members Present: Patty Mouton, Chair; Jyothi Atluri (non-voting); Josefina Diaz; Keiko Gamez (9:10 AM); Sara Lee; Mario Parada; Donald Stukes

Members Absent: Gio Corzo; George Crits (non-voting); Sandy Finestone; Erin Ulibarri (non-voting)

### **Provider Advisory Committee**

Members Present: John Nishimoto, O.D., Chair; Teri Miranti, Vice Chair; Donald Bruhns; Jena Jensen; John Kelly, M.D.; Junie Lazo-Pearson Ph.D.; Craig Myers; Jacob Sweidan M.D.; Loc Tran, Pharm.D.

Members Absent: Anja Batra, M.D., Tina Bloomer, MHNP, Pat Patton, MSN, RN

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Dr. David Ramirez, M.D. Chief Medical Officer; Len Rosignoli, Chief Information Officer, Candice Gomez, Executive Director, Program Implementation; Albert Cardenas, Director, OneCare Connect Customer Service; Tracy Hitzeman, Executive Director Clinical Operations; Thanh-Tam Nguyen, M.D., Medical Director, Medical Management; Dr. Emily Fonda, Medical Director, Medical Management; Cheryl Simmons, Staff to the Advisory Committees, Customer Service; Samantha Fontenot, Program Assistant, Customer Service

#### **Whole-Child Model Family Advisory Committee**

Members Present: Maura Byron, Chair; Pam Patterson, Vice Chair (8:58 AM); Sandra Cortez; Brenda Deeley, Kristen Rogers (8:39 AM); Malissa Watson

Members Absent: Cathleen Collins, Kathleen Lear  
*WCM FAC did not achieve a quorum.*

#### **PUBLIC COMMENT**

There were no requests for public comment.

Michael Schrader, Chief Executive Officer, welcomed all the four Board Advisory Committee members and provided a brief background of the strategic plan formulation and introduced Athena Chapman and Caroline Davis of Chapman Consulting who would be presenting the draft plan.

#### **INFORMATION ITEMS**

##### **CalOptima Strategic Plan Update**

Athena Chapman and Caroline Davis of Chapman Consulting provided a comprehensive presentation regarding CalOptima's 2020-2022 Strategic Plan. Mrs. Davis reviewed CalOptima's goals and strategic plan development process with the Members. This process included interviews with CalOptima Board Members, Executive Staff, and the Board Advisory Committees' Chairs and Vice Chairs. Mrs. Chapman discussed the five priorities and objectives for the 2020-2022 Strategic Plan and provided the members with three key discussion questions to solicit feedback. The feedback received by the Advisory Committee Members will be included in the draft presentation at the November 7, 2019 CalOptima Board of Director's Meeting for approval.



**Health Homes Program Whole Person Care Program Comparison**

MAC Chair Tolbert introduced Melissa Tober- Beers from the Orange County Health Care Agency (OCHCA) along with CalOptima's Candice Gomez, Executive Director, Program Implementation and Tracey Hitzeman, Executive Director, Clinical Operations. Ms. Tober-Beers, Ms. Gomez, and Ms. Hitzeman jointly presented on the Whole Person Care (WPC) and Health Homes Program (HHP) providing details on the comparisons and contrasts of each of these programs.

**ADJOURNMENT**

There being no further business before the Committees, PAC Chair Nishimoto adjourned the meeting at 10:10 a.m.

/s/ Cheryl Simmons  
Cheryl Simmons  
Staff to the Advisory Committees

*Approved: February 25, 2020 by the Member Advisory Committee*

# 2020 MAC Position Description

## ***Adult Beneficiaries Representative***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima adult members in pursuit of their health and wellness
- At least three years of employment in the field and/or three years of experience in field or “is a member with lived-experience”
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Preferred for applicant to belong to appropriate professional/trade association(s)
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima members
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Behavioral/Mental Health Representative (Formerly Persons with Mental Illness Representative)***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima members with behavioral/mental health needs such as:
  - Licensed Clinical Social Worker (LCSW)
  - Marriage and Family Therapist (MFT)
  - Mental Health Facility or Hospital Psychiatric Facility
  - Psychologists
  - Psychiatrist
  - Registered Psychiatric Nurse (Psych RN)
  - Multi-Specialty Clinics/Group Practice
  - Community Mental Health Center
  - Board Certified Behavior Analyst-D (BCBA-D)
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Preferred for applicant to belong to appropriate professional/trade association(s)
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima members

- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Children Representative***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima Medi-Cal children in pursuit of their health and wellness
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Preferred for applicant to belong to appropriate professional/trade association(s)
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima members
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Consumer Representative***

### **Position Description**

- Must be a current CalOptima Medi-Cal member
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Family Support Representative***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima families in pursuit of their health and wellness
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Preferred for applicant to belong to appropriate professional/trade association(s)
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima members
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Foster Children Representative***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima foster children in pursuit of their health and wellness
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Preferred for applicant to belong to appropriate professional/trade association(s)
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima members
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Long Term Services and Supports Representative***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima members who are in a(n):
  - Intermediate Care Facility – Developmentally Disabled
  - Intermediate Care Facility – Developmentally Disabled – Nursing
  - Intermediate Care Facility -Developmentally Disabled – Habilitative
  - Level B Adult Subacute
  - Level B Pediatric Subacute
  - Level B Skilled Nursing Facility
  - Nursing Facilities – Intermediate Care Facility Level A
  - Skilled Nursing Facilities
  - Skilled Nursing Facilities/Subacute Level B
  - Adult Day Health Care
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Preferred for applicant to belong to appropriate professional/trade association(s)
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima members
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Medi-Cal Beneficiaries Representative***

### **Position Description**

- Current CalOptima Medi-Cal member or current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima Medi-Cal beneficiaries
- When license or credential is required, applicant must have an active CA license/credential as appropriate
- Preferred for applicant to belong to appropriate professional/trade association(s)
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima Medi-Cal members
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC

meetings

- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Medical Safety Net Representative (Formerly Medically Indigent Persons Representative)***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima members who utilize and are treated by:
  - Federally Qualified Health Centers (FQHCs)
  - Community Clinics
  - Recuperative Care Providers
  - Low Income Assistance Providers
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Preferred for applicant to belong to appropriate professional/trade association(s)
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima members
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Persons with Disabilities Representative***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima persons with disabilities in pursuit of their health and wellness
- Candidate should represent an organization that does advocacy work on behalf of persons with disabilities with either direct medical or non-medical services for Medi-Cal members of all ages
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Preferred for applicant to belong to appropriate professional/trade association(s) and local chapters.
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima members

- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Persons with Special Needs Representative***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima persons with special needs in pursuit of their health and wellness
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Preferred for applicant to belong to appropriate professional/trade association(s)
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima members
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Recipients of CalWORKs Representative***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima CalWORKs members in pursuit of their health and wellness
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience as a CalWORKs recipient or representative
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings and actively contribute
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Seniors Representative***

### **Position Description**

- Current experience collaborating with, and ability to reach out, seek input and advocate for CalOptima seniors including, but not limited to:
  - Community Based Adult Services (CBAS) Centers
  - Community-Based Organization (CBO)
  - Senior centers
- When license or credential is required, applicant must have active CA license/credential as appropriate
- Knowledge of CalOptima managed care systems and programs
- Minimum three years of experience directly representing CalOptima members
- Understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings and actively contribute
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Health Care Agency Representative (Standing Seat)***

### **Position Description**

- Represented by the Orange County Health Care Agency
- No term limits
- Must have understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***Social Services Representative (Standing Seat)***

### **Position Description**

- Represents CalOptima members and is appointed by the Orange County Social Services Agency
- No term limits
- Must have understanding and familiarity with the diverse cultural and/or social environments of Orange County
- Availability and willingness to attend regular, special and ad hoc MAC meetings
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks



## ***MAC Chair***

### **Position Description**

- Availability and willingness to attend regular and special MAC meetings
- Facilitate all MAC meetings using standard meeting rules of order
- Demonstrate leadership and openness, enabling meeting attendees to achieve preset meeting goals
- Liaison between MAC and the Board of Directors
- Provides MAC Report to CalOptima Board of Directors' monthly meetings
- Two-year term
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

## ***MAC Vice-Chair***

### **Position Description**

- Availability and willingness to attend regular and special MAC meetings
- Facilitate in absence of the MAC Chair all MAC meetings using standard meeting rules of order
- Demonstrate leadership and openness, enabling meeting attendees to achieve preset meeting goals
- Liaison in absence of the MAC Chair between MAC and the Board of Directors
- Provide MAC Report to CalOptima Board of Directors' at monthly meetings when MAC Chair is unavailable
- Two-year term
- All appointments to the committee will be appointed by the CalOptima Board and are subject to OIG/GSA verification and possible background checks

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## MEMORANDUM

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**DATE:** January 28, 2020

**TO:** CalOptima Board of Directors

**FROM:** Michael Schrader, CEO

**SUBJECT:** CEO Report — February 6, 2020, 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

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### **January 2020 Brings Two Program Launches, Restoration of Medi-Cal Benefits**

As the new decade rang in, two CalOptima programs designed to enhance services and care coordination for members began and a variety of Medi-Cal benefits were restored.

- *Health Homes Program (HHP):* Phase 1 of CalOptima's HHP went live January 1 for members with eligible chronic conditions and substance use disorders. Raising awareness about the voluntary program is an ongoing priority, and CalOptima and our health networks are reaching out to eligible members with information about the program and enrollment details. HHP benefits range from comprehensive care management and care transitions support to housing navigation services and accompaniment to doctor visits. Data show that approximately 7,000 members may be eligible to participate in the first phase. A second phase is planned for July 2020.
- *Behavioral Health:* Administration of behavioral health benefits for OneCare and OneCare Connect (OCC) members has transitioned from Magellan Healthcare to CalOptima. Members in need of services for mild to moderate mental health conditions will now work with CalOptima directly. The January 1 change went smoothly, as CalOptima took over utilization management of members with active services and began responding to incoming calls. The transition allows for a more coordinated approach to physical and mental health.
- *Restored Medi-Cal Benefits:* California has reinstated several Medi-Cal benefits that were cut in 2009 due to the recession. Effective January 1, adult members are now covered for eyeglasses, podiatry, audiology, speech therapy, and incontinence creams and washes. The FY 2019–20 state budget includes more than \$17 million for the benefits.

### **California Advancing and Innovating Medi-Cal (CalAIM) Changed to Medi-Cal Healthier California for All; Stakeholder Engagement Continues**

Effective January 8, Gov. Gavin Newsom and the Department of Health Care Services (DHCS) renamed CalAIM to Medi-Cal Healthier California for All. The change was made to highlight the well-known Medi-Cal name and better align the initiative with the governor's platform to build a "California for All," according to a press release. The effort to gather stakeholder feedback about the many proposals is ongoing. As I have shared in prior reports, CalOptima is focused on those initiatives that have the most potential to immediately impact our agency, especially enhanced care management and in lieu of services. In fact, managed care plans must provide a transition plan by July 2020 that addresses how Whole-Person Care and HHP will move to enhanced care management and in lieu of services, effective January 2021. CalOptima is looking forward to a February 10 meeting with DHCS to learn more about the proposed

transition. Given the significance of the changes under consideration, I will continue to share regular updates about Medi-Cal Healthier California for All with your Board.

### **State Budget Proposal Offers a Glimpse at FY 2020–21 Priorities**

On January 10, Gov. Newsom released his proposed budget for FY 2020–21. Overall, the budget anticipates that the California economy will continue to grow (albeit at a slower rate than previous years) and proposes a total state budget of \$222.2 billion, with a surplus of more than \$5 billion. Some of the surplus will support the governor’s policy priorities, including expanding access to Medi-Cal for undocumented seniors age 65 and older, and addressing the state’s homelessness crisis. To that end, the budget proposes \$750 million to establish the California Access to Housing and Services Fund, which would be dedicated to moving individuals and families into stable housing. The governor is also pursuing an ambitious agenda to transform the Medi-Cal delivery system through the newly renamed Medi-Cal Healthier California for All package of proposals, which received a \$695 million allocation. Another major piece of the governor’s health plan is reducing prescription drug costs. This past year, his emphasis was on bulk purchasing of prescription drugs by carving out pharmacy from Medi-Cal managed care. This year, he proposes that the state negotiate partnerships with generic drug manufacturers to establish California’s own generic drug label. The May Revision is the next step in California’s budget process, and staff are monitoring its development.

### **Organizations Respond to Behavioral Health Integration (BHI) Incentive Opportunity**

Aiming to improve health outcomes, DHCS created six BHI incentive programs using Proposition 56 funds and tasked Medi-Cal managed care plans with administering the application process and applying DHCS-developed selection criteria. CalOptima received 30 BHI incentive program applications from 15 organizations seeking nearly \$10 million.

BHI Incentive Program	Number of Applications	Dollars Requested
Basic behavioral health integration	13	\$6,974,676
Maternal access to mental health and substance use disorder screening and treatment	1	\$200,000
Medication management for beneficiaries with co-occurring chronic medical and behavioral diagnoses	4	\$710,000
Diabetes screening and treatment for people with serious mental illness	5	\$740,160
Improving follow-up after hospitalization for mental illness	4	\$755,000
Improving follow-up after emergency department visit for behavioral health diagnosis	3	\$530,000
TOTALS	30	\$9,909,836

CalOptima is required to review and score applicants, subject to DHCS criteria and approval, as well as distribute funding and monitor the programs. CalOptima formed an evaluation committee of internal and external reviewers, and the group met in late January for training on the state’s scoring criteria and timeline. Reviews are due to DHCS by February 18, and CalOptima will issue participation decisions by March 18. Programs are then expected to go live on April 1 and continue until December 31, 2022.

### **CalOptima Submits Medicaid Fiscal Accountability Rule (MFAR) Comment Letter**

In my December 2019 CEO Report, I shared the growing concern about MFAR's impact on Medi-Cal financing. At the recommendation of our advocates, CalOptima submitted formal comments to complement the efforts of DHCS and our state and federal trade associations. MFAR's proposed constraints on generating additional funding through public hospital financing, the Managed Care Organization tax, and supplemental payments, such as Intergovernmental Transfers, could leave a large hole in California's budget that was previously filled by federal matching dollars.

### **Supreme Court Permits Public Charge Rule, Potentially Affecting Medicaid Enrollment**

On January 27, in a 5–4 decision, the Supreme Court ruled to allow the Trump Administration to implement the Public Charge Final Rule with an expanded means test for immigrants seeking naturalization. The rule expands how the federal government interprets and determines “public charge” to include immigrants who access cash public benefits, such as welfare, but also non-cash public benefits, including Medicaid (Medi-Cal in California). The rule makes it more difficult for immigrants to obtain permanent residency if they have used or are likely to use public benefits. Observers believe the rule will discourage immigrants from seeking health care coverage or cause them to drop their existing coverage, lest they compromise their naturalization status. The Supreme Court lifted a stay that had blocked implementation until a lawsuit against the rule was settled. The lawsuit is still pending.

### **California Children's Services (CCS) Advisory Group to Gather Post-Transition Data**

The January 22 quarterly meeting of the CCS Advisory Group focused on upcoming efforts to capture family feedback about the Whole-Child Model (WCM) and establish health plan performance measures.

- *Telephone Survey:* UC San Francisco has been engaged to conduct a telephone survey of parents of CCS children in WCM and non-WCM counties. The goal is to assess participant satisfaction, experiences with care, and perceived changes in access, quality and care coordination since the WCM transition. UCSF is in the process of finalizing the survey, which will be administered from April to June. The target sample size is 3,000 respondents. Preliminary findings are not expected until December 2020.
- *Dashboard Template:* The state released a sample WCM Performance Dashboard for stakeholder review and comment. It is designed to collect data about health plans' WCM programs. Some of the suggested measures include enrollment figures, emergency room visits, inpatient admissions, prescription use, mental health services, NICU authorizations, and grievances and appeals. The timeframe for publishing the dashboard was not announced. The group was supportive of the dashboard and asked that it include data from not only the five WCM plans but also from the counties that have not transitioned to WCM.

### **Annual State Audit Underway, Reviewing Medi-Cal and OCC**

On January 27, DHCS began its annual medical audit of Medi-Cal and OCC (Medicaid-based services only). Auditors are expected to be on site until February 7, studying CalOptima's compliance with contractual and regulatory requirements in the areas of utilization management, case management and coordination of care, availability and accessibility, member's rights, quality management, and administrative and organizational capacity, for the review period of February 1, 2019, to January 31, 2020.

### **OCC Event Draws Current and Prospective Members**

On Saturday morning, January 25, CalOptima welcomed more than 60 prospective and current members to our third OCC Member Retention/Outreach Event at the Garden Grove Community Center. The event included a presentation about the 2020 OCC program and benefits, which was followed by a Q&A session with internal subject matter experts from our Customer Service and Pharmacy departments as well as external experts from Community Legal Aid SoCal, Vision Service Plan and Denti-Cal. In addition, members had an opportunity to visit 16 resource tables, which featured contracted health networks, vendors, CalOptima departments and community-based organizations.

### **CalOptima Names Sharon Dwiers Clerk of the Board**

After serving in an interim capacity, Sharon Dwiers has been named Clerk of the Board. Ms. Dwiers assists the Board and Board committee chairs in conducting public meetings and serves as the custodian of official agency records for public and government use. She has been with CalOptima for more than 23 years.



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# **Trauma-Informed Care and Adverse Childhood Experiences Screening**

**Member Advisory Committee**

**February 25, 2020**

**Betsy Chang Ha, RN, MS, LSSMBB**

**Executive Director, Quality & Population Health Management**

# Adverse Childhood Experiences (ACEs)

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*“ACEs and toxic stress  
represent a  
public health crisis.”*



*Dr. Nadine Burke Harris  
California Surgeon General*

# Agenda

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- Beyond Prop 56 Directed Payments for ACEs Screening Services
- Impact of Trauma on Health
- Evidence-Based Studies of ACEs
- Population Health Impact
- Trauma Informed Care
- ACEs Aware Request For Proposal Update
- Questions



# Prop 56: Adverse Childhood Experiences (ACEs) Screening

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- California's first Surgeon General is advocating universal ACEs screening for Medi-Cal as a public health crisis
- Prop 56 directed payment for ACEs Screening effective 1/1/2020
  - Tool for kids: Pediatric ACEs Screening and Related Life-events Screener (PEARLS)
  - Tool for adults: ACEs
  - Healthcare Common Procedure Coding System (HCPCS) code G9919 for positive screening and provision of recommendations (score of 4 or greater)
  - HCPCS code G9920 for negative screening
  - Minimum directed payment \$29 per ACEs screening performed
- Screenings should be completed by a Medi-Cal enrolled provider

# Defining Trauma



*Individual trauma results from an event, series of events, or set of circumstances that is experienced by an individual as physically or emotionally harmful or life threatening and that has lasting effects on the individual's functioning and mental, physical, social, emotional, or spiritual well-being.*

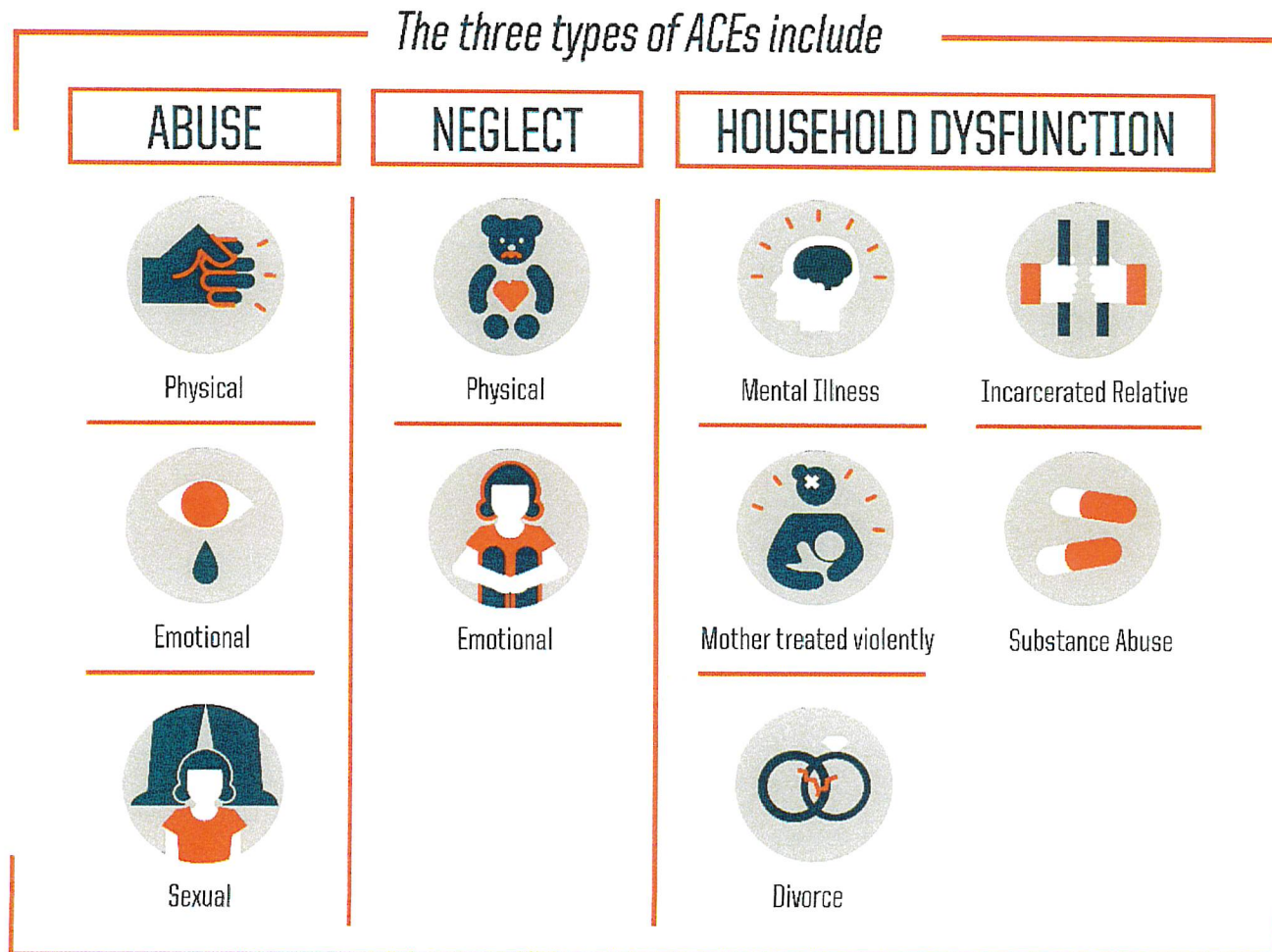
- Substance Abuse and Mental Health Services Administration (SAMHSA)

# Defining Trauma

- **Adverse Childhood Experiences (ACEs)** are stressful or traumatic events, including abuse, neglect, and household dysfunction, that occur during childhood.
- **Toxic Stress** is a stress response that occurs when a person experiences strong, frequent, and/or prolonged adversity without adequate support.



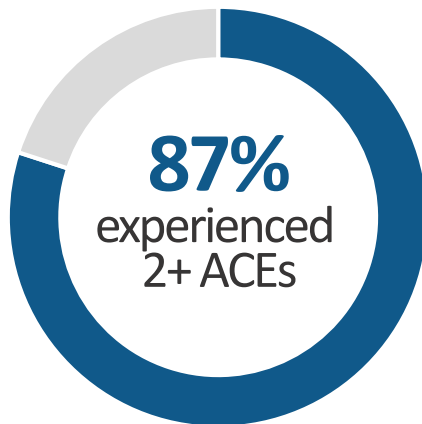
# Adverse Childhood Experiences



# Landmark Adverse Childhood Experiences Study



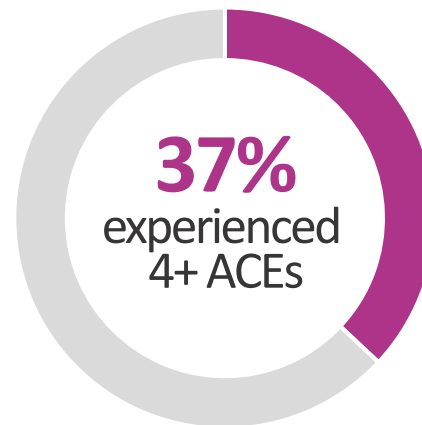
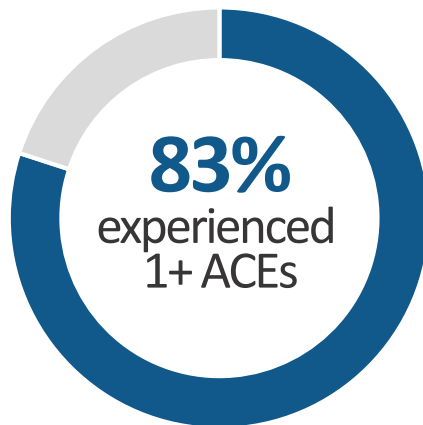
- In 1998, more than 17,000 Kaiser Permanente members took the Adverse Childhood Experiences (ACE) Survey.
- **Results:** Two-thirds of respondents had experienced one or more types of ACEs. Of those:



# Prevalence of Trauma: Philadelphia Urban ACE Study



- In 2012 a racially diverse sample of men and women in Philadelphia took a questionnaire that was based on the original ACEs Survey. Respondents were mostly between the ages of 35 to 64 and had completed high school.
- **Results:** More than four out of five respondents experienced at least one ACE:



# Impact of Trauma: Health, Behavior, and Life Potential

- ACEs can have lasting effects on...



**Health** - obesity, diabetes, depression, suicide attempts, STIs, heart disease, cancer, stroke, COPD, broken bones

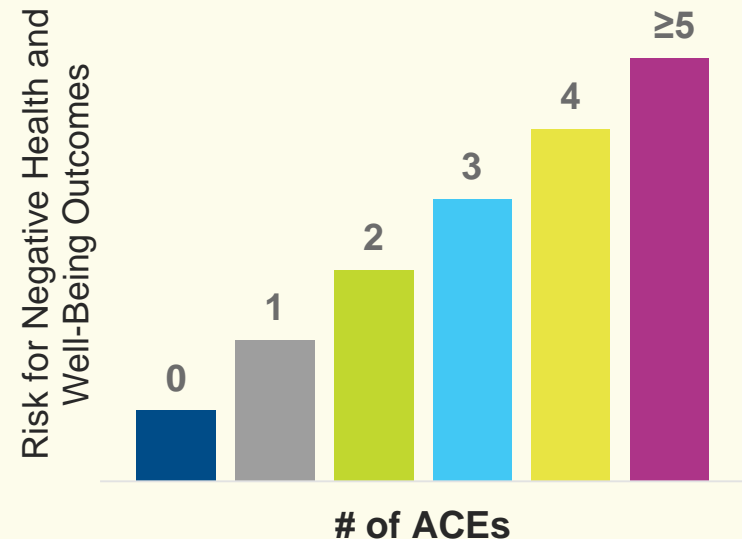


**Behaviors** - smoking, alcoholism, drug use



**Life potential** - graduation rates, academic achievement, lost time from work

**ACEs have been found to have a graded dose-response relationship with 40+ outcomes to date.**



\*This pattern holds for the 40+ outcomes, but the exact risk values vary depending on the outcomes.

# Impact of Trauma: ACEs and Neurobiology

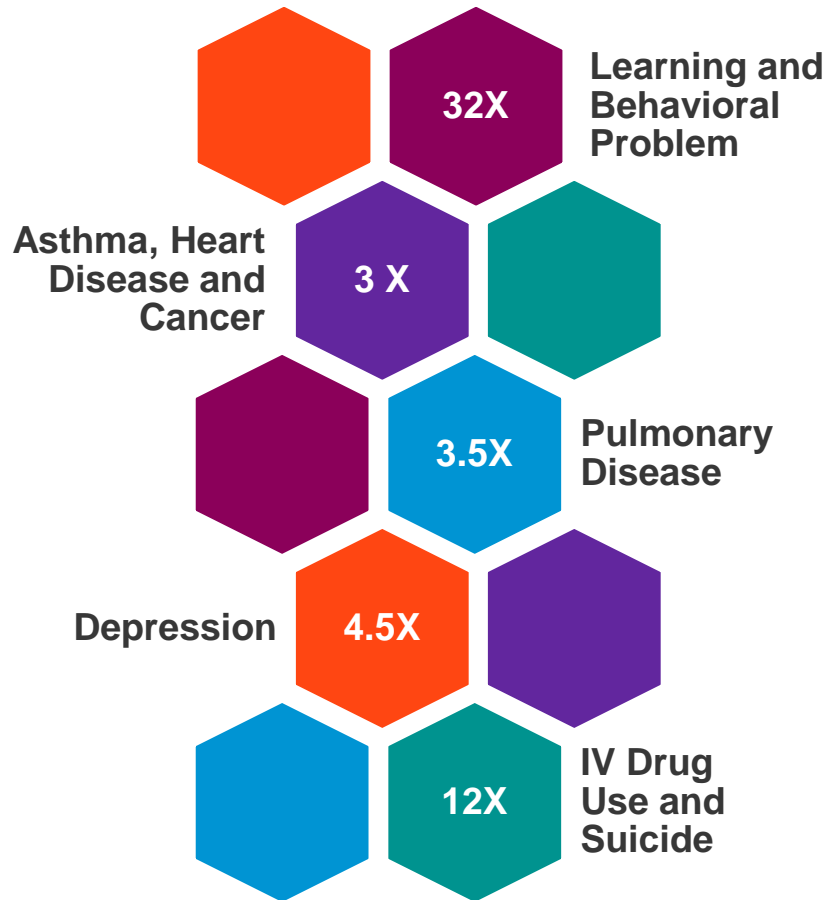


- Traumatic experiences in childhood and adulthood invoke *flight, fight, or freeze* responses
- Responses become toxic when turned on for too long (constant flood of adrenaline and cortisol)
- Prefrontal cortex development may become stunted
- Traumatic experiences can cause people to see the world as a place of constant danger — resulting in fear, anxiety, depression, anger, etc.
- Find solace in alcohol, tobacco, drugs, food, high-risk behaviors, etc.



# Population Health Impact

- Children who experience 4 or more ACEs:



**7 out of 10  
leading causes  
of death in the  
U.S. adults  
correlate with  
exposure to  $\geq 4$   
ACEs**

Source: CDC-Kaiser Permanente ACEs Study, 1995-97

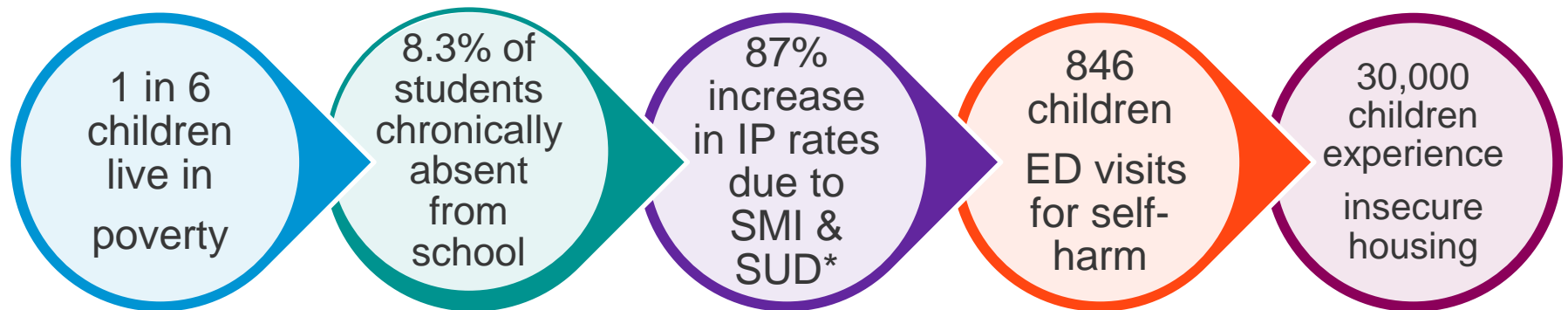
# Adult Health Burden and Cost in California

**Center for Youth Wellness released on January 28, 2020:**

- Previous studies on child abuse and neglect have estimated the lifetime cost to the United States to be approximately \$124 billion annually.
- This new study found the health-related costs of ACEs to California alone were approximately \$113 billion a year.
- Estimate includes:
  - \$10.5 billion ACEs-related health care costs
  - \$102 billion in the cost of disease burden (e.g. premature death, and years of productive life lost to disability)

**Citation:** Miller TR, Waehrer GM, Oh DL, Purewal Boparai S, Ohlsson Walker S, Silverio Marques S, et al. (2020) Adult health burden and costs in California during 2013 associated with prior adverse childhood experiences. PLoS ONE 15(1): e0228019. <https://doi.org/10.1371/journal.pone.0228019>

# Condition of Children in OC



Source: 25th Annual Report on the Condition of Children in Orange County 2017-18 data \* Comparing 2008 and 2017 rates

# Condition of CalOptima Children

CalOptima has approximately 279,000 children between the ages of 0–18 years.

- 1% (1,800) of these children are homeless
  - Over 90% of the children were identified through the homeless source of “address”
  - 9% of the homeless high confidence population
- Emergency Department Rates
  - Overall trends are slightly higher, but rates for ED visits related to diagnosis of suicidal ideation, self-harm or attempted suicide were low
- Social Determinants (Based on ICD-10 Codes)

Housing and Economics	Psychosocial	Social Environment	Support and Family	Upbringing
363	449	106	996	1,114

# Population Segments at Risk for ACE

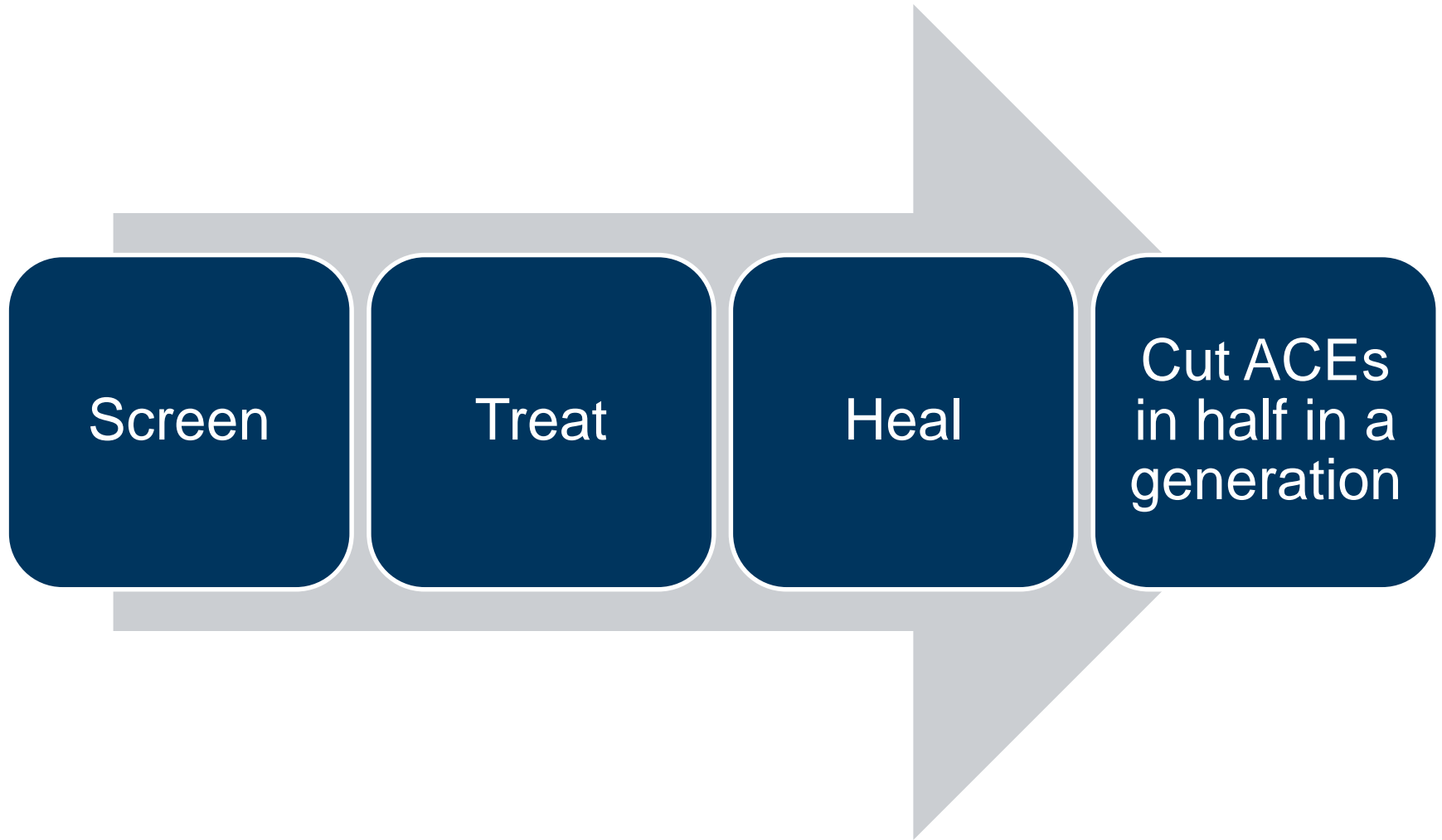
Age	Membership	ACE Tool	Estimated membership with >4+ ACE
0–5	82,406	PEARLS	30,000
6–18	216,029	PEARLS	80,000
19–40	192,494	ACE	71,000
41–64	158,892	ACE	58,000
65+	90,801	ACE	<u>34,000</u>
		Total:	<b>273,000</b>

## Legend:

1. Based on 2019 Medi-Cal Membership
2. >4 ACES prevalence based on the findings from the Philadelphia Urban ACE Survey; 37% experienced 4 or more ACE, Robert Wood Johnson Foundation. September 2013.
3. PEARLS: Pediatric ACES and Related Life Events Screener, ACE tool for children

# ACEs Aware Initiative

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# ACEs Aware RFP

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- California—Office of the Surgeon General (CA-OSG) and the Department of Health Care Services (DHCS) fund organization to help extend and reach Medi-Cal providers and organizations that serve Medi-Cal beneficiaries through the following grant opportunities:
  - Provider Training
    - Certification of Existing Training Curricula
    - Training activities
  - Provider Engagement
  - Communication
  - Convenings
- CalOptima supporting two lead organizations' RFP targeting provider serving children and adult population

# Solution: Trauma-Informed Care Framework

## Understanding

- The prevalence and impact of trauma and adversity on health and behavior

## Recognizing

- The effects of trauma and adversity on health and behavior

## Responding

- By incorporating trauma-informed principles throughout clinical practices and community support systems

## Integrating

- Knowledge about trauma and adversity into policies, procedures, practices, and treatment planning

## Resisting

- Re-traumatizing, including staff



# Other Clinical Responses to ACEs

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- Treat ACEs related health conditions by supplementing usual care with health education of toxic stress and regulate stress responses:
  - Safety and supportive relationship
  - Regular exercises
  - Good sleep
  - Healthy nutrition
  - Mindfulness practice
- Validate existing strengths
- Referral to resources or interventions, including care coordination, patient navigation, community health workers, community resources, social work, and/or mental health care as necessary

# Systems for Building Resilience



Source: Centers for Disease Control and Prevention, "About the ACEs Study"  
<https://www.cdc.gov/violenceprevention/acestudy/about.html>

# What is Trauma-Informed Care?

## What is Trauma-Informed Care?

<https://youtu.be/fWken5DsJcw>



<https://www.acesaware.org>

# Questions

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# CalOptima's Mission

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To provide members with access to quality health care services delivered in a cost-effective and compassionate manner





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# **Intergovernmental Transfer (IGT) 9 Update**

**Special Meeting of the CalOptima Board of Directors'  
Member Advisory Committee  
February 25, 2020**

**Candice Gomez, Executive Director, Program Implementation**

# IGT Background

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- IGT process enables CalOptima to secure additional federal revenue to increase California's low Medi-Cal managed care capitation rates
  - IGT 1–7: Funds must be used to deliver enhanced services for the Medi-Cal population
    - Funds are outside of operating income and expenses
  - IGT 8–10: Funds must be used for Medi-Cal covered services for the Medi-Cal population
    - Funds are part of operating income and expenses



# IGT Funding Process

## High-Level Overview

1. CalOptima receives DHCS notice announcing IGT opportunity
2. CalOptima secures funding partnership commitments (e.g., UCI, Children and Families Commission, et al.)
3. CalOptima submits Letter of Interest to DHCS listing funding partners and their respective contribution amounts
4. Funding partners wire their contributions and an additional 20% fee to DHCS
5. CMS provides matching funds to DHCS
6. DHCS sends total amount to CalOptima
7. From the total amount, CalOptima returns each funding partner's original contribution
8. From the total amount, CalOptima also reimburses each funding partner's 20% fee and where applicable, retained amount for MCO tax (IGT 1–6 only)
9. Remaining balance of the total amount is split 50/50 between CalOptima and the funding partners or their designees

# CalOptima Share Totals to Date

IGTs	CalOptima Share	Date Received
IGT 1	\$12.43 million	September 2012
IGT 2	\$8.70 million	June 2013
IGT 3	\$4.88 million	September 2014
IGT 4	\$6.97 million	October 2015 (Classic)/ March 2016 (MCE)
IGT 5	\$14.42 million	December 2016
IGT 6	\$15.24 million	September 2017
IGT 7	\$15.91 million	May 2018
IGT 8	\$42.76 million	April 2019
IGT 9*	TBD	TBD (Spring 2020)
IGT 10*	TBD	TBD
<b>Total Received</b>	<b>\$121.31 million</b>	

\* Pending DHCS guidance

# IGT 9 Status

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- CalOptima's estimated share is approximately \$45 million
  - Expect receipt of funding in calendar year 2020
  - Funds used for Medi-Cal programs, services and operations
  - Funds are part of operating income and expenses
    - Medical Loss Ratio (MLR) and Administrative Loss Ratio (ALR) apply
    - Managed through the fiscal year budget
- Stakeholder vetting on the following focus areas
  - Member access and engagement
  - Quality performance
  - Data exchange and support
  - Other priority areas

# Proposed Allocation

Focus Area	Amount Requested
Member access and engagement	\$6.5 million
Quality performance	\$3.4 million
Data exchange and support	\$2.0 million
Other priority areas	\$33.1 million

- Staff has identified initiatives targeted \$40.5 million of the anticipated \$45 million
- Additional initiatives in development will be presented before the end of the fiscal year

# 1. Member Access and Engagement: Expanded Office Hours

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- Description

- Offer additional incentives to providers and/or clinics
  - Expand office hours in the evening and weekends
  - Expand primary care services to ensure timely access

- Guidelines

- Primary care providers in community clinics serving members in high-demand/impacted areas are eligible
- Per-visit access incentive awarded to providers and/or clinics for members seen during expanded hours

- Key Components

- Two-year initiative
- Budget request of \$2.0 million (\$500,000 in FY 2019–20)

## 2. Quality Performance: Post-Acute Infection Prevention Initiative (PIPQI)

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- Description
  - Expand CalOptima's PIPQI to suppress multidrug-resistant organisms in contracted skilled nursing facilities (SNFs) and decrease inpatient admissions for infection
- Guidelines
  - Phase 1: Training for 41 CalOptima-contracted SNFs not currently participating in initiative
  - Phase 2: Compliance, quality measures and performance incentives for all participating facilities
  - Two FTE to support adoption, training and monitoring
- Key Components
  - Three-year initiative
  - Budget request of \$3.4 million (\$1 million in FY 2019–20)

# 3. Data Exchange: Hospital Data Exchange Incentive

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- Description

- Support data sharing among contracted and participating hospitals via use of CalOptima selected vendors
  - Other organizations within the delivery system may also be added
- Enhance monitoring of hospital activities for CalOptima's members, aiming to improve care management and lower costs

- Guidelines

- Participating organizations will:
  - Work with CalOptima and vendor to facilitate sharing of ADT (Admit, Discharge, Transfer) and Electronic Health Record data
  - Be eligible for an incentive once each file exchange is in place

- Key Components

- One-year initiative
- Budget request of \$2.0 million (CY 2020)

# 4. Other Priorities: IGT Program Administration

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- Definition

- Administrative support for prior, current and future IGTs
  - Continue support for two existing staff positions to manage IGT transaction process, project and expenditure oversight
  - Fund Grant Management System license, public activities and other administrative costs

- Guidelines

- Will be consistent with CalOptima policies and procedures
- Will provide oversight of the entire IGT process and ensure funding investments are aligned with CalOptima strategic priorities and member needs

- Key Components

- Five years of support
- Budget request of \$2.0 million



# 5. Other Priorities: Whole-Child Model (WCM) Program

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- Definition
  - CalOptima launched WCM on July 1, 2019
  - Based on the initial analysis, CalOptima is projecting an overall loss of up to \$31.1 million in FY 2019–20
- Challenges
  - Insufficient revenue from DHCS to cover WCM services
  - Complex operations and financial reconciliation
- Key Components
  - One year
  - Budget request of up to \$31.1 million to fund the deficit from WCM program in FY 2019–20

# Next Steps

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- Present recommendation during the March 2020 Board of Directors meeting
- Return to the Board as needed regarding
  - New or modified policy and procedures
  - Contracts
  - Additional initiatives

# CalOptima's Mission

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To provide members with access to quality health care services delivered in a cost-effective and compassionate manner



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Medi-Cal

## CalOptima

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OneCare (HMO SNP)

## CalOptima

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OneCare Connect

## CalOptima

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PACE

## CalOptima

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# **Medi-Cal Healthier California for All - Update**

**February 2020**

**Candice Gomez, Executive Director, Program Implementation**  
**Pallavi Patel, Director, Business Integration/Process Excellence**

# Background

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- On October 28, the Department of Health Care Services (DHCS) released California Advancing and Innovating Medi-Cal (CalAIM), a proposal with the potential to significantly impact the future of the Medi-Cal delivery system framework.
  - Spans a five-year period from 2021 to 2026
  - Contains numerous core initiatives
  - Expands Medi-Cal managed care plans' responsibilities
- Beginning January 8, 2020, DHCS started referring to CalAIM as “Medi-Cal Healthier California for All.”

# Medi-Cal Healthier California for All - Goals

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- Identify and manage member risk and need through whole-person care approaches and address social determinants of health.
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility.
- Improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems and payment reform.

# DHCS Timeline

2019

- *October 28, 2019:* DHCS releases Medi-Cal Healthier California for All proposal
- *November 5, 2019:* DHCS begins stakeholder meetings

2020

- *July 1, 2020:* CalOptima submits plan to DHCS describing the transition of WPC and HHP services into ECM and ILOS
- *December 31, 2020:* WPC and HHP programs sunset and integrate within ECM and ILOS

2021

- *January 1, 2021:* Plan incentives, blended LTC/SPD rate, ECM and ILOS begin

2022

- *January 1, 2022:* PHM begins, Full integration plans move forward with an RFP (1/1/22), selection (7/1/22) and 18-month readiness assessment (7/1/22–12/31/23)

WPC = Whole-Person Care  
HHP = Health Homes Program  
ECM = Enhanced Care Management  
ILOS = In Lieu of Services

LTC = Long-Term Care  
SPD = Seniors and Persons With Disabilities  
PHM = Population Health Management



# DHCS Timeline (cont.)

2023

- *January 1, 2023:* CMC plans transition to D-SNPs and mandatory managed care enrollment for dual eligible members begins
- *January 1, 2023:* DHCS implements regional rates for Orange County
- *January 1, 2023:* ECM model of care for re-entry population is due to DHCS

2024

- *January 1, 2024:* Full integration plans go live

2025

- *January 1, 2025:* NCQA accreditation of managed care plans and delegated entities begins

2026

- *January 1, 2026:* LTSS, LTC and D-SNPs are implemented statewide

CMC = Cal MediConnect  
D-SNPs = Dual Eligible Special Needs Plans  
LTSS = Long-Term Services and Supports

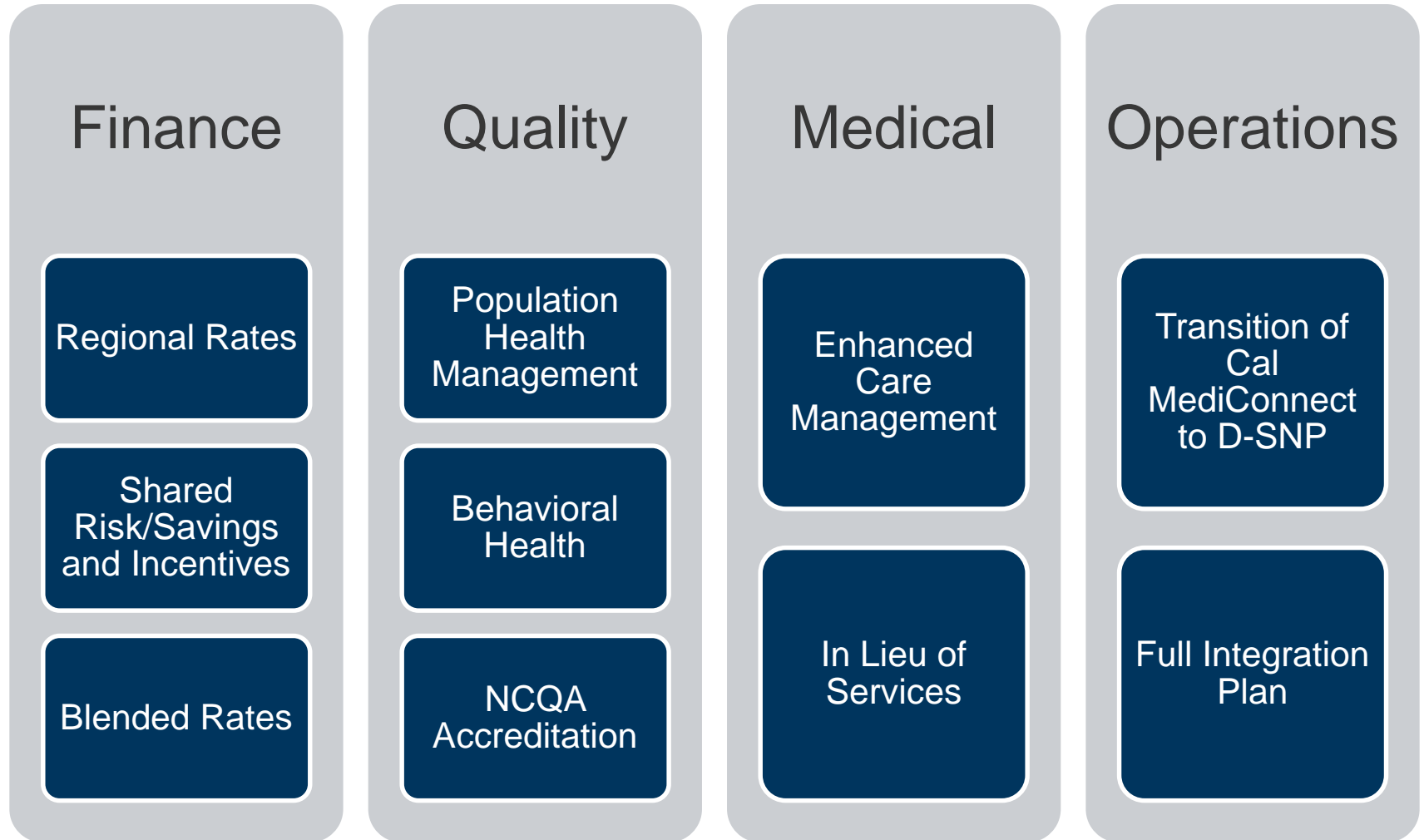
# Proposals Impacting CalOptima

Proposals	Implementation Date
Enhanced Care Management Benefit	January 2021
In Lieu of Services	January 2021
Shared Risk/Savings and Incentive Payments	January 2021
Population Health Management Program	January 2022
Regional Managed Care Capitation Rates	January 2023
Discontinue Cal MediConnect and transition to D-SNPs	January 2023
Full Integration Plans*	January 2024
NCQA Accreditation**	January 2025

*\* Current status: Behavioral health partially integrated; dental services not integrated*

*\*\*NCQA accreditation for health networks is new; may have new requirements for managed care plans*

# Internal Work Efforts



# Transition Plan

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- DHCS expects CalOptima and all managed care plans to submit a transition plan demonstrating:
  - How elements of existing programs, such as HHP and WPC, will be integrated into the new ECM and ILOS programs
  - A good faith effort to come to agreement with local government agency providers that are rendering HHP and/or WPC services

# Upcoming Activities

Date	Milestone
February	Participate in DHCS stakeholder meetings; provide general updates to advisory committees
March	Continue DHCS stakeholder meeting participation; prepare draft transition plan
April	Vet transition plan strategy with Member Advisory Committee, OneCare Connect Member Advisory Committee, Whole-Child Model Family Advisory Committee and Provider Advisory Committee
May	Vet transition plan strategy with Quality Assurance Committee and Finance and Audit Committee
June	Seek transition plan approval from Board of Directors
July 1	Submit transition plan to DHCS

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OneCare (HMO SNP)

## CalOptima

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OneCare Connect

## CalOptima

Better. Together.



PACE

## CalOptima

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# Behavioral Health (BH) Transition Update

**Edwin Poon, Ph.D.**

**Director, Behavioral Health (Integration)**





# BH Transition

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- In May 2019, the Board of Directors approved transitioning OneCare and OneCare Connect BH services from Magellan to CalOptima
- Multiple departments were involved in the implementation
  - Contracting
  - Provider Relations
  - Claims
  - Customer Service
  - Behavioral Health Integration
  - Information Services
  - Utilization Management
  - Regulatory Affairs and Compliance
  - Process Excellence
- Effective January 1, 2020, CalOptima manages BH services for all lines of business

# CalOptima BH Benefits

Mental Health Services	Medi-Cal	OC/OCC
Outpatient psychotherapy	✓	✓
Psychological testing	✓	✓
Medication management	✓	✓
Behavioral Health Treatment*	✓	N/A
Inpatient mental health care	County	✓
Partial hospitalization program	County	✓

*\*For members under 21 years of age*

# CalOptima BH Benefits (cont.)

Substance Use Disorder (SUD) Services	Medi-Cal	OC/OCC
Alcohol misuse screening and counseling	✓	✓
Office-based Medication Assisted Treatment (MAT)	✓	✓
Opioid Treatment Program (OTP)	Drug Medi-Cal Organized Delivery System	✓
Medical detox	✓	✓
All other SUD services (e.g., residential treatment, recovery services and withdrawal management)	Drug Medi-Cal Organized Delivery System	Drug Medi-Cal Organized Delivery System

# BHI Department Restructure

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- Integration

- BH initiatives (Quality, Utilization Management, Regulatory, etc.)
- Community partnerships
- Regulatory (DHCS and CMS audits, NCQA, policies, etc.)
- Internal departments support

- Clinical Operations

- BH call center
- Care management
  - Behavioral Health (Individual Care Team meetings, transitions of care, and BH utilization management/concurrent review)
  - Behavioral Health Treatment (ABA)

# CalOptima BH Line

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**855-877-3885**

For screening and referral to mental health services.  
This number is available 24 hours a day, 7 days a week.

**TTY/TDD: 800-735-2929**

# Thank You

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- BHI would like to thank everyone who supported the implementation process for the past two years
- We could not have done it without your hard work and dedication!



# 2019–20 Legislative Tracking Matrix

## COVERED BENEFITS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<b>H.R. 4618 McBath</b>	<b>Medicare Hearing Act of 2019:</b> Effective no sooner than January 1, 2022, would require Medicare Part B to cover the cost of hearing aids for Medicare beneficiaries. Hearing aids would be provided every five years and would require a prescription from a doctor or qualified audiologist.	<b>10/17/2019</b> Passed the Committee on Energy and Commerce  <b>10/17/2019</b> Introduced	CalOptima: Watch
<b>H.R. 4650 Kelly</b>	<b>Medicare Dental Act of 2019:</b> Effective no sooner than January 1, 2022, would require Medicare Part B to cover the cost of dental health services for Medicare beneficiaries. Covered benefits would include preventive and screening services, basic and major treatments, and other care related to oral health.	<b>10/17/2019</b> Passed the Committee on Energy and Commerce  <b>10/11/2019</b> Introduced	CalOptima: Watch
<b>H.R. 4665 Schrier</b>	<b>Medicare Vision Act of 2019:</b> No sooner than January 1, 2022, would require Medicare Part B to cover the cost of vision care for Medicare beneficiaries. Covered benefits would include routine eye exams and corrective lenses. Corrective lenses covered would be either one pair of conventional eyeglasses or contact lenses.	<b>10/17/2019</b> Passed the Committee on Energy and Commerce  <b>10/11/2019</b> Introduced	CalOptima: Watch

## EARLY AND PERIODIC SCREENING, DIAGNOSIS, AND TREATMENT (EPSDT)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<b>AB 385 Calderon</b>	<b>Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Performance Outcome System:</b> Would require the Department of Health Care Service (DHCS) to improve existing performance outcome systems measuring the outcomes of EPSDT services.	<b>05/16/2019</b> Committee on Appropriations; Held under submission  <b>04/24/2019</b> Passed Committee on Health  <b>02/05/2019</b> Introduced	CalOptima: Watch



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Orange County's  
Community Health Plan

# ELIGIBILITY

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<b>AB 4</b> <b>Arambula</b>	<b>Medi-Cal Eligibility Expansion:</b> Would extend eligibility for full-scope Medi-Cal to eligible individuals of all ages regardless of their immigration status. The Legislative Analyst's Office projects this expansion would cost approximately \$900 million General Fund (GF) in 2019-2020 and \$3.2 billion GF each year thereafter, including the costs if In-Home Supportive Services (IHSS).	<b>07/02/2019</b> Hearing canceled at the request of the author  <b>06/06/2019</b> Referred to Senate Committee on Health  <b>05/28/2019</b> Passed Assembly floor  <b>12/03/2018</b> Introduced	CalOptima: Watch CAHP: Support LHPC: Support
<b>AB 526</b> <b>Petrie-Norris</b>	<b>Women, Infants, and Children (WIC) to Medi-Cal Express Lane:</b> Would establish an "express lane" eligibility pathway for pregnant women and children from the California Special Supplemental Nutrition Program for WIC to Medi-Cal. WIC, within the Children's Health Insurance Program (CHIP), is a federally funded program that provides supplemental food, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and postpartum women, and infants and children up to age five. The bill intends to leverage the similarity between WIC and Medi-Cal eligibility rules, to ensure that uninsured children and pregnant women who are eligible for Medi-Cal are able to conveniently enroll in the program through the express lane. Of note, the express lane program was never implemented due to a lack of funding.	<b>08/30/2019</b> Senate Committee on Appropriations; Held under submission  <b>06/27/2019</b> Passed Senate Committee on Health  <b>05/23/2019</b> Passed Assembly floor  <b>02/13/2019</b> Introduced	CalOptima: Watch
<b>AB 683</b> <b>Carrillo</b>	<b>Adjusting the Assets Test for Medi-Cal Eligibility:</b> Would eliminate specific assets tests, such as life insurance policies, musical instruments, and living trusts, when determining eligibility for Medi-Cal enrollment.	<b>05/16/2019</b> Committee on Appropriations; Hearing postponed at the request of the Committee  <b>04/02/2019</b> Passed Committee on Health  <b>02/15/2019</b> Introduced	CalOptima: Watch
<b>SB 29</b> <b>Durazo</b>	<b>Medi-Cal Eligibility Expansion:</b> Would extend eligibility for full-scope Medi-Cal to eligible individuals ages 65 years or older, regardless of their immigration status. The Assembly Appropriations Committee projects this expansion would cost approximately \$134 million each year (\$100 million General Fund, \$21 federal funds) by expanding full-scope Medi-Cal to approximately 25,000 adults who are undocumented and 65 years of age and older. The financial costs for In-Home Supportive Services (IHSS) is estimated to cost \$13 million General Fund.	<b>09/13/2019</b> Held in Assembly  <b>05/29/2019</b> Passed Senate floor  <b>12/03/2018</b> Introduced	CalOptima: Watch



## HOMELESSNESS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<b>H.R. 1978 Correa/Lieu</b>	<p><b>Fighting Homelessness Through Services and Housing Act:</b> Similar to S. 923, would establish a federal grant program within the Health Resources and Services Administration to fund comprehensive homeless support services through the appropriation of \$750 million each year for five years, beginning in FY 2020. Included would be a one-time grant of \$100,000 to support program planning for existing programs serving those who are homeless or at risk of being homeless. Each eligible entity would be able to receive up to \$25 million each year for up to five years.</p> <p>Government entities eligible to apply for grant funding would include counties, cities, regional or local agencies, Indian tribes or tribal organizations. Each agency would be able to enter partnerships to meet eligibility status. Additionally, comprehensive homeless support services, such as mental health services, supportive housing, transitional support, and case management must be provided by the agency to be considered to receive grant funding. Individuals eligible to receive comprehensive homeless support services through this program include persons who are homeless or are at risk of becoming homeless, including families, individuals, children and youths.</p>	<b>03/28/2019</b> Introduced; Referred to the House Committee on Financial Services	CalOptima: Watch
<b>S. 923 Feinstein</b>	<p><b>Fighting Homelessness Through Services and Housing Act:</b> Similar to H.R. 1978, would establish a federal grant program within the Health Resources and Services Administration to fund comprehensive homeless support services through the appropriation of \$750 million each year for five years, beginning in FY 2020. Included would be a one-time grant of \$100,000 to support program planning for existing programs serving those who are homeless or at risk of being homeless. Each eligible entity would be able to receive up to \$25 million each year for up to five years.</p> <p>Government entities eligible to apply for grant funding would include counties, cities, regional or local agencies, Indian tribes or tribal organizations. Each agency would be able to enter partnerships to meet eligibility status. Additionally, comprehensive homeless support services, such as mental health services, supportive housing, transitional support, and case management must be provided by the agency to be considered to receive grant funding. Individuals eligible to receive comprehensive homeless support services through this program include persons who are homeless or are at risk of becoming homeless, including families, individuals, children and youths.</p>	<b>03/28/2019</b> Introduced; Referred to Committee on Health, Education, Labor, and Pensions	CalOptima: Watch

## 2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<b>AB 563</b> <b>Quirk-Silva</b>	<b>Mental Health Funding for the North Orange County Public Safety Task Force:</b> Would establish a two-year pilot program in Orange County with the appropriation of \$16 million from the General Fund to support those experiencing a mental health crisis. Funds to be allocated to the North Orange County Public Safety Task Force: \$8 million by January 1, 2020 and \$8 million by January 1, 2021. Funds would establish programs such as urgent and nonurgent telephone lines, case management, and a mobile response team.	<b>05/16/2019</b> Committee on Appropriations; Held under submission  <b>04/24/19</b> Passed Committee on Health  <b>02/13/2019</b> Introduced	CalOptima: Watch  Orange County Board of Supervisors: Support

## PHARMACY

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<b>SB 852</b> <b>Pan</b>	<b>California Generic Prescription Drugs:</b> Would authorize the State of California to manufacture and manage their own generic prescription drugs.	<b>01/13/2020</b> Introduced	CalOptima: Watch

## PROVIDERS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<b>AB 741</b> <b>Kalra</b>	<b>Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program Provider Training:</b> Would expand provider training, for those providing EPSDT services, to include universal trauma screenings. Training would include how to administer and use the new trauma screening tool, providing care, proper diagnosis and referrals for patients who have tested positive in trauma screenings, and connecting patients to proper resources and care.	<b>05/16/2019</b> Committee on Appropriations; Held Under Submission  <b>04/24/2019</b> Passed Committee on Health  <b>02/19/2019</b> Introduced	CalOptima: Watch

## 2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<b>AB 890 Wood</b>	<b>Nurse Practitioners:</b> Would permit nurse practitioners to open and operate their own private practice. Would also permit a board-certified nurse practitioner to perform specific functions, without supervision by a physician and surgeon, in settings such as clinics, medical group practices, and health care agencies.	<b>05/16/2019</b> Hearing postponed at the request of the Appropriations Committee  <b>05/15/2019</b> Committee on Appropriations; Suspense file  <b>04/11/2019</b> Passed Committee on Business and Professions  <b>02/20/2019</b> Introduced	CalOptima: Watch LHPC: Support

## REIMBURSEMENT RATES

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<b>SB 66 Atkins/ McGuire</b>	<b>Federally Qualified Health Center (FQHC) Reimbursement:</b> Would allow an FQHC to be reimbursed by the state for a mental health or dental health visit that occurs on the same day as a medical face-to-face visit. Currently, California is one of the few states that do not allow an FQHC to be reimbursed for a mental or dental and physical health visits on the same day. A patient must seek mental health or dental treatment on a subsequent day for an FQHC to receive reimbursement for that service. This bill would distinguish a medical visit through the member's primary care provider and a mental health or dental visit as two separate visits, regardless if at the same location on the same day. As a result, the patient would no longer have to wait a 24-hour time period in order to receive medical and dental or mental health services, while ensuring that clinics are appropriately reimbursed for both services. Additionally, acupuncture services would be included as a covered benefit when provided at an FQHC.	<b>09/13/2019</b> Carry-over bill; Moved to inactive filed at the request of the author  <b>08/30/2019</b> Passed Assembly Committee on Appropriations  <b>05/23/2019</b> Passed Senate floor  <b>01/08/2019</b> Introduced	CalOptima: Watch CAHP: Support LHPC: Co-Sponsor, Support
<b>AB 316 Ramos/Rivas</b>	<b>Medi-Cal Dental Services:</b> Would increase the fee-for-service reimbursement rate for Denti-Cal providers that provide services to individuals with special needs. Pending approval from the Centers for Medicare & Medicaid Services (CMS), the increase in reimbursement rates to Denti-Cal providers would allow the provider to be reimbursed for the additional time and resources required to treat a patient with special needs. Providers are currently not receiving additional funds if a patient with special needs uses more time and resources than originally allocated. Would allow the member four dental visits within a twelve-month period. The reimbursement rate would increase from \$100 per visit to \$140 per visit with support from Proposition 56 dollars.	<b>05/17/2019</b> Committee on Appropriations; Held Under Submission  <b>04/10/2019</b> Passed Committee on Health  <b>01/30/2019</b> Introduced	CalOptima: Watch

## TELEHEALTH

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
<b>H.R. 4932 Thompson</b>	<b>Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT) for Health Act of 2019:</b> Similar to S. 2741, would expand telehealth services for those receiving Medicare benefits and remove restrictions in the Medicare program that prevent physicians from using telehealth technology. Would also: <ul style="list-style-type: none"> <li>■ Provide the Secretary of Health and Human Services with the authority to waive telehealth restrictions when necessary;</li> <li>■ Remove geographic and originating site restrictions for services like mental health and emergency medical care;</li> <li>■ Allow rural health clinics and other community-based health care centers to provide telehealth services; and</li> <li>■ Require a study to explore more ways to expand telehealth services so that more people can access health care services in their own homes.</li> </ul>	<b>10/30/2019</b> Introduced; Referred to the Committees on Energy and Commerce; Ways and Means	CalOptima: Watch AHIP: Support
<b>S. 2741 Schatz</b>	<b>Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT) for Health Act of 2019:</b> Similar to H.R. 4932, would expand telehealth services for those receiving Medicare benefits and remove restrictions in the Medicare program that prevent physicians from using telehealth technology. Would also: <ul style="list-style-type: none"> <li>■ Provide the Secretary of Health and Human Services with the authority to waive telehealth restrictions when necessary;</li> <li>■ Remove geographic and originating site restrictions for services like mental health and emergency medical care;</li> <li>■ Allow rural health clinics and other community-based health care centers to provide telehealth services; and</li> <li>■ Require a study to explore more ways to expand telehealth services so that more people can access health care services in their own homes.</li> </ul>	<b>10/30/2019</b> Introduced; Referred to the Senate Committee on Finance	CalOptima: Watch AHIP: Support

\*Information in this document is subject to change as bills are still going through the early stages of the legislative process.

CAHP: California Association of Health Plans

CalPACE: California PACE Association

LHPC: Local Health Plans of California

NPA: National PACE Association

Last Updated: January 15, 2020

## 2019–20 Legislative Tracking Matrix (continued)

### 2020 Federal Legislative Dates

<b>April 4–19</b>	Spring recess
<b>August 10–September 7</b>	Summer recess
<b>October 12–November 6</b>	Fall recess

### 2020 State Legislative Dates

<b>January 6</b>	Legislature reconvenes
<b>January 31</b>	Last day for bills introduced in 2019 to pass their house of origin
<b>February 21</b>	Last day for legislation to be introduced
<b>April 2–12</b>	Spring recess
<b>April 24</b>	Last day for policy committees to hear and report bills to fiscal committees
<b>May 1</b>	Last day for policy committees to hear and report non-fiscal bills to the floor
<b>May 15</b>	Last day for fiscal committees to report fiscal bills to the floor
<b>May 26–29</b>	Floor session only
<b>May 29</b>	Last day to pass bills out of their house of origin
<b>June 15</b>	Budget bill must be passed by midnight
<b>July 2–August 3</b>	Summer recess
<b>August 14</b>	Last day for fiscal committees to report bills to the floor
<b>August 17–31</b>	Floor session only
<b>August 31</b>	Last day for bills to be passed. Final recess begins upon adjournment
<b>September 30</b>	Last day for Governor to sign or veto bills passed by the Legislature
<b>November 3</b>	General Election
<b>December 7</b>	Convening of the 2021–22 session

Sources: 2020 State Legislative Deadlines, California State Assembly: <http://assembly.ca.gov/legislatedeadlines>

## About CalOptima

CalOptima 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 provide members with access to quality health care services delivered in a cost-effective and compassionate manner. 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).

# California State Budget: FY 2020-21 Proposal Analysis and CalOptima Impacts

January 2020

## Overview

On January 10, 2020, Governor Gavin Newsom released his fiscal year (FY) 2020-21 state budget proposal. The total proposed budget is \$222.2 billion, with General Fund spending at \$153.1 billion, which is approximately two percent higher than current year spending.<sup>[i]</sup> The budget anticipates that the state's economy and associated revenues will grow at a modest rate – 3.8 percent – slower than previous expectations, but still enough to drive an ambitious policy agenda.

Specific to health policy, Governor Newsom is continuing to focus on the priorities funded in last fiscal year's budget, including expanding access to health care via Medi-Cal, controlling prescription drug costs and addressing both the homelessness and housing affordability crises affecting the state. All of these priorities received a significant amount of attention in his press conference as well as the written budget proposal. Governor Newsom announced a plan to expand Medi-Cal to cover undocumented seniors, proposed that California start its own generic drug label and proposed an additional \$1 billion in funding to address the homelessness crisis, which he called the "issue that defines our times." These topics are covered in more detail below. The governor also proposes funding for new initiatives that were not priorities in the prior year's budget, but that complement his administration's focus on healthcare and quality of life issues. To this end, the budget endorses and funds Medi-Cal Healthier California for All (formerly "CalAIM") proposals to the tune of \$695 million.

## The Medi-Cal Budget

The increase in General Fund dollars allocated to Medi-Cal funding (see table 1 below) is based on an estimated Medi-Cal enrollment of 12.9 million members in fiscal year (FY) 2020-21, which is a slight increase (less than one percent) as compared to FY 2019-20.<sup>2</sup>

### FY 2020–19 Proposed Medi-Cal Budget<sup>3</sup>

General Fund	\$26.4 billion
Federal Funds	\$67.5 billion
Other	\$13.4 billion
<b>Total</b>	<b>\$107.4 billion<sup>4</sup></b>

The federal portion of the Medi-Cal budget is funded through several avenues. For original Medi-Cal, also known as Medi-Cal classic, there is a 50/50 federal/state funding match. For the Medi-Cal expansion (MCE) population, there is an enhanced federal match (90/10 for 2020 and subsequent calendar years).<sup>5</sup> For the Children's Health Insurance Program (CHIP) population, which was carved in to Medi-Cal in 2013, there is currently an 88/12 match.

Of note, the 2019-20 budget increased funding for Proposition 56 programs, creating several new ones, but attached a December 31, 2021 sunset date to the funding. The governor is proposing to push the sunset date of Proposition 56 programs by 18 months, to July 31, 2023, due to the anticipated surplus as well as the state's expectation that the latest iteration of the MCO tax\* will be approved by CMS, albeit not in time to generate revenue for this fiscal year. In his budget announcement, Governor Newsom stated that he expected MCO tax funding – anticipated to be between \$1.2 and \$1.9 billion – to impact the 2021-22 Medi-Cal budget, at the earliest.

## Medi-Cal Healthier California for All (The Program Formerly Known as CalAIM)

The governor is pursuing an ambitious agenda to transform the Medi-Cal delivery system to expand both access to care and the types of services available. Much of this agenda is captured in the Medi-Cal Healthier California for All initiative, which received a \$695 million allocation in the FY 2020–21 budget proposal. This funding will cover enhanced care management and in lieu of services, as well as infrastructure investments needed to expand whole person care programs statewide.<sup>6</sup> Funding commitments are expected to increase in upcoming fiscal years as more Medi-Cal Healthier California for All programs are launched. Of note, the package of proposals that comprise Medi-Cal Healthier California for All will need federal approval before they can be initiated. DHCS plans on submitting the requisite applications to the Centers for Medicare & Medicaid Services (CMS) in summer 2020, contingent on feedback received from affected stakeholders as well as state funding allocated as part of the final FY 2020-21 budget.<sup>7</sup>

\*On January 31, 2020, CMS rejected California's proposal to reinstate the MCO tax, basing the denial on the hold harmless structure of the tax.  
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### Expanding Full Scope Medi-Cal

The Medi-Cal budget also contains funding to expand full-scope Medi-Cal to cover undocumented seniors age 65 and older, no sooner than January 1, 2021. This expansion is projected to bring 27,000 new enrollees into the program statewide. The budget proposal includes \$80.5 million (\$64.2 million General Fund) for this expansion, including In-Home Supportive Services costs, in FY 2020-21. Beginning FY 2022-23, these costs are expected to be approximately \$350 million (\$320 million General Fund) per year.<sup>8</sup>

### Efforts to Control Prescription Drug Prices

Another major piece of Governor Newsom's health policy agenda is the effort to reduce prescription drug costs. Last year, his emphasis was on bulk purchasing of prescription drugs, effectuated partly through the pharmacy carve-out. In January 2019, Governor Newsom issued Executive Order N-01-19 to carve prescription drugs out of Medi-Cal managed care and transition the benefit to state administration, no sooner than January 1, 2021.<sup>9</sup> DHCS is continuing to work on the process of this transition and has selected a vendor, Magellan Medicaid Administration, to administer the benefit once it is transitioned over.<sup>10</sup> Of note, the budget assumes that the majority of the financial benefit from the carve-out, amounting to "hundreds of millions of dollars in annual General Fund savings," will not accrue to the state until FY 2022-23.<sup>11</sup> The budget proposal estimates that the state will benefit from \$178.3 million in savings associated with the carve-out during FY 2020-21.<sup>12</sup>

To build on these efforts, the governor is also proposing that California negotiate partnerships with generic drug manufacturers to establish the state's own generic drug label, with the aim of building toward a single market for drug pricing within the state.<sup>13</sup> During his press conference announcing the budget, the Governor Newsom shared that the state is currently negotiating with drug manufacturers and that further details regarding this proposal would be forthcoming in the spring.

### Office of Health Care Affordability

Also of note, the governor is planning to create a new Office of Health Care Affordability under the California Health and Human Services Department. It is unclear how this office would impact Medi-Cal, but it is clear that the governor would like his health policy agenda to dovetail with his broader focus on affordability and quality of life issues facing California residents. The Office's prime directives would be to increase price and quality

transparency by developing industry-specific strategies and cost targets as well as "financial consequences for entities that fail to meet these targets."<sup>14</sup>

### Other Health Priorities

**Behavioral Health:** The Governor proposes to establish a Behavioral Health Quality Improvement Program to fund county mental health plans and substance use disorder systems to prepare for Medi-Cal Healthier California for All. The funding of \$45.1 million GF in FY 2020-21 and \$42 million in FY 2021-22<sup>15</sup> is intended to assist these delivery systems in developing improvements to data-sharing capabilities for care coordination, performance measurement, and payment reform.

**Public Option:** The Governor's priorities also include specific reference to public Medi-Cal managed care plans. The Budget includes a statement that the Administration plans to leverage California's public Medi-Cal managed care plans and Covered California to "build an even more robust public option in California."<sup>16</sup>

**Homelessness:** The 2019-20 budget invested \$1 billion in this effort, including \$650 million in emergency aid to local governments and hundreds of millions of dollars for expanded health and social services targeted to homeless individuals and individuals at risk of becoming homeless.<sup>17</sup> The proposed 2020-21 budget includes \$750 million (one-time, General Fund) to establish the California Access to Housing and Services Fund, administered by the state's Department of Social Services. The Fund would be dedicated to moving individuals as well as families into stable housing and funds would "flow through performance-based contracts between the state and regional administrators and [would] be subject to a 10-percent administrative cap."<sup>18</sup> Additionally, many of the Medi-Cal Healthier California for All programs are designed to address the needs of California's homeless population. Medi-Cal Healthier California for All proposals adapt and expand whole person care (WPC) principles into a statewide program and empower plans to address social determinants of health as appropriate, such as housing navigation and other social services.<sup>19</sup>

### Next Steps

Many of these policy changes are predicated on the new administration's expectation that the state's economy will experience moderate growth in the next fiscal year. The governor's May Revision of the budget proposal could include adjustments based on a revised economic outlook or potential federal policy changes, such as CMS' proposed Medicaid Fiscal Accountability Regulation. We will continue to follow these proposals closely as

## State Budget Proposal Analysis and CalOptima Impacts (*continued*)

they move through the budget process. Many of these proposals, such as the expansion of full-scope Medi-Cal, will require additional legislation to implement. Specific to the expansion, DHCS will propose trailer bill language to implement this change and it is likely to be dependent on systems changes and network readiness approvals being in place.

The governor's January budget proposal is just the first step in the state's budget process. The legislature will now begin holding budget hearings in an effort to build consensus. After the governor releases a revision to the January budget proposal in May, the legislature will have until June 15 to submit a final state budget for the governor's approval. CalOptima will continue to closely follow these ongoing budget discussions and provide updates regarding any issues that have a significant impact on the agency.

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### Endnotes

<sup>1</sup> Governor's Budget Summary 2020-21, Appendix 5, available at: <http://www.ebudget.ca.gov/2020-21/pdf/BudgetSummary/FullBudgetSummary.pdf>

<sup>2</sup> Ibid., p. 24

<sup>3</sup> DHCS, "2020-21 Governor's Budget Highlights," p. 3, available at: [https://www.dhcs.ca.gov/Documents/Budget\\_Highlights/DHCS-FY-2020-21-Governor%27s-Budget-Highlights.pdf](https://www.dhcs.ca.gov/Documents/Budget_Highlights/DHCS-FY-2020-21-Governor%27s-Budget-Highlights.pdf)

<sup>4</sup> Governor's Budget Summary 2020-21, p. 32, available at: <http://www.ebudget.ca.gov/2020-21/pdf/BudgetSummary/FullBudgetSummary.pdf>

<sup>5</sup> Chernew, Michael. "The Economics of Medicaid Expansion," Health Affairs Blog, available at: <https://www.healthaffairs.org/doi/10.1377/hblog20160321.054035/full/>

<sup>6</sup> Governor's Budget Summary 2020-21, p. 33, available at: <http://www.ebudget.ca.gov/2020-21/pdf/BudgetSummary/FullBudgetSummary.pdf>

<sup>7</sup> DHCS, "Medi-Cal Healthier California for All, Executive Summary," p. 14, available at: <https://www.dhcs.ca.gov/provgovpart/Documents/6422/Medi-CalHealthierCAforAllExecSummary.pdf>

<sup>8</sup> Ibid., p. 34

<sup>9</sup> DHCS, "2019-20 Governor's Budget Highlights," p. 6, available at: [https://www.dhcs.ca.gov/Documents/Budget\\_Highlights/FY2019-20-GB-Highlights.pdf](https://www.dhcs.ca.gov/Documents/Budget_Highlights/FY2019-20-GB-Highlights.pdf)

<sup>10</sup> Medi-Cal Rx Advisory Group, PowerPoint presentation, available at: [https://www.dhcs.ca.gov/provgovpart/pharmacy/Documents/MRX\\_Advisory\\_Workgroup\\_01-14-20.pdf](https://www.dhcs.ca.gov/provgovpart/pharmacy/Documents/MRX_Advisory_Workgroup_01-14-20.pdf)

<sup>11</sup> Governor's Budget Summary 2020-21, p. 27 available at: <http://www.ebudget.ca.gov/2020-21/pdf/BudgetSummary/FullBudgetSummary.pdf>

<sup>12</sup> Ibid., p. 35

<sup>13</sup> Ibid., p. 28

<sup>14</sup> Ibid., p. 26

<sup>15</sup> Ibid., p. 33

<sup>16</sup> Ibid., p. 26

<sup>17</sup> Ibid., p. 104

<sup>18</sup> Ibid., p. 106

<sup>19</sup> Ibid., p. 107



### About CalOptima

CalOptima is a county organized health system that administers health insurance programs for low-income children, adults, seniors and people with disabilities in Orange County. Our mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner. 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).

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# STRATEGIC PLAN 2020-2022



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# A Message From the CEO

Like many of you, I consider the beginning of the new 2020 decade as an opportunity to look ahead and to plan. So, it is the perfect time to launch CalOptima's next Strategic Plan, for 2020-2022. The guidance it offers and the priorities it sets have been carefully considered by a wide variety of leaders, including our Board of Directors, advisory committee members, executive staff, community stakeholders and industry consultants. Collaboration strengthens our plan and reflects our Better. Together. approach to quality health care for Orange County's vulnerable low-income residents.

If this decade is anything like the last, the one constant will be change. Recognition of this fact is central to the content of CalOptima's Strategic Plan. An overview of the health care landscape explains the federal, state and local drivers of change, followed by our strategic priorities and objectives in this environment.

Responding effectively in dynamic conditions does not mean CalOptima will alter our mission or vision, both of which are focused on members. Our commitment to members is as strong as ever, and you will see that dedication underlying all the priority areas, from innovation and community partnerships to value, quality and operational excellence. While we may adjust our efforts along the way in response to regulatory changes or community needs, we will not waver about putting members first.

And one final comment about 2020 — it's CalOptima's 25th anniversary year. We celebrate you and all the providers, community-based organizations, elected officials and stakeholders who partner with us. Together, we have accomplished so much, including statewide recognition year after year as a leading Medi-Cal health plan. Our shared goal of a healthier Orange County has brought us far and will carry us confidently into the future.



Michael Schrader  
Chief Executive Officer

## About CalOptima

### CalOptima's Mission

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner

### CalOptima's Vision

To be a model public agency and community health plan that provides an integrated and well-coordinated system of care to ensure optimal health outcomes for all our members

### Programs

**Medi-Cal (California's Medicaid Program):** For low-income children, adults, seniors and persons with disabilities.

**OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan):** For people who qualify for both Medicare and Medi-Cal, combining Medicare and Medi-Cal benefits. Also included are benefits for worldwide emergency care, dental care, vision care and fitness. Other benefits are transportation to medical services and a Personal Care Coordinator.

**OneCare (HMO SNP):** A Medicare Advantage Special Needs Plan for low-income seniors and people with disabilities who qualify for both Medicare and Medi-Cal. Benefits are covered in one single plan, making it easier to get health care.

**Program of All-Inclusive Care for the Elderly (PACE):** A long-term comprehensive health care program that helps older adults remain as independent as possible. PACE coordinates and provides all needed preventive, primary, acute and long-term care services so seniors can continue living in their community. PACE provides all the acute and long-term care services covered by Medicare and Medi-Cal.

As of October 31, 2019, CalOptima has approximately 743,000 members:

Medi-Cal: 727,437

OneCare Connect: 14,093

OneCare: 1,567

PACE: 368

## Health Insurance Coverage in Orange County

CalOptima covers more than 20% of Orange County residents.

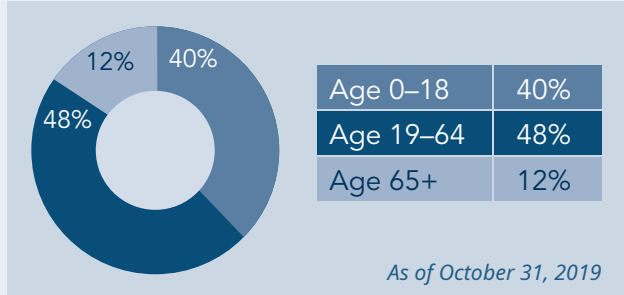
Current Health Insurance Coverage Type	Orange County
Uninsured	6.7%
Medicare and Medicaid (Dual Eligibles)	3.0%
Medicare	11.2%
Medicaid	19.1%
Employment-Based	51.8%
Privately Purchased	7.5%
Other Public Coverage	0.7%

Source: California Health Interview Survey, 2017



## CalOptima Profile

### Members by Age



### Low Administrative Costs

CalOptima spends nearly 96 cents of every dollar on member care and only 4 cents on program administration, which reinforces our commitment and mission as a community health plan that provides quality health care services in a cost-effective, compassionate manner.

**96¢** of every **\$1**

### Provider Network Composition

CalOptima has a strong provider network to serve our members. As of October 31, 2019, this includes:

- 1,567 primary care providers
- 6,944 specialists
- 40 acute and rehab hospitals
- 35 community health centers
- 570 pharmacies
- 100 long-term care facilities
- 5 PACE alternative care settings

### High-Quality Care

CalOptima offers high-quality care to our members:

- For five years in a row, CalOptima was the top rated Medi-Cal plan in California, according to the National Committee for Quality Assurance (NCQA) Medicaid Health Insurance Plan Ratings (2014–2019).
- For 2019–2020, no other health plan received a higher rating.
- NCQA has awarded an accreditation status of Commendable to CalOptima Medi-Cal.

# Health Care Landscape Review

CalOptima's 2020–2022 Strategic Plan reflects the need to be responsive to a wide variety of federal, state and local priorities, considerations and issues. The landscape review is a summary of highlights from a comprehensive Environmental Scan that was completed to inform the Strategic Plan.

## Federal Landscape

At the federal level, the policy landscape has been characterized by uncertainty for the past three years, and this is expected to continue for the foreseeable future. The Centers for Medicare & Medicaid Services (CMS), which provides the federal funding for, and oversight of, California's Medi-Cal program, has established a set of strategic priorities focused on driving innovation, implementing patient-centric approaches, and demonstrating results that improve care and lower costs. CalOptima will look to CMS's goals to prioritize development of innovative approaches that are aligned with the federal government. In addition, federal immigration policy may negatively impact Medi-Cal enrollment.

## State Landscape

Within California, the health policy landscape is in transition with the election of Governor Gavin Newsom. Governor Newsom has an ambitious health care agenda focused on expanding coverage for all Californians and reigning in costs. Within the California Department of Health Care Services (DHCS), key initiatives are underway that will shape the future of the Medi-Cal program and impact CalOptima's work over the next three years.

### Medi-Cal Vision: 2021 and Beyond

The current federal Section 1115 Medicaid waiver, referred to as Medi-Cal 2020, expires at the end of 2020. As part of renewing the waiver, DHCS has launched a major restructuring of Medi-Cal, known as California Advancing and Innovating Medi-Cal (CalAIM), which is designed to reduce the complexity of the program, focus on population health and increase the use of value-based purchasing strategies. CalOptima will contribute to the CalAIM discussions and, ultimately, to the implementation of Medi-Cal's next chapter.

### Prescription Drug Carve-Out

On his first day in office, Governor Newsom signaled his intent to address rising pharmacy costs by shifting to bulk purchasing of

prescription drugs for all government programs, including Medi-Cal (the largest purchaser in the state). CalOptima will continue to work closely with DHCS on the design of the carve-out to minimize the impacts on our members and their health.

### Future of the Coordinated Care Initiative and Cal MediConnect

The Coordinated Care Initiative (CCI) focuses on integrating delivery of medical, behavioral and long-term services and supports (MLTSS) benefit into California's Medi-Cal care delivery system. The CCI also includes the Cal MediConnect (CMC) duals demonstration, combining Medicare and Medi-Cal into a single program. CCI and CMC are currently operating in only seven counties and the federal authority for CMC is scheduled to sunset on December 31, 2022. As part of the CalAIM initiative, DHCS has proposed that all Medi-Cal managed care plans, including CalOptima, be required to operate a Dual Eligible Special Needs Plan (D-SNP) by January 1, 2023, and assume responsibility for all Medi-Cal long-term care services effective January 1, 2021. CalOptima will engage with DHCS and CMS on the CCI and CMC transitions.



# Health Care Landscape Review (continued)

## Orange County Landscape

CalOptima is an integral part of the business community and the health care sector in Orange County. As the sole Medi-Cal plan in the County, CalOptima is in a unique position to impact care delivery and partner with County agencies and other stakeholders to improve access to care and quality for all members.

## Homelessness and Behavioral Health

In Orange County, as across the state, the population of individuals experiencing homelessness has increased significantly over the past few years. Orange County has focused on developing a system of care that recognizes a multifaceted approach is necessary to respond to the needs of County residents experiencing homelessness. CalOptima has committed enhanced funding for homeless health programs in the County. For example,

CalOptima is funding programs in collaboration with its community health centers to provide members on-call medical services in the field and increased preventive and primary care at shelters, establishing an internal homeless response team, and supporting hospital discharge coordination, recuperative care and respite care.

In 2018, local public and private stakeholders came together to work on behavioral health issues. Under this initiative, known as Be Well OC, a regional wellness center will be constructed in Orange County to serve individuals with mental health needs regardless of payor source. CalOptima is participating in this collaborative by prepaying for services at the Be Well OC wellness center. Be Well OC is part of the larger Mind OC initiative to integrate

behavioral health services across silos to address social determinants of health.

## CalOptima Workforce Needs

CalOptima will continue to face an extremely competitive employment environment over the next three years. The high cost of living in Orange County coupled with the County's low unemployment rate, staff retirements and turn-over contribute to a tight labor market.

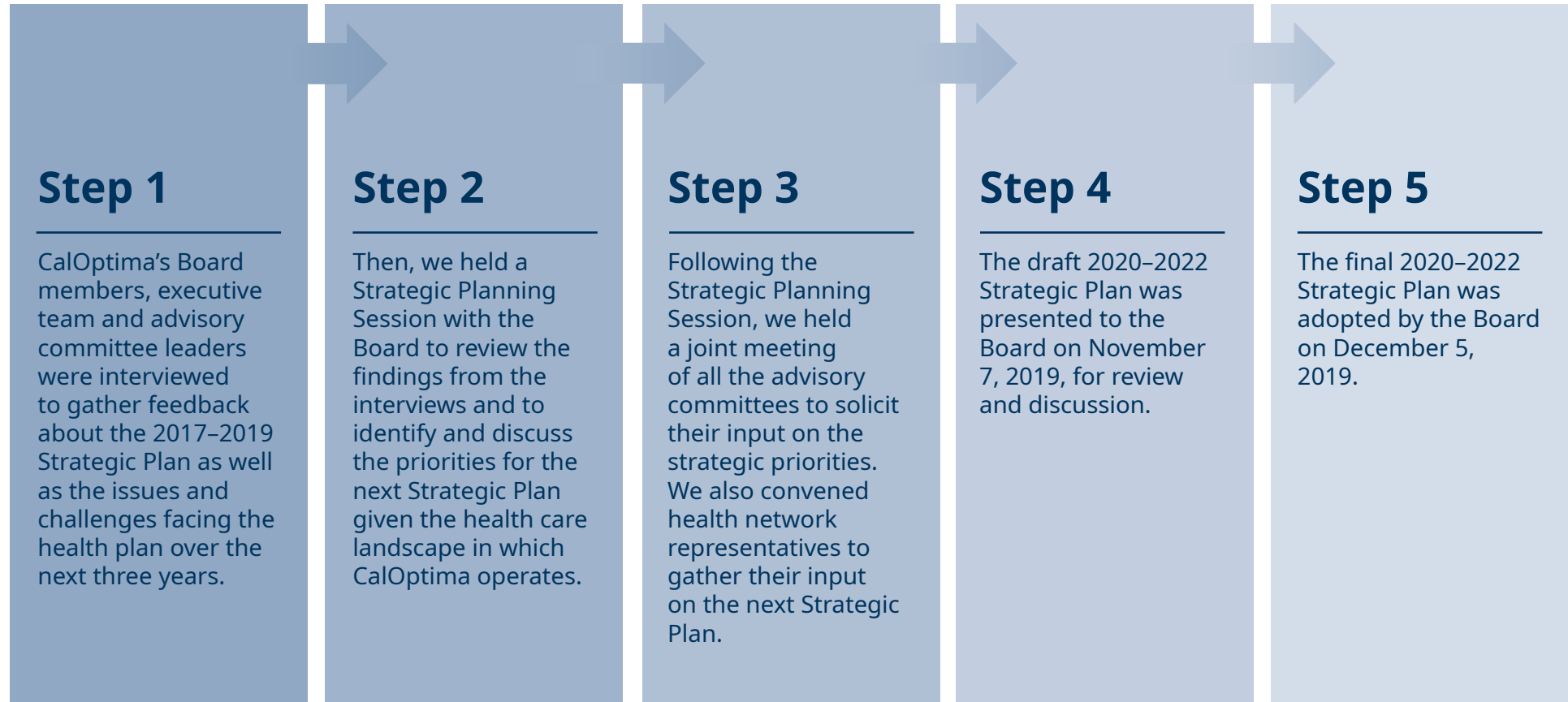
## Physician Networks and Access to Care

Across California, there are concerns about access to care, the rising cost of living, and a lack of physicians and other health workers. These issues are particularly acute in the Medi-Cal program. To address access issues, CalOptima will continue to develop stronger networks with innovative value-based payment arrangements over the next three years.



# Strategic Plan Development Process

To develop our 2020–2022 Strategic Plan, we gathered input from a wide range of CalOptima stakeholders:



# Strategic Priorities and Objectives

Our members are the essential focus of the Strategic Priorities and Objectives for the 2020–2022 Strategic Plan and are supported by the programs and services provided by CalOptima.



## Innovate and Be Proactive

- Anticipate Likely CMS and DHCS Priorities
- Identify and Collaborate on Local Priorities and Needs
- Leverage New Federal and State Programs and Services to Improve Access and Quality of Care for Members
- Seek Opportunities to Further Integrate Care for Members



## Expand CalOptima's Member-Centric Focus

- Focus on Population Health
- Strengthen Provider Network and Access to Care
- Enhance Member Experience and Customer Service



## Strengthen Community Partnerships

- Increase Collaboration with Providers and Community Stakeholders to Improve Care
- Utilize Strong Advisory Committee Participation to Inform Additional Community Engagement Strategies



## Increase Value and Improve Care Delivery

- Evaluate and Implement Value-Based Purchasing Strategies that Drive Quality
- Deploy Innovative Delivery Models to Address Social Determinants of Health and Homelessness
- Maintain Focus on Providing High-Quality Care to Members



## Enhance Operational Excellence and Efficiency

- Maintain Strong Culture of Compliance
- Preserve CalOptima's Financial Stability
- Invest in Infrastructure and Efficient Processes
- Engage Workforce and Identify Development Opportunities



# Board of Directors

**Paul Yost, M.D. (Chair)**

Anesthesiologist, CHOC Children's and St. Joseph Hospital

*Designated seat: Licensed physician, representing a health network*

**Dr. Nikan Khatibi (Vice Chair)**

Anesthesiologist, Pain Specialist and Addiction Medicine Physician

*Designated seat: Licensed medical professional, not representing a health network*

**Ria Berger**

CEO, Healthy Smiles for Kids of Orange County

*Designated seat: Community clinic representative*

**Doug Chaffee**

Orange County Board of Supervisors Supervisor, Fourth District

*Designated seat: Orange County Board of Supervisors (alternate)*

**Ron DiLuigi**

Retired Health Care Executive

*Designated seat: Legal resident of Orange County*

**Andrew Do**

Orange County Board of Supervisors Supervisor, First District

*Designated seat: Orange County Board of Supervisors*

**Alexander Nguyen, M.D., MPH**

Psychiatrist, Long Beach Veterans Affairs Medical Center

*Designated seat: Family member of a CalOptima member*

**Lee Penrose**

Health Care Executive

*Designated seat: Current or former hospital administrator*

**Richard Sanchez, REHS, MPH**

Director, Orange County Health Care Agency

*Designated seat (non-voting): Orange County Health Care Agency*

**J. Scott Schoeffel**

Attorney

*Designated seat: Legal or finance professional*

**Michelle Steel**

Orange County Board of Supervisors Supervisor, Second District

*Designated seat: Orange County Board of Supervisors*



A Public Agency

# CalOptima

Better. Together.

505 City Parkway West, Orange, CA 92868

[www.caloptima.org](http://www.caloptima.org)

The 2020–2022 Strategic Plan was created with the assistance of Athena Chapman and Caroline Davis from Champan Consulting. This plan was adopted by the CalOptima Board of Directors on December 5, 2019, and provides a framework for future direction. This document does not authorize expenditure of funds or commitment of resources.

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