

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

**THURSDAY, AUGUST 2, 2018
2:00 P.M.**

**505 CITY PARKWAY WEST, SUITES 108-109
ORANGE, CALIFORNIA 92868**

BOARD OF DIRECTORS

Paul Yost, M.D., Chair	Dr. Nikan Khatibi, Vice Chair
Ria Berger	Ron DiLuigi
Supervisor Andrew Do	Alexander Nguyen, M.D.
Lee Penrose	Richard Sanchez
J. Scott Schoeffel	Supervisor Michelle Steel
Supervisor Lisa Bartlett, Alternate	

CHIEF EXECUTIVE OFFICER
Michael Schrader

CHIEF COUNSEL
Gary Crockett

CLERK OF THE BOARD
Suzanne Turf

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

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

The Board Meeting Agenda and supporting documentation is available for review at CalOptima, 505 City Parkway West, Orange, CA 92868, Monday-Friday, 8:00 a.m. – 5:00 p.m. The Board Meeting Agenda and supporting materials are also available online at www.caloptima.org. Board meeting audio is streamed live at <https://caloptima.org/en/AboutUs/BoardMeetingsLive.aspx>

CALL TO ORDER

Pledge of Allegiance
Establish Quorum

PRESENTATIONS/INTRODUCTIONS

MANAGEMENT REPORTS

1. [Chief Executive Officer Report](#)
 - a. Whole-Child Model Transition Planning
 - b. Directed Payments for Hospitals
 - c. National Committee for Quality Assurance Standards Review
 - d. Tours of CalOptima's Program of All-Inclusive Care for the Elderly
 - e. Orange County Medical Association Leadership
 - f. The Passing of CalOptima Visionary Kenneth Bell, M.D.

PUBLIC COMMENTS

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

CONSENT CALENDAR

2. [Minutes](#)
 - a. Approve Minutes of the June 7, 2018 Regular Meeting of the CalOptima Board of Directors
 - b. Receive and File Minutes of the April 26, 2018 Meeting of the CalOptima Board of Directors' OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan) Member Advisory Committee, the May 10, 2018 Meeting of the CalOptima Board of Directors' Member Advisory Committee, and the May 10, 2018 Meeting of the CalOptima Board of Directors' Provider Advisory Committee

REPORTS

3. [Consider Actions Related to CalOptima's Medi-Cal Whole-Child Model Program Provider Payment Methodology](#)
4. [Consider Authorizing Updates to Medi-Cal Provider Payment Rate Methodology](#)
5. [Consider Authorizing Amendment of the CalOptima Medi-Cal Physician Hospital Consortium Health Network Contracts for AMVI Care Health Network, Family Choice Network, and Fountain Valley Regional Medical Center](#)
6. [Consider Authorizing Amendment of the CalOptima Medi-Cal Physician Hospital Consortium Health Network Contracts for CHOC Physicians Network and Children's Hospital of Orange County](#)
7. [Consider Actions Related to Orange County Advantage Medical Group and Fountain Valley Regional Hospital and Medical Center, Including Ratification of Health Network Contract Amendments](#)
8. [Consider Authorizing Amendments of the CalOptima Medi-Cal Full-Risk Health Network Contract with Kaiser Permanente](#)

9. Consider Authorizing Amendments of the CalOptima Medi-Cal Full-Risk Health Network Contracts with Heritage Provider Network, Inc., Monarch Family Healthcare, and Prospect Medical Group
10. Consider Authorizing Amendments to the CalOptima Medi-Cal Shared Risk Health Network Physician Contracts for AltaMed Health Services, Arta Western Health Network, Noble Mid-Orange County, Talbert Medical Group, and United Care Medical Network
11. Consider Authorizing Contract with a Non-Medical Transportation Vendor Effective January 1, 2019
12. Consider Adoption of Resolution Approving Updated Human Resources Policy; Authorize Purchase of Additional Timekeeping Equipment; and Authorize Contract with a Vendor to Support Chief Medical Officer Recruitment Efforts and Related Budget Allocation Changes
13. Consider Recommended Appointment to the CalOptima Board of Directors' Member Advisory Committee
14. Consider Recommended Appointments to the CalOptima Board of Directors' Whole-Child Model Family Advisory Committee as Community Representatives
15. Consider Adoption of Resolution Approving New and Revised Office of Compliance Policies and Procedures
16. Consider Authorizing Capital Improvements Related to the Build Out of the Tenth Floor at 505 City Parkway West, Orange, California, Authorizing Procurement of Professional Services and Public Works Contracts to Implement These Capital Improvements, and the Awarding of Related Contracts
17. Consider Approval of Grant Allocations of Intergovernmental Transfer (IGT) 6 and 7 Funds
18. Consider Authorization of Expenditures in Support of CalOptima's Participation in Community Event
19. Consider Chief Executive Officer Performance Review and Compensation (*to follow Closed Session*)

ADVISORY COMMITTEE UPDATES

20. Member Advisory Committee Update
21. Provider Advisory Committee Update
22. OneCare Connect Cal MediConnect (Medicare-Medicaid Plan) Member Advisory Committee Update

INFORMATION ITEMS

23. [Whole-Child Model Update](#)
24. [June 2018 and May 2018 Financial Summaries](#)
25. [Compliance Report](#)
26. [Federal and State Legislative Advocates Report](#)
27. [CalOptima Community Outreach and Program Summary](#)

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

CLOSED SESSION

- CS 1 Pursuant to Government Code Section 54956.9, subdivision (d)(1) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION. Two Cases: Orange Coast Memorial Medical Center v. CalOptima. Orange County Superior Court (OCSC) Case No. 30-2017-00926361-CU-BC-CJC; and Long Beach Memorial Medical Center, et al. v. CalOptima. OCSC Case No. 30-2018-00966383-CU-BC-CJC
- CS 2 Pursuant to Government Code Section 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Chief Executive Officer)
- CS 3 Pursuant to Government Code Section 54957.6, CONFERENCE WITH LABOR NEGOTIATORS
Agency Designated Representatives: (Paul Yost, M.D. and Lee Penrose)
Unrepresented Employee: (Chief Executive Officer)

ADJOURNMENT

NEXT REGULAR MEETING: Thursday, September 6, 2018 at 2:00 p.m.

MEMORANDUM

DATE: August 2, 2018

TO: CalOptima Board of Directors

FROM: Michael Schrader, CEO

SUBJECT: CEO Report

COPY: Suzanne Turf, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; OneCare Connect Member Advisory Committee

Whole-Child Model (WCM) Planning Takes Priority as Transition Approaches

CalOptima is intensifying preparation for the January 2019 transition to the WCM for California Children's Services (CCS) in Orange County. Your August Board meeting will include several items to ensure our readiness to integrate care for medically vulnerable children. Please see below for updates about our proposed payment methodology, stakeholder outreach and engagement, and operational changes.

- *Payment Methodology:* CalOptima's Finance team has met twice in the past two months with the provider community to communicate our proposed approach to WCM reimbursement. Delegated health networks will receive one capitation rate for a child's CCS and non-CCS services, plus an administrative fee. CalOptima will also take several important steps to reduce financial risk for our partners, including carving out prescription drugs, managed long-term services and supports, transportation costs, and members with high-cost conditions. Further, CalOptima will offer cash flow protections for catastrophic cases on a quarterly basis and establish annual retrospective risk corridors to protect health networks and hospitals that incur high expenses above certain percentages of capitation. The goal is to have a stable provider network in the WCM's first year while data is collected and then adjust payment methods as needed in future years.
- *Stakeholder Outreach and Engagement:* In June, CalOptima welcomed more than 60 community-based organization representatives in focus groups to gather feedback on four topics: transition details, continuity of care, age-out process and member communication. The information has been valuable in guiding our implementation. In late July, more than 125 providers and member advocates attended CalOptima's stakeholder event at the Garden Grove Community Meeting Center offering general updates about our clinical and operational approach to the WCM.
- *Operational Changes:* The WCM transition is complex because it integrates systems and processes both inside and outside of CalOptima. A thorough review of affected policies and procedures has been completed, resulting in the modifications being brought to your Board this month for approval. In addition, CalOptima plans to learn from the three other County Organized Health Systems that transitioned July 1, 2018. Expressing generally positive results, CenCal Health, Central California Alliance for Health and Health Plan of San Mateo representatives shared their experiences at a July 11 CCS Advisory Group meeting I attended in Sacramento. Among all the counties transitioning to WCM, Orange County has the highest number of children with CCS conditions, at approximately 13,000.

CalOptima Meetings With Providers Ensure Understanding of New Directed Payments

The federal Medicaid Mega Reg has changed future supplemental payments for hospitals providing services to the uninsured and Medi-Cal population. In FY 2017–18, the former Quality Assurance Fee process will be replaced by directed payments. There are separate programs for public and private hospitals. CalOptima’s Finance team reviewed the changes during the June 14 Provider Advisory Committee meeting and then again July 31 with hospital leaders who are members of the Hospital Association of Southern California. CalOptima wants to ensure our hospital partners are reporting all utilization data in order to retain access to the significant supplemental funding available.

National Committee for Quality Assurance (NCQA) Standards Review a Success

In early July, NCQA surveyors were on-site to review our quality standards, which are the clinical and operational guidelines we follow aimed at delivering quality health care. This comprehensive review of our quality standards happens every three years and is part of our accreditation and overall NCQA rating. At the end of their visit, surveyors stated that CalOptima’s preliminary score was quite high. Our final score will be released in mid-August.

Assembly Members Tour Program of All-Inclusive Care for the Elderly (PACE)

PACE recently welcomed Assembly Members Phillip Chen and Sharon Quirk-Silva. During separate tours, PACE Director Elizabeth Lee updated the elected officials on PACE expansion initiatives, including alternative care settings, service area expansion to South Orange County and community-based physicians. Both Chen and Quirk-Silva appreciated learning about PACE as an option for Orange County seniors, and they were happy to hear about the current success and growth of the center.

CalOptima Board Chair Elected Orange County Medical Association (OCMA) President

CalOptima Board Chair Paul Yost, M.D., an anesthesiologist, was installed this past month as president of the OCMA. His term is July 1, 2018, to June 30, 2019. In these times of change, CalOptima is fortunate to benefit from Dr. Yost’s insight into the local physician community and from the OCMA’s leadership in organized medicine statewide. Further, we appreciate our professional relationships with OCMA Board Member Dr. Nikan Khatibi, who is CalOptima Board Vice Chair, and OCMA Member Alexander Nguyen, M.D., a CalOptima Board member.

CalOptima Visionary and Former Chief Medical Officer Kenneth Bell, M.D., Passes Away

Obstetrician/gynecologist Kenneth Bell, M.D., who played a major role in CalOptima’s formation and later became Chief Medical Officer, passed away July 14 at age 82. In 1994, Dr. Bell arranged funding through Kaiser Permanente that enabled the development of CalOptima as a solution to Orange County’s Medi-Cal crisis at the time. From 2001 to 2007, he served as CalOptima Chief Medical Officer, overseeing a period of growth and the launch of OneCare, a Medicare program. Like so many of Dr. Bell’s CalOptima colleagues past and present, I am saddened by his passing but honored to have known him and experienced his passionate advocacy and insightful leadership on behalf of Orange County’s vulnerable population.

MINUTES
REGULAR MEETING
OF THE
CALOPTIMA BOARD OF DIRECTORS

June 7, 2018

A Regular Meeting of the CalOptima Board of Directors was held on June 7, 2018, at CalOptima, 505 City Parkway West, Orange, California. Chair Paul Yost, M.D., called the meeting to order at 2:02 p.m. Director Berger led the Pledge of Allegiance.

ROLL CALL

Members Present: Paul Yost, M.D., Chair; Lee Penrose, Vice Chair; Ria Berger, Ron DiLuigi, Supervisor Andrew Do, Dr. Nikan Khatibi, Alexander Nguyen, M.D., Richard Sanchez (non-voting); Scott Schoeffel (at 2:35 p.m.); Supervisor Michelle Steel

Members Absent: All members present

Others Present: Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Greg Hamblin, Chief Financial Officer; Richard Helmer, M.D., Chief Medical Officer; Ladan Khamseh, Chief Operating Officer; Len Rosignoli, Chief Information Officer; Suzanne Turf, Clerk of the Board

Chair Yost announced that Agenda Items 50 through 52 will be considered after closed session.

MANAGEMENT REPORTS

1. Chief Executive Officer (CEO) Report

CEO Michael Schrader commented on the proposed FY 2018-19 Budget for Board consideration, noting that the recommended budget is balanced, maintains prudent fiscal reserves, and sets the stage for another year of advancing the Board's strategic plan towards fulfilling CalOptima's mission.

PUBLIC COMMENTS

1. Peter Vu, M.D. – Oral re: Agenda Item 8, Consider Authorizing and Directing Execution of Amendment(s) to CalOptima's Primary Agreements with the California Department of Health Care Services Related to Rate Changes; and Agenda Item 9, Consider Authorizing and Directing the Chairman of the Board of Directors to Execute an Amendment to the Primary Agreement with the California Department of Health Care Services Related to the Whole Child Model Program
2. Paul Leon, Illumination Foundation – Oral re: Agenda Item 42, Consider Approving Grant Allocation(s) of Intergovernmental Transfer (IGT) 6 and 7 Funds

CONSENT CALENDAR

2. Minutes

- a. Approve Minutes of the May 3, 2018 Regular Meeting of the CalOptima Board of Directors

[Back to Agenda](#)

- b. Receive and File: Minutes of the January 11, 2018 Meeting of the CalOptima Board of Directors' Member Advisory Committee; Minutes of the February 15, 2018 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Minutes of the February 20, 2018 Regular Meeting of the CalOptima Board of Directors' Quality Assurance Committee; February 22, 2018 Meeting of the CalOptima Board of Directors' OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan) Member Advisory Committee (OCC MAC); Minutes of the March 8, 2018 Joint Meeting of the Member Advisory Committee, OCC MAC, and Provider Advisory Committee; and April 12, 2018 Meeting of the CalOptima Board of Directors' Provider Advisory Committee

3. Consider Approval of the Methodology for and the Disbursement of Years 2-5 OneCare Connect Quality Withhold Payment to Participating Health Networks

4. Consider Approval of the Modification of the Previously Approved Pay for Value Payment Methodology for Measurement Year 2017 for CalOptima Community Network Providers by Incorporating an Improvement Factor

5. Consider Adoption of the Proposed CalOptima Board of Directors Meeting Schedule for Fiscal Year (FY) 2018-19

6. Consider Adopting Resolution Authorizing and Directing the Chairman of the Board of Directors to Execute Contract MS-18-19-41 with the California Department of Aging for the Multipurpose Senior Services Program (MSSP) for Fiscal Year 2018-19

7. Consider Authorizing and Directing the Chairman of the Board of Directors to Execute an Amendment to the Primary Agreement with the California Department of Health Care Services (DHCS) Related to the Expansion of Behavioral Health Treatment Services

8. Consider Authorizing and Directing Execution of Amendment(s) to CalOptima's Primary Agreements with the California Department of Health Care Services (DHCS) Related to Rate Changes

9. Consider Authorizing and Directing the Chairman of the Board of Directors to Execute an Amendment to the Primary Agreement with the California Department of Health Care Services (DHCS) Related to the Whole Child Model Program

10. Consider Authorizing and Directing the Chairman of the Board of Directors to Execute an Amendment to the Primary Agreement with the California Department of Health Care Services (DHCS) Related to the Health Homes Program

11. Consider Authorizing and Directing the Chairman of the Board of Directors to Execute an Amendment to the Primary Agreement with the California Department of Health Care Services (DHCS) Related to the In-Home Supportive Services Benefit

12. Consider Authorizing and Directing the Chairman of the Board of Directors to Execute an Amendment to Agreement 16-93274 with the California Department of Health Care Services (DHCS) in Order to Continue Operation of the OneCare and OneCare Connect Programs

13. Consider Appointments to the CalOptima Board of Directors' Member Advisory Committee (MAC); Consider Appointment of MAC Chair and Vice Chair

14. Consider Recommended Appointments to the CalOptima Board of Directors' OneCare Connect Member Advisory Committee (OCC MAC); Consider Appointment of OCC MAC Chair and Vice Chair

15. Consider Appointments to the CalOptima Board of Directors' Provider Advisory Committee (PAC); Consider Appointment of PAC Chair and Vice Chair

Consent Calendar Items 8 and 9 were pulled for public comment.

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

8. Consider Authorizing and Directing Execution of Amendment(s) to CalOptima's Primary Agreements with the California Department of Health Care Services (DHCS) Related to Rate Changes

Action: *On motion of Director Nguyen, seconded and carried, the Board of Directors authorized and directed the Chairman of the Board of Directors to execute an Amendment(s) to the Primary Agreement between DHCS and CalOptima related to rate changes. (Motion carried 8-0-0; Director Schoeffel absent)*

9. Consider Authorizing and Directing the Chairman of the Board of Directors to Execute an Amendment to the Primary Agreement with the California Department of Health Care Services Related to the Whole Child Model Program

Action: *On motion of Director Nguyen, seconded and carried, the Board of Directors authorized and directed the Chairman of the Board of Directors to execute an Amendment to the Primary Agreement between DHCS and CalOptima related to the incorporation of language related to the Whole Child Model program. (Motion carried 8-0-0; Director Schoeffel absent)*

REPORTS

16. Consider Approval of the CalOptima Fiscal Year 2018-19 Operating Budget

Greg Hamblin, Chief Financial Officer, presented the recommended actions to approve the CalOptima Fiscal Year (FY) 2018-19 Operating Budget and authorize the expenditure and appropriate the funds for items listed in Attachment B: Administrative Budget Details, which shall be procured in accordance with CalOptima Policy GA.5002: Purchasing.

Mr. Hamblin provided an overview of the proposed FY 2018-19 Operating Budget. It was reported that the state recently increased the Medi-Cal rates related to Child Health and Disability Prevention Services (CHDP) aid codes predominately impacted by the transition to standardized procedure codes

and Health Insurance Portability and Accountability Act (HIPAA) compliant claim forms. These preliminary rates were not reflected in the FY 2018-19 CalOptima's Medi-Cal budget, and staff will seek clarification from the state and/or request appropriate rate adjustments. It was also noted that the proposed budget includes funding for a staff compensation survey to be conducted during the fiscal year, and the re-establishment of an internal audit function with an outside vendor.

As Chair of the Board of Directors' Finance and Audit Committee, Vice Chair Penrose reported that the Committee thoroughly reviewed the proposed operating budget at the May 17, 2018 meeting, and recommended approval of the FY 2018-19 Operating and Capital Budgets as presented.

After considerable discussion, the Board directed staff to conduct enhanced monitoring and tracking of the administrative loss ratio (ALR) and the allocation of ALR between product lines, and staff to provide periodic updates to the Board.

Action: On motion of Vice Chair Penrose, seconded and carried, the Board of Directors approved the CalOptima Fiscal Year 2018-19 Operating Budget, and authorized the expenditure and appropriated the funds for items listed in Attachment B: Administrative Budget Details, which shall be procured in accordance with CalOptima Policy GA.5002: Purchasing. (Motion carried 9-0-0)

17. Consider Approval of the CalOptima Fiscal Year 2018-19 Capital Budget

Mr. Hamblin presented the recommended actions to approve the CalOptima Fiscal Year 2018-19 Capital Budget and authorize the expenditure and appropriate the funds for the items listed in Attachment A: Fiscal Year 2018-19 Capital Budget by Project, which shall be procured in accordance with CalOptima policy. As proposed, the \$9.8 million Capital Budget will enable necessary system upgrades, enhance operational efficiencies, support strategic initiatives, comply with federal and state requirements, and provide expansion of building capacity to accommodate CalOptima's growth.

Action: On motion of Vice Chair Penrose, seconded and carried, the Board of Directors approved the CalOptima Fiscal Year 2018-19 Capital Budget, and authorized the expenditure and appropriated the funds for items listed in Attachment A: Fiscal Year 2018-19 Capital Budget by Project, which shall be procured in accordance with CalOptima policy. (Motion carried 9-0-0)

18. Consider Authorizing Extensions and Amendments of the CalOptima Medi-Cal, OneCare,

OneCare Connect and PACE Clinic Contracts, Except Those Associated With the University of California, Irvine, Children's Hospital of Orange County or St. Joseph Healthcare and its Affiliates

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Supervisor Steel commented in support of the recommended action with the exception of Planned Parenthood.

Action: On motion of Director DiLuigi, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the Medi-Cal, OneCare, OneCare Connect and PACE clinic contracts through June 30, 2019, except those associated with the University

of California, Irvine, Children’s Hospital of Orange County or St. Joseph Healthcare and its affiliates; 2) Amend contracts to reflect change in Child Health and Disability Prevention (CHDP) Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect the additional payments to be received by Clinics for Medi-Cal services as a result of Proposition 56 to the extent the Clinic is specifically eligible to receive such payments and as authorized by the Board of Directors in a separate Board action; and 4) Amend these contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 8-0-0; Director Schoeffel absent)

19. Consider Authorizing Extensions and Amendments of the CalOptima Medi-Cal, OneCare, OneCare Connect and PACE Clinic Contracts Associated With the University of California, Irvine
Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Director Nguyen did not participate in this item and left the room during the discussion and vote due to his wife’s affiliation with UCI.

Action: *On motion of Supervisor Steel, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the Medi-Cal, OneCare, OneCare Connect and PACE clinic contracts associated with the University of California, Irvine through June 30, 2019; 2) Amend contracts to reflect change in CHDP Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect the additional payments to be received by Clinics for Medi-Cal services as a result of Proposition 56 to the extent the Clinic is specifically eligible to receive such payments and as authorized by the Board of Directors in a separate Board action; and 4) Amend these contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 7-0-0; Directors Nguyen and Schoeffel absent)*

20. Consider Authorizing Extensions and Amendments of the CalOptima Medi-Cal, OneCare, OneCare Connect and PACE Clinic Contracts Associated With St. Joseph Healthcare and its Affiliates
Vice Chair Penrose did not participate in this item due to his affiliation with St. Joseph Health, and left the room during the discussion and vote. Director DiLuigi did not participate in this item due to his service on the St. Jude Clinic Board of Directors. Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote.

Action: *On motion of Director Khatibi, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the Medi-Cal, OneCare, OneCare Connect and PACE clinic contracts through June 30, 2019, associated with St. Joseph Healthcare and its affiliates; 2) Amend contracts to reflect change in CHDP Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect the additional payments to be received by Clinics for Medi-Cal services as a result of Proposition 56 to the extent the Clinic is specifically eligible to receive such payments and as*

authorized by the Board of Directors in a separate Board action; and 4) Amend these contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 6-0-0; Director DiLuigi recused; Vice Chair Penrose and Director Schoeffel absent)

21. Consider Authorizing Extensions and Amendments of the CalOptima Medi-Cal, OneCare, OneCare Connect and PACE Clinic Contracts Associated With the Children’s Hospital of Orange County

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote.

Action: *On motion of Director DiLuigi, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel to: 1) Extend the Medi-Cal, OneCare, OneCare Connect and PACE contracts associated with the Children’s Hospital of Orange County (CHOC) through June 30, 2019; 2) Amend contracts to reflect change in CHDP Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect the additional payments to be received by Clinics for Medi-Cal services as a result of Proposition 56 to the extent the Clinic is specifically eligible to receive such payments and as authorized by the Board of Directors in a separate Board action; and 4) Amend these contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 8-0-0; Director Schoeffel absent)*

22. Consider Authorizing Extensions and Amendments of the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE Fee-For-Service (FFS) Primary Care Physician (PCP) Contracts, Except Those Associated With the University of California – Irvine or St. Joseph Healthcare and its Affiliates

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Supervisor Do did not participate in the discussion and vote on this item due to conflicts of interest based on campaign contributions under the Levine Act.

Action: *On motion of Supervisor Steel, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE fee-for-service Primary Care (PCP) contracts through June 30, 2019, except those associated with the University of California, Irvine or St. Joseph Healthcare and its affiliates; 2) Amend contracts to reflect change in CHDP Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect the additional payments to be received by PCPs for Medi-Cal services as a result of Proposition 56 to the extent authorized by the Board of Directors in a separate Board action; and 4) Amend contract terms to reflect applicable Medi-Cal regulatory changes and other requirements. (Motion carried 7-0-0; Supervisor Do recused; Director Schoeffel absent)*

23. Consider Authorizing Extensions and Amendments of the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE Fee-For-Service Primary Care Physician Contracts Associated With St. Joseph Healthcare and its Affiliates

Vice Chair Penrose did not participate in this item due to his affiliation with St. Joseph Health, and left the room during the discussion and vote. Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Supervisors Do and Steel did not participate in the discussion and vote on this item due to their conflicts of interest based on campaign contributions under the Levine Act.

Action: On motion of Chair Yost, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE fee-for-service Primary Care (PCP) contracts through June 30, 2019 associated with St. Joseph Healthcare and its affiliates; 2) Amend contracts to reflect change in CHDP Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect the additional payments to be received by PCPs for Medi-Cal services as a result of Proposition 56 to the extent authorized by the Board of Directors in a separate Board action; and 4) Amend contract terms to reflect applicable Medi-Cal regulatory changes and other requirements. (Motion carried 5-0-0; Supervisors Do and Steel recused; Vice Chair Penrose and Director Schoeffel absent)

24. Consider Authorizing Extensions and Amendments of the CalOptima Community Network Medi-Cal, OneCare, OneCare Connect and PACE Fee-For-Service Primary Care Physician Contracts Associated With the University of California, Irvine

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Director Nguyen did not participate in this item and left the room during the discussion and vote due to his wife's affiliation with UCI. Supervisor Do did not participate in the discussion and vote on this item due to conflicts of interest based on campaign contributions under the Levine Act.

Action: On motion of Director DiLuigi, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE fee-for-service Primary Care (PCP) contracts associated with the University of California through June 30, 2019; 2) Amend these contracts to reflect change in CHDP Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect the additional payments to be received by PCPs for Medi-Cal services as a result of Proposition 56 to the extent authorized by the Board of Directors in a separate Board action; and 4) Amend contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 6-0-0; Supervisor Do recused; Directors Nguyen and Schoeffel absent)

25. Consider Authorizing Extensions and Amendments of the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE Ancillary Contracts that Expire During Fiscal Year 2018-19

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Supervisors Do and Steel did not participate in the discussion and vote on this item due to their conflicts of interest based on campaign contributions under the Levine Act.

Action: *On motion of Director Nguyen, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect, and PACE ancillary services provider contracts through June 30, 2019; and 2) Amend these contract terms to reflect applicable regulatory and other requirements. (Motion carried 6-0-0; Supervisors Do and Steel recused; Director Schoeffel absent)*

26. Consider Authorizing Extensions and Amendments of the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE Fee-For Service Hospital Contracts

Chair Yost did not participate in this item due to his wife's affiliation with Kindred Hospitals, and he passed the gavel to Director Berger and left the room during the discussion and vote. Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Vice Chair Penrose did not participate the discussion and vote on this item due to his affiliation with St. Joseph Health. Supervisor Steel did not participate in the discussion and vote on this item due to conflicts of interest based on campaign contributions under the Levine Act.

Action: *On motion of Supervisor Do, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE fee-for-service hospital contracts through June 30, 2019; 2) Amend these contracts and extend the current fee-for-service rates through June 30, 2019; and 3) Amend these contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 5-0-0; Vice Chair Penrose and Supervisor Steel recused; Chair Yost and Director Schoeffel absent)*

27. Consider Authorizing Extensions and Amendments of the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE Fee-For-Service Specialist Physician Contracts Except Those Associated With the University of California, Irvine, Children's Hospital of Orange County or St. Joseph Healthcare and its Affiliates

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Supervisors Do and Steel did not participate in the discussion and vote on this item due to their conflicts of interest based on campaign contributions under the Levine Act.

Action: *On motion of Director Khatibi, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE fee-for-service specialist physician contracts*

through June 30, 2019, except those associated with the University of California, Irvine, Children's Hospital of Orange County or St. Joseph Healthcare and its affiliates; 2) Extend current compensation rates through June 30, 2019 to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect change in CHDP Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 4) Amend contracts to reflect the additional payments to be received by Specialists for Medi-Cal services as a result of Proposition 56 to the extent authorized by the Board of Directors in a separate Board action; and 5) Amend contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 6-0-0; Supervisors Do and Steel recused; Director Schoeffel absent)

28. Consider Authorizing Extensions and Amendments of the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect, and PACE Fee-For-Service Specialist Physician Contracts Associated With the University of California, Irvine

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Director Nguyen did not participate in this item and left the room during the discussion and vote due to his wife's affiliation with UCI. Supervisors Do and Steel did not participate in the discussion and vote on this item due to their conflicts of interest based on campaign contributions under the Levine Act.

Action: *On motion of Director Berger, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE fee-for-service specialist physician contracts associated with the University of California, Irvine through June 30, 2019; 2) Extend current compensation rates through June 30, 2019 to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect change in CHDP Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 4) Amend contracts to reflect the additional payments to be received by Specialists for Medi-Cal services as a result of Proposition 56 to the extent authorized by the Board of Directors in a separate Board action; and 5) Amend contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 5-0-0; Supervisors Do and Steel recused; Directors Nguyen and Schoeffel absent)*

29. Consider Authorizing Extensions and Amendments of the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE Fee-For-Service Specialist Physician Contracts Associated With St. Joseph Healthcare and its Affiliates

Chair Yost did not participate in the discussion and vote on this item due to his wife's affiliation with Kindred Hospitals, and he turned the gavel over to Director Berger. Vice Chair Penrose did not participate in this item due to his affiliation with St. Joseph Health and left the room during the discussion and vote. Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Supervisor Do did not participate in the

discussion and vote on this item due to conflicts of interest based on campaign contributions under the Levine Act.

Action: *On motion of Director Khatibi, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE fee-for-service specialist physician contracts associated with St. Joseph Healthcare and its affiliates through June 30, 2019; 2) Extend current compensation rates through June 30, 2019 to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect change in CHDP Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 4) Amend contracts to reflect the additional payments to be received by Specialists for Medi-Cal services as a result of Proposition 56 to the extent authorized by the Board of Directors in a separate Board action; and 5) Amend contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 5-0-0; Chair Yost and Supervisor Do recused; Vice Chair Penrose and Director Schoeffel absent)*

30. Consider Authorizing Extensions and Amendments of the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE Fee-For-Service Specialist Physician Contracts Associated with Children's Hospital of Orange County

Due to potential conflicts of interest based on his relationship as an anesthesiologist physician with CHOC, Chair Yost did not participate in the discussion and vote on this item, and he passed the gavel to Vice Chair Penrose. Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Supervisor Do did not participate in the discussion and vote on this item due to conflicts of interest based on campaign contributions under the Levine Act.

Action: *On motion of Director DiLuigi, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the CalOptima Community Network, Medi-Cal, OneCare, OneCare Connect and PACE fee-for-service specialist physician contracts associated with Children's Hospital of Orange County through June 30, 2019; 2) Extend current compensation rates through June 30, 2019 to the extent authorized by the Board of Directors in a separate Board action; 3) Amend contracts to reflect change in CHDP Program billing requirements to the extent authorized by the Board of Directors in a separate Board action; 4) Amend contracts to reflect the additional payments to be received by Specialists for Medi-Cal services as a result of Proposition 56 to the extent authorized by the Board of Directors in a separate Board action; and 5) Amend contract terms to reflect applicable Medi-Cal regulatory changes and other requirements. (Motion carried 6-0-0; Chair Yost and Supervisor Do recused; Director Schoeffel absent)*

31. Consider Authorizing Extension and Amendment of the CalOptima Medi-Cal Full-Risk Health Network Contract with Kaiser Permanente

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote.

Action: ***On motion of Supervisor Do, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Extend the current Medi-Cal Full-Risk Health Network contract with Kaiser Permanente contract to June 30, 2019; 2) Extend the current capitation rate for assigned members effective July 1, 2018, through June 30, 2019; 3) Include terms to reflect the responsibility of Kaiser Permanente to pay individual providers Proposition 56 appropriated funds and the obligation of CalOptima to compensate Kaiser Permanente an administrative fee for performance of these responsibilities to the extent authorized by the Board in a separate action; and 4) Amend the contract terms to reflect updated regulatory requirements and other requirements, including changes to the CHDP program as applicable. (Motion carried 8-0-0; Director Schoeffel absent)***

32. Consider Authorizing Amendments of the CalOptima Medi-Cal Full-Risk Health Network Contract with Heritage Provider Network, Inc., Monarch Family Healthcare and Prospect Medical Group

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote.

Action: ***On motion of Director Berger, seconded and carried, the Board of Directors authorized the Chief Executive Officer to enter into Medi-Cal full-risk health network contract amendments, with the assistance of legal counsel, with Heritage Provider Network, Inc., Monarch Family Healthcare and Prospect Medical Group that: 1) Extends contracts through December 31, 2018; 2) Extends the current capitation rates for assigned members effective July 1, 2018 through December 31, 2018; 3) To reflect change in CHDP Program responsibility requirements and rates to the extent authorized by the Board of Directors in a separate Board action; 4) Reflect the responsibilities of the health networks to pay individual providers Proposition 56 appropriated funds and to compensate the health networks an administrative fee for performance of these responsibilities to the extent authorized by the Board in a separate action; and 5) Amend the contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 8-0-0; Director Schoeffel absent)***

33. Consider Authorizing Amendments to the CalOptima Medi-Cal Shared Risk (SRG) Health Network Physician Contracts for Alta Med Health Services, Arta Western Health Network, Noble Mid-Orange County, Talbert Medical Group, and United Care Medical Network

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote.

Action: *On motion of Director Berger, seconded and carried, the Board of Directors authorized the Chief Executive Officer to enter into Medi-Cal SRG health network physician contract amendments, with the assistance of legal counsel, for AltaMed Health Services, Arta Western Health Network, Noble Mid-Orange County, Talbert Medical Group, and United Care Medical Network that: 1) Extends the contracts through December 31, 2018; 2) Extends the current capitation rates for assigned members effective July 1, 2018 through December 31, 2018; 3) To reflect change in CHDP Program responsibility requirements and rates to the extent authorized by the Board of Directors in a separate Board action; 4) Reflect the responsibilities of the health networks to pay individual providers Proposition 56 appropriated funds and to compensate the health networks an administrative fee for performance of these responsibilities to the extent authorized by the Board in a separate action; and 5) Amend the contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 8-0-0; Director Schoeffel absent)*

34. Consider Authorizing Amendment of the CalOptima Medi-Cal Physician Hospital Consortium Health Network Physician Contracts for AMVI Care Health Network, Family Choice Network, and Fountain Valley Regional Medical Center

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote.

Action: *On motion of Supervisor Do, seconded and carried, the Board of Directors authorized the Chief Executive Officer to enter into contract amendments of the Physician Hospital Consortium (PHC) health network contracts, with the assistance of Legal Counsel, for AMVI Care Health Network, Family Choice Network, and Fountain Valley Regional Medical Center to: 1) Extend contracts through December 31, 2018; 2) Extend the current capitation rates for assigned members effective July 1, 2018, through December 31, 2018; 3) To reflect changes in CHDP Program responsibilities and rates to the extent authorized by the Board of Directors in a separate Board action; 4) Reflect the responsibilities of the health networks to pay individual providers Proposition 56 appropriated funds and to compensate the health networks an administrative fee for performance of these responsibilities to the extent authorized by the Board in a separate action; and 5) Amend the contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 8-0-0; Director Schoeffel absent)*

35. Consider Authorizing Amendment of the CalOptima Medi-Cal Physician Hospital Consortium Health Network Physician Contracts for CHOC Physicians Network and Children's Hospital of Orange County

Due to potential conflicts of interest based on his relationship as a physician with CHOC, Chair Yost did not participate in the discussion and vote on this item, and he passed the gavel to Vice Chair Penrose. Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote.

Action: *On motion of Supervisor Do, seconded and carried, the Board of Directors authorized the Chief Executive Officer to enter into contract amendments for the Physician Hospital Consortium (PHC) health network contracts, with the assistance of legal counsel, for CHOC Physicians Network and the Children's Hospital of Orange County to: 1) Extend contracts through December 31, 2018; 2) Extend the current capitation rates for assigned members effective July 1, 2018, through December 31, 2018; 3) To reflect change in CHDP Program responsibilities and rates to the extent authorized by the Board of Directors in a separate Board action; 4) Reflect the responsibilities of the health networks to pay individual providers Proposition 56 appropriated funds and to compensate the health networks an administrative fee for performance of these responsibilities to the extent authorized by the Board in a separate action; and 5) Amend the contract terms to reflect applicable regulatory changes and other requirements. (Motion carried 7-0-0; Chair Yost recused; Director Schoeffel absent)*

36. Consider Authorizing an Amendment to Extend the Coordination and Provision of Public Health Care Services Contract with the Orange County Health Care Agency

Due to his affiliation with the Orange County Health Care Agency, Director Sanchez did not participate in this item and left the room during the discussion and vote. Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote.

Action: *On motion of Director DiLuigi, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal counsel, to execute an amendment to the Coordination and Provision of Public Health Care Services Contract with the Orange County Health Care Agency to extend the contract for six months, while contract language changes are finalized. (Motion carried 8-0-0; Director Schoeffel absent)*

37. Consider Adoption of Resolution Approving Updated Human Resources Policies

Action: *On motion of Director Berger, seconded and carried, the Board of Directors adopted Resolution No. 18-0607-02, Approve Revised CalOptima Human Resources Policies: GA.8038 Personal Leave of Absence; GA.8039 Pregnancy Disability Leave of Absence; GA.8040 FMLA and CFRA Leaves of Absence; GA.8041 Worker's Compensation Leave of Absence; GA.8042 Supplemental Compensation; and GA.8057 Compensation Program. (Motion carried 9-0-0)*

38. Consider Actions Related to the Provision of Medi-Cal Perinatal Support Services, Including Withdrawing Request for Proposal (RFP), and Revising Payment Methodology and Contracting Strategy with Providers and Vendors

Action: *On motion of Vice Chair Penrose, seconded and carried, the Board of Directors authorized the Chief Executive Officer, with the assistance of legal*

counsel, to: 1) Withdraw previously authorized Request for Proposal to identify community partner(s) experienced with providing Medi-Cal-covered Perinatal Support Services (PSS); 2) Terminate current capitated contract; and 3) Enter into contracts with qualified perinatal support services providers and vendors at CalOptima Medi-Cal Fee Schedule PSS rates. (Motion carried 9-0-0)

39. Consider Authorizing Revision and Expansion of the Program of All Inclusive Care for the Elderly (PACE) Primary Care Provider (PCP) Incentive Program and Related Changes to PCP Contracts

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote.

Action: *On motion of Director Nguyen, seconded and carried, the Board of Directors, specific to the CalOptima PACE Program, authorized the Chief Executive Officer, with the assistance of legal counsel, to: 1) Revise and expand the CalOptima Program of All Inclusive Care (PACE) Primary Care Physician Incentive Program, subject to applicable regulatory approval(s); 2) Amend CalOptima's contract with the Regents of the University of California on behalf of University of California, Irvine (UCI) for PACE PCP services to modify the PACE PCP Incentive Program; and 3) Add the PACE PCP Incentive Program to PCP contracts currently in place and include this program in any future PACE PCP contracts, including those of community-based physicians serving CalOptima PACE members. (Motion carried 8-0-0; Director Schoeffel absent)*

40. Consider Authorizing Selection and Contracting for State Legislative Advocacy Services

Chair Yost reported that an ad hoc comprised of Directors DiLuigi and Khatibi was formed to interview the State Legislative Advocacy Services RFP finalists. On behalf of the ad hoc, Director Khatibi recommended the selection of Edelstein Gilbert Robson & Smith to represent CalOptima for state advocacy services.

Action: *On motion of Director Khatibi, seconded and carried, the Board of Directors selected Edelstein Gilbert Robson & Smith as the recommended state legislative advocacy firm to represent CalOptima for state advocacy services, and authorized the Chief Executive Officer, with the assistance of legal counsel, to enter into a contract with the recommended firm, commencing July 1, 2018, for one (1) year, with four (4) one-year extension options, with each extension option exercisable at CalOptima's sole discretion. (Motion carried 9-0-0)*

41. Consider Authorization of Release of Requests for Information (RFIs) for Intergovernmental Transfer (IGT) 5 Categories Identified by the CalOptima Member Health Needs Assessment (MHNA)

Action: *On motion of Director Khatibi, seconded and carried, the Board of Directors authorized the release of Requests for Information (RFI) for the eight Board-*

approved categories identified by the CalOptima Member Health Needs Assessment to develop specific Scopes of Work for full Requests for Proposal (RFP). (Motion carried 9-0-0)

42. Consider Approving Grant Allocation(s) of Intergovernmental Transfer (IGT) 6 and 7 Funds

Due to his role with the Orange County Health Care Agency, Director Sanchez did not participate in this item and left the room during the discussion and vote. Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote. Director Khatibi did not participate in this item due to his service on the Illumination Foundation Board and left the room during the discussion and vote.

Phil Tsunoda, Executive Director, Public Policy and Public Affairs, presented the recommended actions to: 1) Approve a grant allocation of \$10 million to the Orange County Health Care Agency (OCHCA) from the Department of Health Care Services (DHCS)-approved and Board-approved Intergovernmental Transfer (IGT) 6 and 7 Homeless Health priority area; and 2) Authorize the Chief Executive Officer (CEO), with the assistance of legal counsel, to enter into a grant agreement with the Orange County Health Care Agency (OCHCA) for use of the above allocated funds for recuperative care services under the County's Whole Person Care (WPC) Pilot for qualifying homeless CalOptima members.

After considerable discussion, the Board of Directors took the following action.

Action: On motion of Director DiLuigi, seconded and carried, the Board of Directors continued this item to a future Board meeting. (Motion carried 7-0-0; Directors Khatibi and Schoeffel absent)

43. Consider Authorization of Expenditures in Support of CalOptima's Participation in Community Event

Action: On motion of Supervisor Do, seconded and carried, the Board of Directors authorized up to \$1,500 and staff participation in the 2018 Collaboration to Assist Motel Families' Back to School Outreach Event on Saturday, July 28, 2018 at the Downtown Community Center in Anaheim, made a finding that such expenditures are for a public purpose and in furtherance of CalOptima's mission and statutory purpose, and authorized the Chief Executive Officer to execute agreements as necessary for the event and expenditures. (Motion carried 9-0-0)

44. Consider Authorization of Expenditures Related to Board Membership in the National Association of Corporate Directors

Action: On motion of Supervisor Do, seconded and carried, the Board of Directors authorized expenditures of \$8,500 for Board membership in the National Association of Corporate Directors for Fiscal Year 2018-19, and authorized up to \$20,300 for additional seminars and related travel expenses. (Motion carried 9-0-0)

45. Consider Actions Related to CalOptima's Whole-Child Model Program

Candice Gomez, Executive Director, Program Implementation, presented the recommended action to consider actions related to the Whole-Child Model Program, and requested that the Board continue the recommended action pertaining to appointment of Community Representatives to the Whole-Child Model Family Advisory Committee to a future Board meeting.

Action: *On motion of Supervisor Do, seconded and carried, the Board of Directors: 1) Authorized CalOptima staff to develop an implementation plan to integrate California Children's Services into its Medi-Cal program in accordance with the Whole-Child Model (WCM), and return to the Board for approval after developing draft policies, and completing additional analysis and modeling prior to implementation; 2) Authorized and directed the Chief Executive Officer (CEO), with assistance of Legal Counsel, to execute a Memorandum of Understanding (MOU) with Orange County Health Care Agency (OCHCA) for coordination of care, information sharing and other actions to support WCM activities; and 3) In connection with development of the Whole-Child Model Family Advisory Committee: a) Directed the Chief Executive Officer to adopt new Medi-Cal Policy AA.1271: Whole-Child Model Family Advisory Committee; and b) Appointed the following Family Member Representatives to the Whole-Child Model Family Advisory Committee for one or two-year terms as indicated or until a successor is appointed, beginning July 1, 2018: Maura Byron for a two-year term ending June 30, 2020; Melissa Hardaway for a one-year term ending June 30, 2019; Grace Leroy-Loge for a two-year term ending June 30, 2020; Pam Patterson for a one-year term ending June 30, 2019; Kristin Rogers for a two-year term ending June 30, 2020; and Malissa Watson for a one-year term ending June 30, 2019. The appointment of Community Representatives to the Whole-Child Model Family Advisory Committee was continued to a future Board meeting. (Motion carried 9-0-0)*

46. Consider Modifications to CalOptima Policy and Procedures Related to the Delivery of Child Health and Disability Prevention Services for Medi-Cal Members Effective July 1, 2018

Action: *On motion of Director Khatibi, seconded and carried, the Board of Directors authorized the Chief Executive Officer to modify the following policies and procedures related to the delivery of Child Health and Disability Prevention Services for Medi-Cal members, effective for dates of service on and after July 1, 2018: 1) FF.1002: CalOptima Medi-Cal Fee Schedule; 2) FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group; and 3) FF.2003: Coordination of Benefits. (Motion carried 9-0-0)*

47. Consider Actions for the Implementation of Proposition 56 Provider Payment

Action: *On motion of Director Berger, seconded and carried, the Board of Directors approved the methodology for the disbursement of Proposition 56 physician services payments to eligible Medi-Cal providers. (Motion carried 9-0-0)*

48. Consider Authorizing a Contract Extension with the Healthcare Effectiveness Data and Information Set (HEDIS) Reporting Vendor, Inovalon, for Software Licensing, Maintenance, and Related Services

Action: *On motion of Vice Chair Penrose, seconded and carried, the Board of Directors: 1) Authorized the Chief Executive Officer, with the assistance of legal counsel, to extend the contract with Inovalon, CalOptima's National Committee for Quality Assurance (NCQA)-certified Healthcare Effectiveness Data and Information Set (HEDIS) Reporting vendor, through October 31, 2022, with two optional one-year renewal terms through October 31, 2023, and October 31, 2024; and 2) Authorized payment of software licensing, maintenance, and services fees through the term of the contract. (Motion carried 9-0-0)*

49. Consider Adoption of Resolution Approving Revisions to CalOptima Policy GA.5002: Purchasing

Action: *On motion of Vice Chair Penrose, seconded and carried, the Board of Directors adopted Resolution No. 18-0707-03, to approve proposed revisions to CalOptima Policy GA.5002: Purchasing. (Motion carried 9-0-0)*

Agenda Items 50, 51, and 52 were considered after Closed Session.

ADVISORY COMMITTEE UPDATES

53. OneCare Connect Cal MediConnect (Medicare-Medicaid Plan) Member Advisory Committee (OCC MAC) Update

OCC MAC Chair Gio Corzo reported that the OCC MAC approved their FY 2017-18 Accomplishments and FY 2018-19 Goals and Objectives at the April 26, 2018 meeting. Mr. Corzo noted that OCC MAC members contributed over 200 hours to CalOptima during this fiscal year.

54. Member Advisory Committee (MAC) Update

Sally Molnar, MAC Chair, thanked the Board for approving the recommended appointments to the MAC and the Family Member Representatives to the Whole-Child Model Family Advisory Committee.

55. Provider Advisory Committee (PAC) Update

PAC Chair Teri Miranti provided an overview of the topics to be discussed at the June PAC meeting, including updates on the following: the upcoming transition of the California Children's Services program to the Whole-Child Model; palliative care; Intergovernmental Transfer (IGT) funding

including the RFP process; and direct payments to hospitals related to the quality assurance fee payments.

INFORMATION ITEMS

The following Information Items were accepted as presented:

56. April 2018 Financial Summary
57. Compliance Report
58. Federal and State Legislative Advocates Reports
59. CalOptima Community Outreach and Program Summary

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

Board members extended thanks to staff for their work in preparing CalOptima's FY 2018-19 Operating and Capital Budgets.

Vice Chair Penrose commented on the Hospital Quality Assurance Fee Program (QAF) that provides funding for supplemental payments to California hospitals that serve Medi-Cal and uninsured patients. Mr. Penrose requested that staff provide an education session on the QAF at the next Board of Directors' Finance and Audit Committee and Provider Advisory Committee meetings.

Chair Yost extended his appreciation to Vice Chair Penrose for his service, leadership, and guidance during his tenure as Board of Directors Vice Chair.

ADJOURN TO CLOSED SESSION

The Board of Directors adjourned to closed session at 4:59 p.m. pursuant to: 1) Government Code Section 54956.87, subdivision (b), Health Plan Trade Secrets – OneCare Connect Program; 2) Government Code Section 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Chief Executive Officer); 3) Government Code Section 54957.6, CONFERENCE WITH LABOR NEGOTIATORS: Agency Designated Representatives: (Paul Yost, M.D. and Lee Penrose), Unrepresented Employee: (Chief Executive Officer); 4) Government Code Section 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Chief Counsel); and 5) Government Code Section 54957.6, CONFERENCE WITH LABOR NEGOTIATORS: Agency Designated Representatives: (Paul Yost, M.D. and Lee Penrose), Unrepresented Employee: (Chief Counsel).

The Board reconvened to open session at 6:28 p.m. with no reportable actions taken.

50. Consider Authorizing the Chief Executive Officer (CEO) to Submit OneCare Connect Bid for Calendar Year 2019 and Execute Contract with the Centers for Medicare & Medicaid Services (CMS) and the California Department of Health Care Services (DHCS); Authorize the CEO to Amend/Execute OneCare Connect Health Network Contracts and Take Other Actions as Necessary to Implement

Director Schoeffel did not participate in this item due to potential conflicts of interest and left the room during the discussion and vote.

Action: On motion of Chair Yost, seconded and carried, the Board of Directors ratified the submission of the Calendar Year 2019 OneCare Connect Contract with CMS and DHCS for 2019 benefits, and authorized the CEO to amend

OneCare Connect Health Network Contracts and take other actions as necessary to implement. (Motion carried 7-0-0; Supervisor Steel and Director Schoeffel absent)

51. Consider Chief Executive Officer and Chief Counsel Performance Reviews and Compensation
Chair Yost reported that the Board met to consider Chief Executive Officer (CEO) Michael Schrader's performance evaluation and stated that the Board gave him an overall rating of "Exceeds Expectations" for the period ending March 31, 2018. Merit compensation will be awarded consistent with the CEO's contract. In addition, the Board met to consider the CEO's performance on his incentive goals and determined that he met 66% of these goals. Incentive compensation will be awarded based on this percentage, also consistent with his contract.

Action: On motion of Supervisor Do, seconded and carried, the Board of Directors: 1) Awarded the CEO an overall rating of "Exceeds Expectations" based on the input provided by the Board for the period ending March 31, 2018, and merit compensation to be awarded consistent with the CEO's contract; and 2) Determined that the CEO met 66% of the FY 2017-18 incentive goals, and incentive compensation to be awarded based on this percentage consistent with the CEO's contract. (Motion carried 8-0-0; Supervisor Steel absent)

The Board continued consideration of the Chief Counsel's performance review and compensation to a future Board meeting.

52. Election of Officers of the Board of Directors for Fiscal Year 2018-19

Chair Yost commented that at the May 3, 2018 Board meeting he had formed a Nominations Ad Hoc Committee composed of Vice Chair Penrose and Director Berger to inform potential candidates of the additional duties and time commitment that the Chair and Vice Chair positions require above and beyond serving as a Board member, and to bring forward a list of Board members interested and willing to serve as Chair or Vice Chair for terms beginning on July 1, 2018 through June 30, 2019.

On behalf of the ad hoc, Vice Chair Penrose reported that the committee met on May 23, 2018 to review the nominations received and to discuss a contested election process. Directors Khatibi and Nguyen expressed interest in serving as Vice Chair. Vice Chair Penrose opened the floor for additional nominations for Vice Chair. Seeing none, the nominations for Vice Chair were closed. After hearing comments from both candidates for Vice Chair, the following action was taken.

Action: On motion of Vice Chair Penrose, seconded and carried, the Board considered electing either Director Khatibi or Director Nguyen for the position of CalOptima Board Vice Chair for a term effective July 1, 2018 through June 30, 2019. Roll call votes to be cast by individualized ballots containing the name of each voting Board member and the names of the two candidates for Vice Chair, with each Board member selecting the candidate of their choice, and the Clerk collecting the completed ballots and immediately reporting the vote of each Board member.

Director Khatibi was elected by roll call vote to the position of Board Vice Chair for a term effective July 1, 2018 through June 30, 2019. (Roll call vote: 5 votes cast for Director Khatibi [Berger, Do, Khatibi, Schoeffel and Yost]; 3 votes cast for Director Nguyen [Penrose, DiLuigi, Nguyen]; Supervisor Steel absent)

Vice Chair Penrose reported that Chair Yost expressed interest in continuing to serve as Chair for FY 2018-19 and opened the floor for additional nominations. Seeing none, nominations for Chair were closed, and the Board took the following action.

Action: On motion of Vice Chair Penrose, seconded and carried, the Board of Directors elected Paul Yost, M.D., to serve as Board Chair for a term beginning July 1, 2018 through June 30, 2019. (Motion carried 8-0-0; Supervisor Steel absent)

ADJOURNMENT

Hearing no further business, Chair Yost adjourned the meeting at 7:02 p.m.

/s/ Suzanne Turf
Suzanne Turf
Clerk of the Board

Approved: August 2, 2018

MINUTES

REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' ONECARE CONNECT CALMEDICONNECT PLAN (MEDICARE-MEDICAID PLAN) MEMBER ADVISORY COMMITTEE

April 26, 2018

The Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee (OCC MAC) was held on April 26, 2018 at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

Chair Gio Corzo called the meeting to order at 3:04 p.m. and led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Gio Corzo, Chair; Patty Mouton, Vice Chair; Ted Chigaros, Christine Chow, Josefina Diaz, Sandy Finestone, Richard Santana, Kristin Trom, Jyothi Atluri (non-voting), Amber Nowak (non-voting)

Members Absent: Sara Lee, John Dupies, Erin Ulibarri (non-voting), Adam Crits (non-voting)

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Richard Bock, M.D., Deputy Chief Medical Officer; Emily Fonda, M.D., Medical Director, Medical Management; Phil Tsunoda, Executive Director, Public Affairs; Candice Gomez, Executive Director, Program Implementation; Albert Cardenas, Director, Customer Service (Medicare); Becki Melli, Customer Service; Eva Garcia, Program Assistant

MINUTES

Approve the Minutes of the February 22, 2018 Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee

Action: On motion of Member Richard Santana, seconded and carried, the OCC MAC approved the minutes as revised.

PUBLIC COMMENT

There were no requests for public comment.

REPORTS

Consider Approval of Fiscal Year (FY) 2017-2018 OCC MAC Accomplishments

Chair Corzo presented the OCC MAC's FY 2017-2018 Accomplishments for approval. The Accomplishments will be presented to the Board of Directors at the June 7, 2018 meeting.

Action: *On motion of Member Richard Santana, seconded and carried, the OCC MAC approved the FY 2017 – 2018 Accomplishments.*

Consider Approval of FY 2018-2019 OCC MAC Meeting Schedule

Chair Corzo presented the FY 2018-2019 meeting schedule for approval.

Action: *On motion of Member Ted Chigaros, seconded and carried, the OCC MAC approved the FY 2018 – 2019 Meeting Schedule.*

Consider Approval of FY 2018-2019 OCC MAC Goals and Objectives

Member Christine Chow reported that the Goals and Objectives Ad Hoc, composed of Members Sara Lee, Sandy Finestone and Christine Chow, met on March 29, 2018 to develop the OCC MAC goals and objectives for FY 2018-19.

Action: *On motion of Member Sandy Finestone, seconded and carried, the OCC MAC approved the FY 2018 – 2019 Goals and Objectives.*

Consider Recommendation of FY 2018-2019 OCC MAC Slate of Candidates and Chair/Vice Chair

Member Sandy Finestone reported on the Nomination Ad Hoc Subcommittee's recommended slate of candidates, Chair and Vice Chair. The ad hoc, composed of OCC MAC members Jyothi Atluri, Kristin Trom and Sandy Finestone, met on April 12, 2018 to evaluate each of the applications for the vacant seats, and for the Chair and Vice Chair for FY 2018-19. After reviewing the applications and selecting a candidate for each open seat, the Nominations Ad Hoc recommended the following slate of candidates: Gio Corzo as the Community-Based Adult Services (CBAS) Provider representative; Patty Mouton as the Seniors representative; Ted Chigaros as the Long-Term Care Facility representative; Christine Chow as the Member Advocate representative; and Keiko Gamez as the OCC Member/Family Member representative. The OCC MAC also recommended Gio Corzo as Chair and Patty Mouton as Vice Chair for FY 2018-19. The recommended candidates will be presented to the Board of Directors on June 7, 2018 for consideration.

Action: *On motion of Member Kristin Trom, seconded and carried, the OCC MAC approved the FY 2018 – 2019 Slate of Candidates and Chair/Vice Chair.*

CEO AND MANAGEMENT TEAM DISCUSSION

Chief Executive Officer Update

Michael Schrader, Chief Executive Officer, provided an update on CalOptima's efforts to maximize access to and choice within the Program of All-Inclusive Care for the Elderly (PACE).

The Centers for Medicare & Medicaid Services (CMS) approved CalOptima's waiver request to allow community-based physicians to deliver primary care services for PACE participants, effective April 12, 2018. This change will offer potential participants the option to receive care from their existing community-based physicians, which will uphold quality and choice and enhance enrollment.

Mr. Schrader reported that CalOptima is preparing for the transition of the California Children's Services (CCS) program from a Medi-Cal carve-out administered by the Orange County Health Care Agency to the fully integrated Whole Child Model (WCM), which will be administered by CalOptima, effective January 1, 2019.

Mr. Schrader reported that the Department of Health Care Services (DHCS) released a timeline for the transition of behavioral health treatment (BHT) for children with non-Autism Spectrum Disorders. Responsibility for those services is moving from Regional Centers to Medi-Cal managed care plans, including CalOptima, starting in July 2018.

Chief Medical Officer (CMO) Update

Richard Bock, M.D., Deputy Chief Medical Officer, reported that the DHCS recently conducted its annual audit of CalOptima's Medi-Cal plan, covering the period of February 1, 2017 through January 31, 2018. CalOptima is awaiting the audit report.

Dr. Bock reported that CalOptima continues working on the opioid pharmacy reduction programs, including point-of-service metrics and pharmacy home programs to identify potential fraud, waste and abuse. In addition, CalOptima is working with pharmacies to distribute Narcan/Naloxone.

Dr. Bock reported that CalOptima assisted approximately 180 homeless CalOptima members that had been relocated from the Santa Ana Riverbed to local motels. CalOptima completed approximately 72 screenings and outreached to the remaining CalOptima members.

Federal and State Legislative Update

Phil Tsunoda, Executive Director, Government Affairs, reported that two bills recently passed their respective health policy committees and would propose extending eligibility for full scope Medi-Cal benefits to undocumented adults over the age of 19 years. He also reported that Governor Brown will soon release his May Revise budget proposal for the coming fiscal year.

Mr. Tsunoda provided an update on the Intergovernmental Transfer (IGT) funds. IGT 5 has \$14.4 million set aside to address the results of the Member Health Needs Assessment (MHNA). The MHNA found eight areas of need, including 1) expanding access to mental health services for adults; 2) expanding mental health and socialization services for older adults; 3) expanding access to mental health/developmental services for children ages 0-5 years; 4) addressing childhood obesity; 5) Medi-Cal education and outreach; 6) expanding access to primary care services and programs addressing social determinants of health; 7) expanding access to adult dental services; and 8) expanding access to children's dental services. CalOptima will soon

release a Request for Information (RFI) in order to pare down the broad categories. Mr. Tsunoda added that IGTs 6 and 7 have approximately \$23 million available and the funding categories include homeless health, opioids/substance abuse, and children's mental health.

INFORMATION ITEMS

OCC MAC Member Updates

Chair Corzo asked if there were volunteers to present the OCC MAC member presentation at the June 28, 2018 meeting. Members Richard Santana and Patty Mouton volunteered to present on the United Domestic Workers of America and access to palliative care, respectively.

OCC Denti-Cal Benefits Overview

Albert Cardenas, Director, Customer Service (Medicare), provided an overview on the coordination of OneCare Connect dental plan, Liberty Dental, and Denti-Cal, noting that Liberty Dental covers several procedure codes not covered by Denti-Cal. Mr. Cardenas reported that effective January 1, 2018, Medi-Cal reinstated benefits into the Denti-Cal program resulting in 50 of the 61 dental procedure codes covered by OneCare Connect overlapping with Denti-Cal. Members receive a welcome packet upon enrollment that provides information on where to call with additional questions and what dental procedures are covered under Denti-Cal and what procedures are covered under the enhanced supplemental plan. Liberty Dental also assists members in locating a contracted dental provider.

OCC MAC Member Presentation on Overview of Centers for Medicare & Medicaid Services Quality Conference

Member Sandy Finestone presented an overview of the Centers for Medicare & Medicaid Services (CMS) Quality Conference. Ms. Finestone attended as a member of the CMS Beneficiary and Family Advisory Council (BFAC) and reported that this was the first time that patients and caregivers were invited to attend and participate in the conference. She added that the theme of the conference was 'putting patients first'. Presentations were given on successful programs in various communities across the country.

ADJOURNMENT

Chair Corzo announced that the next OCC MAC Meeting is Thursday, June 28, 2018.

Hearing no further business, the meeting adjourned at 4:32 p.m.

/s/ Eva Garcia
Eva Garcia
Program Assistant

Approved: June 29, 2018

MINUTES

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

May 10, 2018

A Regular Meeting of the CalOptima Board of Directors' Member Advisory Committee (MAC) was held on May 10, 2018, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

Chair Sally Molnar called the meeting to order at 2:40 p.m., and Mallory Vega led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Sally Molnar, Chair; Patty Mouton, Vice Chair; Suzanne Butler; Sandy Finestone; Connie Gonzalez; Donna Grubaugh; Jaime Muñoz; Ilia Rolon; Christina Sepulveda; Sr. Mary Therese Sweeney; Christine Tolbert; Mallory Vega

Members Absent: Velma Shivers; Lisa Workman

Others Present: Michael Schrader, Chief Executive Officer; Richard Bock, M.D., Deputy Chief Medical Officer; Ladan Khamseh, Chief Operating Officer; Phil Tsunoda, Executive Director, Public Affairs; Candice Gomez, Executive Director, Program Implementation; Emily Fonda, M.D., Medical Director; Sessa Mudunuri, Executive Director, Operations; Le Nguyen, Assistant Director, Customer Service; Becki Melli, Customer Service; Eva Garcia, Customer Service

MINUTES

Approve the Minutes of the January 11, 2018, Regular Meeting of the CalOptima Board of Directors' Member Advisory Committee

Action: On motion of Member Donna Grubaugh, seconded and carried, the MAC approved the minutes as submitted.

Approve the Minutes of the March 8, 2018, Special Joint Meeting of the CalOptima Board of Directors' Member Advisory Committee/OneCare Connect Member Advisory Committee/Provider Advisory Committee

Action: On motion of Member Sandy Finestone, seconded and carried, the MAC approved the minutes as submitted.

PUBLIC COMMENT

There were no requests for public comment.

REPORTS

Consider Approval of Fiscal Year (FY) 2017-18 MAC Accomplishments

Chair Molnar presented the MAC's FY 2017-18 Accomplishments for approval. The Accomplishments will be presented to the Board of Directors at the June 7, 2018 meeting.

Action: On motion of Member Patty Mouton, seconded and carried, the MAC approved the FY 2017-18 MAC Accomplishments as submitted.

Consider Approval of FY 2018-19 MAC Meeting Schedule

Chair Molnar presented the FY 2018-19 meeting schedule for approval.

Action: On motion of Member Ilia Rolon, seconded and carried, the MAC approved the FY 2018-19 MAC Meeting Schedule as submitted.

Consider Approval of FY 2018-19 MAC Goals and Objectives

Chair Molnar reported that the Goals and Objectives Ad Hoc, composed of Members Sally Molnar, Patty Mouton and Ilia Rolon, met on March 29, 2018 to develop the MAC goals and objectives for FY 2018-19. The Goals and Objectives will be presented to the Board of Directors at the June 7, 2018 meeting. Following discussion, the ad hoc members agreed to reconvene to review provider access activities related to Partnership and Engagement.

Action: On motion of Member Mallory Vega, seconded and carried, the MAC approved the FY 2018-19 MAC Goals and Objectives.

Consider Recommendation of MAC Slate of Candidates and FY 2018-19 Chair/Vice Chair

Member Sandy Finestone presented the Nominations Ad Hoc Subcommittee's recommended slate of candidates, and the candidates for FY 2018-19 MAC Chair and Vice Chair. The ad hoc, composed of members Suzanne Butler, Sandy Finestone and Mallory Vega, convened on April 19, 2018. After reviewing the applications and selecting a candidate for each seat, the Nominations Ad Hoc recommended the reappointment of the following candidates for a term effective July 1, 2018 through June 30, 2020: Jaime Muñoz as the Foster Children Representative; Sally Molnar as the Medically Indigent Persons Representative; Sr. Mary Therese Sweeney as the Persons with Mental Illness Representative; and Christine Tolbert as the Persons with Special Needs Representative. The ad hoc also recommended the appointment of Luisa Santa as the Children's Representative and Elizabeth Anderson as the Long-Term Services and Support (LTSS) Representative for a two-year term ending June 30, 2020, while Diana Cruz-Toro was recommended as the Recipients of CalWORKs Representative for a term ending June 30, 2019. Sally Molnar and Patty Mouton were recommended for reappointment for FY 2018-19 Chair and Vice Chair, respectively.

Action: On motion of Member Suzanne Butler, seconded and carried, MAC approved the slate of candidates, Chair and Vice Chair as presented.

Consider Recommendation of Whole-Child Model Family Advisory Committee (WCM FAC) Slate of Candidates

Member Tolbert reported that the Whole-Child Model Family Advisory Committee (WCM FAC) Ad Hoc Subcommittee, composed of MAC members Connie Gonzalez, Jaime Munoz and Christine Tolbert, met on April 19, 2018 to review the proposed slate of candidates for the eleven voting seats that will establish the new WCM FAC. After reviewing the applications and selecting a candidate for each seat, the Nominations Ad Hoc recommended the appointment of the following Family Member candidates for a two-year term ending June 30, 2020: Maura Byron, Rick Cabral, Grace Leroy-Loge and Kristin Rogers. The following Family Member candidates were recommended for a one-year term ending June 30, 2019: Melissa Hardaway, Pam Patterson and Malissa Watson. In addition, Michael Arnot and Gabriela Huerta were recommended to serve as Community representatives for a two-year term ending June 30, 2020 and Sandra Cortez-Schultz and Diane Key were recommended to serve as Community representatives for a one-year term ending June 30, 2019.

Action: On motion of Member Finestone, seconded and carried, MAC approved the WCM FAC slate of candidates as recommended.

CEO AND MANAGEMENT REPORTS

Chief Executive Officer (CEO) Update

Michael Schrader, Chief Executive Officer, reported that CalOptima's provider rates for Medi-Cal Expansion members will remain the same as last year. The state has been decreasing the Expansion rates, bringing them closer to the rates paid for Medi-Cal Classic members.

Chief Medical Officer Update

Dr. Bock, Deputy Chief Medical Officer, reported that the National Committee for Quality Assurance (NCQA) will be visiting CalOptima for the triannual audit in July 2018. In addition, CalOptima is still waiting for the final audit report conducted by the Department of Health Care Services (DHCS) earlier this year.

Dr. Bock reported that DHCS released a timeline for the transition of behavioral health treatment (BHT) for children with non-Autism Spectrum Disorders. Responsibility for those services is moving from Regional Centers to Medi-Cal managed care plans, including CalOptima, starting in July 2018. CalOptima completed a similar transition for the population with Autism Spectrum Disorders about two years ago.

The Centers for Medicare & Medicaid Services (CMS) asked CalOptima to report on opioid misuse reduction. CalOptima will soon be limiting the number of opioids that dentists can prescribe and increasing the oversight of prescriptions for both opioids and benzodiazepines.

Dr. Bock reported that CalOptima is seeking volunteers to serve on the California Children's Services (CCS) Clinical Advisory Committee to work on clinical guidelines and CCS transition issues.

Chief Operating Officer Update

Ladan Khamseh, Chief Operating Officer, reported that Orange County will follow a phased approach for the BHT transition based on birth month. The first group (January–April) will transition July 1, 2018 and the two other groups will move August 1 and September 1. CalOptima is responsible for mailing 60-day and 30-day notices to ensure families are aware of the transition in advance. CalOptima will also conduct an outreach call campaign.

CalOptima Program Update

Candice Gomez, Executive Director, Business Integration, provided updates on the Whole Child Model (WCM) to California Children Services (CCS) transition. The state is developing a per member per month rate for CCS services, which will be part of CalOptima's budget for the next fiscal year. CalOptima is working on the CCS to WCM eligibility process and coordination with the medical therapy program.

Federal and State Legislative Update

Phil Tsunoda, Executive Director, Public Affairs, reported that Governor Brown would be releasing the May Revision to FY 2018-19 State Budget proposal on May 11, 2018. Items to look for in the May Revision include how much the budget surplus would be and whether Governor Brown will continue to advocate for taking the surplus dollars and placing them in reserve. Governor Brown's budget proposal in January estimated approximately \$6.1 billion in surplus revenue, most of which he proposed placing into a state reserve account. CalOptima will prepare an analysis of the May Revision and provide it to the MAC members.

INFORMATION ITEMS

MAC Member Updates

Chair Molnar announced Christina Sepulveda, Children's Representative, Velma Shivers, Long-Term Services and Supports (LTSS) Representative and Lisa Workman, Consumer Representative will step down from the MAC when their terms end on June 30, 2018.

Chair Molnar announced that MAC continues to recruit for the Consumer seat until May 25, 2018, and asked MAC members to contact CalOptima with potential candidates.

Chair Molnar recapped the Joint Member Advisory Committee/OneCare Connect Member Advisory Committee (OCC MAC)/Provider Advisory Committee (PAC) meeting, noting that the agenda included four topics of interest across all three committees: Orange County's opioid epidemic, behavioral health, quality and member access to providers.

MAC Member Presentation on the Orange County Community Coalition for Behavioral Health (OCCC4BH)

Member Jaime Munoz, Social Services Agency, provided a follow-up presentation from the March 8, 2018 Joint meeting on the OCCC4BH, an integrated, community-based coalition to address coordination of mental health services and resources. Mr. Munoz reported that the coalition is made up of community leaders who envision a comprehensive behavioral health system to serve everyone, including private insurance payors, the uninsured and Medi-Cal beneficiaries.

Intergovernmental Transfer Funds (IGT) Update

Cheryl Meronk, Director, Strategic Development, provided an update on IGT funds. IGT 5 will make available \$14.4 million. CalOptima conducted comprehensive research through a Member Health Needs Assessment to determine where to invest the funding. Eight priority areas were identified: adult mental health services, mental health/socialization services for older adults, mental health/developmental services for children, nutrition education and fitness program for children, Medi-Cal benefits education and outreach, primary care services and social determinants of health programs, adult dental services, and children's dental services. The \$14.4 million will be distributed through a process that includes Requests for Information (RFIs) and Requests for Proposal (RFPs). IGT 6 and 7 will make available \$23.6 million. The CalOptima Board of Directors identified three priority areas: children's mental health, homeless health, and opioid and other substance overuse. CalOptima will be proposing the distribution of \$10 million in IGT 6 and 7 funding to the County of Orange to address the homeless health issue. The remaining \$13.6 million will be available for the community through grants in the three priority areas.

Health Homes Program Presentation

Pallavi Patel, Director, Process Excellence, provided an overview of the Health Homes Program (HHP), which is being developed to serve eligible Medi-Cal beneficiaries with multiple chronic conditions who may benefit from enhanced care management and coordination. CalOptima's anticipated go-live date is July 1, 2018 for chronic conditions and January 1, 2020 for those with serious mental illness (SMI), with or without chronic conditions.

ADJOURNMENT

Chair Molnar announced that the next MAC meeting is Thursday, July 12, 2018 at 2:30 p.m.

Hearing no further business, Chair Molnar adjourned the meeting at 4:00 p.m.

/s/ Eva Garcia

Eva Garcia
Administrative Assistant

Approved: July 12, 2018

MINUTES

REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' PROVIDER ADVISORY COMMITTEE

May 10, 2018

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, May 10, 2018, at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

Teri Miranti, PAC Chair, called the meeting to order at 8:06 a.m., and Member Pimentel led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Teri Miranti, Chair; Suzanne Richards, MBA, FACHE, Vice Chair; Donald Bruhns; Theodore Caliendo, M.D.; Steve Flood; Jena Jensen (at 8:20 a.m.); Craig G. Myers; John Nishimoto, O.D; George Orras, Ph.D., FAAP; Mary Pham, Pharm.D., CHC (at 8:25 a.m.); Pamela Pimentel, R.N.; Jacob Sweidan, M.D.

Members Absent: Anjan Batra, M.D.; Pamela Kahn, R.N.

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Gary Crockett, Chief Counsel; Richard Bock, M.D., Deputy Chief Medical Officer; Candice Gomez, Executive Director, Program Implementation; Michelle Laughlin, Executive Director, Network Operations; Phil Tsunoda, Executive Director, Public Affairs; Francesco Federico, M.D., Medical Director; Cheryl Meronk, Director, Strategic Development; Debra Kegel, Manager, Business Integration; Cheryl Simmons, Staff to the PAC

MINUTES

Approve the Minutes of the April 12, 2018 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

Action: On motion of Vice Chair Richards, seconded and carried, the Committee approved the minutes of the April 12, 2018 meeting. (Motion carried 10-0-0; Members Batra, Jensen, Kahn and Pham absent)

PUBLIC COMMENTS

No requests for public comment were received.

REPORTS

Consider Approval of Fiscal Year (FY) 2018-19 PAC Meeting Schedule

PAC members reviewed the proposed FY 2018-19 meeting schedule. As proposed, the PAC will meet on a monthly basis on the second Thursday of the month except during the months of July 2018 and January 2019 when no meetings are scheduled.

Action: On motion of Vice Chair Richards seconded and carried, the Committee adopted the FY 2018-19 PAC Meeting Schedule reflecting monthly meetings except for July 2018 and January 2019. (Motion carried 10-0-0; Members Batra, Jensen, Kahn and Pham absent)

Consider Approval of FY 2017-18 PAC Accomplishments

The FY 2017–18 PAC Accomplishments were presented for approval. The accomplishments will be presented as an information item to the CalOptima Board of Directors at their June 7, 2018 meeting.

Action: On motion of Member Pimentel seconded and carried, the Committee approved the FY 2017-18 PAC Accomplishments. (Motion carried 10-0-0; Members Batra, Jensen, Kahn and Pham absent).

Chair Miranti reordered the agenda to hear CEO and Management Reports.

CEO AND MANAGEMENT REPORTS

Chief Operating Officer Update

Ladan Khamseh, Chief Operating Officer, asked Candice Gomez, Executive Director, Program Implementation, to present an update on the Whole Child Model and Proposition 56 (Tobacco Tax).

Ms. Gomez discussed the progress of the Whole Child Model and stressed that CalOptima places a high priority on this new program and continues its collaboration with the Orange County Health Care Agency (OCHCA). CalOptima is in the process of updating internal processes, reviewing its member communications, and finalizing its delivery model before the January 1, 2019 implementation date.

Ms. Gomez also provided an update on the Proposition 56. She noted that additional funding had been designated for physician services relating to 13 specific Current Procedure Terminology (CPT) codes for services rendered between July 1, 2017 and June 30, 2018. Ms. Gomez noted that the Department of Health Care Services (DHCS) provided clarification that only contracted network providers as defined by CalOptima's contracting regulations were

eligible for this payment. The provider must be contracted with CalOptima or one of CalOptima's health networks to be eligible to receive the additional payment.

Chief Financial Officer Update

Ms. Khamseh provided an update on CalOptima's Medi-Cal rates recently received from the state. Staff anticipates that the Medi-Cal rates will remain the same, and CalOptima plans to recommend extending the contracts with the health networks from July 1, 2018 through December 31, 2018 to the Board for consideration at the June meeting. Rates will be re-evaluated to determine further action before December 31, 2018. Ms. Khamseh noted that the Board of Directors' Finance and Audit Committee will meet on May 17, 2018 to review the proposed FY 2018-19 budget and that the budget will be presented to the Board of Directors at the June 7, 2018 meeting.

Ms. Khamseh presented an update on rebasing and noted that it was targeted for a January 2019 effective date with two to three planning meetings scheduled over the next two months to review the Milliman report and provide feedback to providers and the networks. It is anticipated that the draft Children's Health and Disability Prevention (CHDP) rates will be released within the next week, and proposed modifications to CalOptima's policies and procedures related to CHDP services for Medi-Cal members will be presented to the Board for consideration at the June 7, 2018 meeting.

Chief Medical Officer Update

Richard Bock M.D, Deputy Chief Medical Officer, reported that a Clinical Advisory Committee is being formed as part of the Whole Child Model program, and requested the PAC's assistance in recruiting candidates to fill the vacant seats on the Committee. It was noted that recommended candidates should have clinical level experience with the California Children's Services program.

Federal and State Legislative Update

Phil Tsunoda, Executive Director, Public Policy and Public Affairs provided a brief update on the anticipated release of Governor Brown's May revise of the State Budget and discussed the possible uses of the State's \$6.1B surplus. Mr. Tsunoda agreed to provide the PAC with an analysis of the May revise and any policy implications that may affect CalOptima or the Medi-Cal program. Vice Chair Richards asked Mr. Tsunoda about Assembly Bill (AB) 3087 which Mr. Tsunoda agreed to research and report back to the PAC with information on this item.

Chair Miranti reordered the agenda to hear Report Item V.C., Consider Recommendation of PAC Slate of Candidates, PAC Chairperson and Vice Chairperson.

Consider Recommendation of PAC Slate of Candidates, PAC Chairperson and Vice Chairperson

At the March 8, 2018 PAC meeting, a Nominations Ad Hoc Committee (Ad Hoc) comprised of Members Flood, Jensen and Dr. Sweidan was formed to review and recommend candidates for the upcoming open seats, as well as Chair and Vice Chair.

On behalf of the Ad Hoc, Member Flood summarized the recommendations for four expiring seats: Allied Health Services Representative, Behavioral Health Representative, Health Network Representative, and Nurse Representative.

The Ad Hoc reviewed ten (10) applications: four (4) for the Allied Health Services Representative seat; two (2) for the Behavioral Health Representative seat; three (3) for the Health Network Representative seat, and one (1) for the Nurse Representative seat.

The Ad Hoc recommended the following candidates: Dr. Brian S. Lee, L.Ac., Ph.D. (new appointment) for the Allied Health Services seat; Dr. Junelyn Lazo-Pearson, Ph.D. (new appointment) for the Behavioral Health seat; Teri Miranti (reappointment) for the Health Network seat; and Pamela Pimentel, R.N. (new appointment) for the Nurse seat.

Action: On motion of Member Orras, seconded and carried, the Committee approved the recommendations of the PAC Nominations Ad Hoc Committee of the four expiring seats for a three-year term (July 2018-June 2021) as presented. Recommendations will be forwarded to the CalOptima Board of Directors for consideration at the June 7 meeting. (Motion carried 12-0; Members Batra and Kahn absent).

On behalf of the Ad Hoc, Member Jensen reviewed the PAC Chair position and noted that members Batra, Nishimoto and Vice Chair Richards expressed an interest in serving as the PAC Chair. There were no additional nominations from the floor. After hearing comments from two of the candidates in attendance and a written statement from Member Batra, the following action was considered.

Action: On motion of Member Jensen, seconded and carried, the PAC considered electing either Members Anjan Batra, M.D., John Nishimoto, O.D. or Vice Chair Suzanne Richards, M.B.A. for the position of PAC Chair for a term effective July 1, 2018 through June 30, 2019. Roll call votes to be cast by the showing of color cards, with a blue card registered as a vote for Member Batra, a green card registered as a vote for Member Nishimoto and a red card registered as a vote for Vice Chair Richards.

Member Nishimoto was elected by roll call vote to the position of PAC Chair for a term effective July 1, 2018 through June 30, 2019. (Roll call vote: 0 votes cast for Member Batra; 8 votes cast for Member Nishimoto [Bruhns, Caliendo, Miranti, Myers, Nishimoto, Pham, Pimentel, Sweidan]; and 4 votes cast for Vice Chair Richards [Flood, Jensen, Orras, Richards]; Members Batra and Kahn absent). The recommendation will be forwarded to the CalOptima Board of Directors for consideration at the June 7 meeting.

On behalf of the Ad Hoc, Member Sweidan announced that Chair Miranti expressed interest in serving as Vice Chair for a term effective July 1, 2018 through June 30, 2019. There were no additional nominations from the floor.

Action: On motion of Member Pham, seconded and carried, the Committee approved the nomination of Teri Miranti as PAC Vice Chair for FY 2018-19. The recommendation will be forwarded to the CalOptima Board of Directors for consideration at the June 7 meeting. (Motion carried 12-0; Members Batra and Kahn absent).

INFORMATION ITEMS

Intergovernmental Transfer Funds (IGT) Update

Cheryl Meronk, Director, Strategic Development, presented the status of IGT 5, 6 and 7, and noted that the County of Orange has requested \$10M in IGT funding to assist with the homeless crisis. PAC members requested additional information on the County's planned use of these funds and requested that staff create a timeline of IGT 5 and 6/7 funds to understand where the funds could be best utilized. Ms. Meronk noted that proposed IGT 6/7 funding recommendations will be presented to the Board for consideration at a future meeting.

Health Homes Program Update

Debra Kegel, Manager, Business Integration, presented on the Health Homes Program (HHP). She discussed the background on how the HHP was developed and noted that CalOptima has a go-live date of July 1, 2019 for CalOptima members with chronic conditions only, and January 1, 2020 is the anticipated roll out for members with serious mental illness, with or without a chronic condition. She noted that a recent estimate indicated that approximately 2,800 CalOptima members are HHP eligible and have been included on the active engagement list. Several PAC members commented that there could be an overlap between HHP and other programs, such as the Whole Person Pilot, and should be reviewed for possible overlap prior to implementation.

Appropriate Use of Emergency Room Services

Francesco Federico, M.D., Medical Director, presented on the Emergency Room Appropriate Use and Collaboration Project. PAC members discussed the challenges faced in educating the Medi-Cal population and providers on when to use the emergency room and when to go to an urgent care facility.

PAC Goals and Objectives Update

PAC members reviewed the second quarter accomplishments as it relates to their goals and objectives. There were no changes to the second quarter accomplishments.

PAC Member Updates

Chair Miranti reminded the members that the next PAC meeting was scheduled for June 14, 2018 at 8:00 a.m. and asked the members to forward any agenda items to the Staff to the PAC.

ADJOURNMENT

There being no further business before the Committee, Chair Miranti adjourned the meeting at 10:17 a.m.

/s/ Cheryl Simmons
Cheryl Simmons
Staff to the PAC

Approved: June 14, 2018

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

3. Consider Actions Related to CalOptima's Medi-Cal Whole-Child Model Program Provider Payment Methodology

Contact

Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Actions

Approve provider payment methodology for the CalOptima Medi-Cal Whole-Child Model (WCM) program.

Background

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown signed Senate Bill (SB) 586 into law, which authorizes the California Department of Health Care Services (DHCS) to incorporate CCS services into Medi-Cal managed care plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the WCM program. WCM's goals include improving coordination and integration of services to meet the needs of the whole child, retaining CCS program standards, supporting active family participation, and maintaining member-provider relationships, where possible.

DHCS will implement the WCM program on a phased-in basis, with implementation for Orange County scheduled to begin no sooner than January 1, 2019. CalOptima will assume financial responsibility for the authorization and payment of CCS-eligible medical services, including service authorization activities, claims management (with some exceptions), case management, and quality oversight. DHCS will retain responsibility for program oversight, CCS provider paneling, and claims payment for Neonatal Intensive Care Unit (NICU) services. The Orange County Health Care Agency (OC HCA) will remain responsible for CCS eligibility determination for all children and for CCS services for non-Medi-Cal members, including individuals who exceed the Medi-Cal income thresholds and undocumented children who transition out of CalOptima when they turn 18 years old. OC HCA will also remain responsible for Medical Therapy Program (MTP) services and the Pediatric Palliative Care Waiver.

In order to ensure compliance with regulatory requirements, CalOptima will refer to SB 586, guidance issued by DHCS through All Plan Letters (APL), plan contract amendments and readiness requirements, and CCS requirements published in the CCS Numbered Letters. Previously, CCS was carved-out of CalOptima's Medi-Cal MCP contract. As such, CalOptima CCS services were not included in the existing delivery model or health network contracts. CalOptima members receiving

CCS services were enrolled with CalOptima Direct (COD), CalOptima's Community Network (CCN), or other contracted health networks.

To meet the goals of the WCM, beginning January 1, 2019, CalOptima plans to allow members receiving CCS services to remain enrolled with either CalOptima's Community Network or other contracted CalOptima health networks. CalOptima will delegate CCS services to health networks according to the current health network models. The three health network models include Health Maintenance Organization (HMO), Physician-Hospital Consortium (PHC), or Shared-Risk Group (SRG).

Discussion

DHCS Capitation Rates

CalOptima received draft Fiscal Year (FY) 2018-19 (effective January 2019 – June 2019) capitation rates from DHCS on April 27, 2018. The rates reflect reimbursement for both CCS and non-CCS services. CalOptima will continue to monitor the sufficiency of the WCM rates, and work closely with DHCS to ensure adequate Medi-Cal revenue to support the new program.

Projected Medical Costs

Staff has analyzed high-level data on the transitioning CCS-eligible group provided by the State. Generally, the transitioning group appears to incur extensive medical costs that are highly variable and volatile. In addition, the WCM population is relatively small, which reduces the ability to spread high cost cases across a larger enrollment. CalOptima has limited experience data available to forecast medical expenses and to make definitive assessments of potential financial risks.

Provider Payment Model

In order to mitigate potential financial risks to the health networks resulting from the implementation of the WCM program, CalOptima recommends creating a new provider reimbursement methodology specific to the WCM population, as summarized below. The goal of the new reimbursement methodology is to reduce the likelihood of unreasonable financial burdens on health networks due to potentially high costs for the WCM population. The following sections describe CalOptima's proposed WCM provider reimbursement by network arrangement type.

CalOptima Direct Networks (COD/CCN)

For direct fee-for-service providers, reimbursement will depend on whether the providers are contracted with CalOptima and whether they are paneled to provide CCS services.

For non-professional services, including hospital and ancillary, CalOptima will pay contracted providers at the contracted rate for both CCS and non-CCS members. CalOptima will reimburse non-contracted providers at 100% of the designated Medi-Cal payment rates.

For professional specialist services, CalOptima will continue to reimburse providers under the current CCS payment policy. Providers who are CCS paneled, whether they are contracted or non-contracted, will be reimbursed at 140% of the Medi-Cal Fee Schedule for all services provided to members under 21.

Service Type	Contracted Provider	Non-Contracted Provider
Hospital & Ancillary	Contracted Rates	100% of CalOptima Medi-Cal Fee Schedule
PCP	Contracted Rates	100% of CalOptima Medi-Cal Fee Schedule
CCS Paneled Specialist	140% of CalOptima Medi-Cal Fee Schedule	140% of CalOptima Medi-Cal Fee Schedule
Non-CCS Paneled Specialist	Contracted Rates	100% of CalOptima Medi-Cal Fee Schedule

Delegated Health Networks (HMO/PHC/SRG)

To ensure adequate revenue is provided to support the WCM program, CalOptima will develop actuarially sound capitation rates that are consistent with the projected risks that will be delegated to capitated health networks and hospitals. To develop the initial capitation rate, CalOptima will employ the following methods:

- Establish estimated professional and hospital capitation rates that are consistent with DHCS’ pricing methodology and include payments for CCS and non-CCS services;
- Align the service category pricing as closely as possible to the contracted division of financial responsibility associated with each health network and hospital;
- Carve out financial risk from the capitation rate for prescription drugs, managed long-term services and supports, and high cost conditions, including but not limited to members diagnosed with hemophilia, members in treatment for end stage renal disease (ESRD), members receiving an organ transplant, and maintenance and transportation costs for specific cases requiring special arrangements;
- Exclude projected expenses from the capitation rate for catastrophic cases. CalOptima will reimburse expenses to delegated health networks and hospitals through an interim catastrophic reimbursement process and risk corridor settlement;
- Apply blended capitation rates developed across all members and that are not separated into different age/gender bands. However, CalOptima will apply an age/gender factor by health network to adjust for cost variances due to the enrollment mix;
- Apply acuity risk factors to adjust for cost variances due to medical acuity; and
- Include an administration load to the both the professional and hospital capitation rates to address administrative expenses and medical management. The proposed 6.6% administration load is consistent the amount DHCS applies to CalOptima’s WCM capitation rate. As proposed, CalOptima will keep this percentage fixed to ensure that health networks and hospitals are adequately compensated for the expenditures required to implement and manage the WCM program.

CalOptima recognizes that medical costs for CCS members can be highly variable and volatile, possibly resulting in material cost differences between different periods and among different providers. To mitigate these financial risks and ensure that networks will receive sufficient and timely compensation, CalOptima will implement two retrospective reimbursement mechanisms: (1) Interim reimbursement for catastrophic cases and (2) Retrospective risk corridor.

- 1) Interim Reimbursement for Catastrophic Cases: The purpose of providing interim catastrophic reimbursement payments is to mitigate potential cash flow shortfalls due to the occurrence of high cost cases. CalOptima proposes implementing the following process to reimburse delegated health networks and hospitals for catastrophic cases to supplement their monthly capitation payments:
 - Reimbursement will be determined by the total delegated medical costs incurred for a given member within a given reconciliation period. If the total delegated medical costs for a given member exceed a prescribed threshold, CalOptima will reimburse the provider for the costs in excess of the threshold;
 - CalOptima will evaluate professional expenses and hospital expenses for a given member separately and will apply CalOptima's existing reinsurance thresholds of \$17,000 per member per year for professional expenses and \$150,000 per member per year for hospital expenses. CalOptima will not apply a coinsurance level to members in the WCM program;
 - Networks will be required to submit complete and accurate payment data to substantiate all incurred expenses. Payment data will be validated and repriced, similar to CalOptima's existing reinsurance reimbursement process; and
 - Initially, CalOptima will process the interim catastrophic reimbursement on a quarterly basis to minimize cash flow issues for health networks and hospitals. However, CalOptima may adjust the frequency of the reimbursement process in the event a health network or hospital requires reimbursement on a more timely basis.

- 2) Retrospective Risk Corridor: CalOptima will implement a retrospective risk corridor to better align health network and hospital capitation to their incurred costs. Risk corridors can serve as a safety net for providers that incur a high level of expenses relative to the capitation that they receive. CalOptima will work with health networks and hospitals to construct risk corridor parameters that provide adequate compensation, while still maintaining a reasonable financial incentive to efficiently manage utilization and costs. The risk corridor will be based on the following parameters:
 - Risk corridors will only apply to the medical component (excludes medical management and administration expenses) of the WCM capitation rate;
 - The prospective capitation rate will be used as the basis for the risk corridor reconciliation. CalOptima will also account for funding previously paid through the interim catastrophic reimbursement payment process during the reconciliation process;
 - The number of risk corridors applied and the range of each will be determined from an evaluation of projected risk to the delegated health networks and hospitals. Risk corridors will be set at levels that were projected to achieve an optimal balance that provides sufficient risk mitigation and financial incentives for providers;
 - Each risk corridor will have an associated percentage that splits risk between CalOptima and the provider. Similarly, risk sharing will be set at levels that achieve an optimal balance that provides sufficient risk mitigation and financial incentives for providers. The following table gives the proposed risk corridor ranges and risk sharing percentages:

Medical Loss Ratio Threshold	CalOptima’s Risk/Surplus Share	Description
> 115%	95%	CalOptima will reimburse 95% of incurred medical expenses that are >115%
>105% to ≤ 115%	90%	CalOptima will reimburse 90% of incurred medical expenses that are >105% and ≤ 115%
>102% to ≤ 105%	75%	CalOptima will reimburse 75% of incurred medical expenses that are >102% and ≤ 105%
>100% to ≤ 102%	50%	CalOptima will reimburse 50% of incurred medical expenses that are >100% and ≤ 102%
100%	0%	No change in reimbursement
< 100% to ≥ 98%	50%	CalOptima will recoup 50% of capitation if medical expenses are <100% and ≥ 98%
< 98% to ≥ 95%	75%	CalOptima will recoup 75% of capitation if medical expenses are <98% and ≥ 95%
< 95% to ≥ 85%	90%	CalOptima will recoup 90% of capitation if medical expenses are <95% and ≥ 85%
< 85%	100%	CalOptima will recoup 100% of capitation if medical expenses are <85%

* Risk corridor will be evaluated from the medical component of the capitation rate.

- For SRG and PHC networks, risk corridor reconciliations will be evaluated separately for each capitation type (e.g. professional capitation and hospital capitation). For HMO health networks, risk corridor reconciliations will be evaluated against total capitation, which may include professional, hospital, pharmacy, or other delegated services, if applicable; and
- Risk corridor reconciliations will be performed on a calendar year basis, beginning with the period from January 1, 2019, to December 31, 2019. CalOptima may adjust the frequency as more experience becomes available. Each annual reconciliation report shall include refreshed reports from the previous two (2) annual settlement periods. After two (2) years, the refreshed report shall be considered final.

Fiscal Impact

Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual WCM program costs at approximately \$274 million. Management has included projected revenues and expenses associated with the WCM program in the CalOptima FY 2018-19 Operating Budget approved by the Board on June 7, 2018. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict. CalOptima will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Considering the limited data available on the CCS population, the volatility associated with the cost of providing their care, and the protections being proposed for the health networks, the underlying

assumption behind the staff recommendation is that the state will ensure that the program is adequately funded. If this assumption were to prove inaccurate, the program could potentially represent significant economic downside to CalOptima.

Rationale for Recommendation

The recommended actions will enable CalOptima to operationally prepare for the anticipated January 1, 2019, transition of CCS to the WCM, and to mitigate financial risks to our delegated health networks and hospitals.

Concurrence

Gary Crockett, Chief Counsel

Attachments

None

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

4. Consider Authorizing Updates to Medi-Cal Provider Payment Rate Methodology

Contact

Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve rebasing of capitated health network payment rate methodology for Medi-Cal Classic members effective January 1, 2019.

Background

CalOptima uses health network capitation as the payment methodology to reimburse Medi-Cal contracts with Shared Risk Groups (SRG), full-risk Health Maintenance Organizations (HMO), and Physician Hospital Consortia (PHC) (collectively, Capitated Health Networks). In order to ensure that reimbursement to capitated providers reflects current structure and responsibilities, CalOptima periodically contracts with its actuarial consultants to recalculate or “rebase” the capitated payment rates to the Capitated Health Networks.

The purpose of the rebasing process is to:

- Establish actuarially sound facility and professional capitation rates;
- Account for changes in CalOptima’s delivery model;
- Incorporate changes in the Division of Financial Responsibility (DOFR), if any; and
- Reflect more recent facility and professional utilization experience and unit costs.

The overall methodology for the rebasing process includes:

- Determining the base experience from claims and encounter data;
- Repricing claims based on applicable contracted rates, including per diems, All Patient Refined Diagnosis Related Groups (APR-DRG) case rates, outpatient, professional, and ancillary fee schedules;
- Developing trends to reflect both changes to utilization and service mix;
- Developing a cost model based on the DOFR;
- Adding an administration load;
- Developing detailed cost and capitation rate models by aid category; and
- Include a budget neutrality adjustment factor, as necessary.

At its June 4, 2009 meeting, the Board approved the modifications to the health network contract rate methodology as a result of a comprehensive rebasing analysis. The modifications took effect on October 1, 2009.

Discussion

Milliman, CalOptima's actuarial consultant, last completed an analysis in Fiscal Year (FY) 2015 and 2016 for CalOptima's Medi-Cal Classic population. At that time, no rate changes were recommended, and as a result, Management did not request Board action to update the payment methodology to Capitated Health Networks.

The methodology and analysis has subsequently been updated with Milliman's assistance to include the following key recommended changes:

- Inclusion of CalOptima Care Network (CCN) General experience;
- Inclusion of (former) Healthy Families members and claims experience into the Family/Poverty/Child aid category; and
- Refinement of repricing methodology for outpatient ambulatory surgical care, professional claims for California Children's Services (CCS) eligible served by CCS paneled providers, and skilled nursing facilities room and board.

The updated analysis excluded the following data:

- Members and claims with aid codes from other programs that are not part of this analysis, including Medi-Cal Expansion;
- Members and claims from Kaiser, CalOptima Direct, and CCN Complex networks;
- Claims identified as non-covered dental benefits;
- Claims in excess of the reinsurance threshold;
- Records identified as duplicates; and
- Records that have a facility revenue record that does not match a valid facility record by claim identifier, or vice versa.

Based on this methodology and analysis, updates to pricing at the aid code level is recommended to more closely align reimbursement with providers' member care responsibilities. This current rebasing effort is limited to Capitated Health Networks and CalOptima's Classic Medi-Cal membership. It does not include Medicare, Medi-Cal Expansion, or non-capitated Medi-Cal Classic reimbursement levels. To maintain this alignment on an ongoing basis, Management believes that a comprehensive rebasing analysis should be conducted every two to three years in order to ensure appropriate reimbursement levels for Capitated Health Networks and plans to return to the Board at appropriate intervals to recommend such future rebasing updates.

Fiscal Impact

The recommended action to approve rebasing of Capitated Health Network rates effective January 1, 2019, for the Medi-Cal Classic population is projected to be budget neutral. Management may implement changes to specific capitation rates to the Capitated Health Networks. In aggregate, the rebased capitation rates are projected to increase capitation expense by approximately \$6.98 million for the period of January 1, 2019, through June 30, 2019, with an annualized increase of approximately \$14 million. However, Staff projects that the medical expense trends included in the CalOptima FY 2018-19 Operating Budget approved by the Board on June 7, 2018, are sufficient to offset the additional projected capitation expenses.

Rationale for Recommendation

The recommended actions will enable CalOptima to provide appropriate reimbursement levels to CalOptima's Capitated Health Networks.

Concurrence

Gary Crockett, Chief Counsel

Attachment

Board Action dated June 4, 2009, Approve Health Network Contract Rate Methodology

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 4, 2009 Regular Meeting of the CalOptima Board of Directors

Report Item

VI. E. Approve Health Network Contract Rate Methodology

Contact

Michael Engelhard, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve the modification methodology of Health Network capitation rates for October 1, 2009.

Background

Health Network capitation is the payment method that CalOptima uses to reimburse PHCs and shared risk groups for the provision of health care services to members enrolled in CalOptima Medi-Cal and CalOptima Kids. In order to ensure that reimbursement to such capitated providers reflects up-to-date information, CalOptima periodically contracts with its actuarial consultants to recalculate or “rebase” these payment rates.

The purpose of this year’s rebasing is to:

- Establish actuarially sound facility and professional capitation rates;
- Account for changes in CalOptima’s delivery model;
- Incorporate changes in the Division of Financial Responsibility (DOFR); and
- Perform separate analyses for Medi-Cal and CalOptima Kids.

The overall methodology for this year’s rebasing approach includes:

- CalOptima eligibility data;
- Encounter and CalOptima Direct (COD) claim data analysis
- Reimbursement analysis;
- PCP capitation analysis;
- Maternity “kick” payment analysis;
- State benefit carve-out analysis;
- Reinsurance analysis;
- Administrative load analysis;
- Budget neutrality established

Discussion

CalOptima uses capitation as one way to reimburse certain contracted health care providers for services rendered. A Capitation payment is made to the provider during the month and is based solely on the number of contracted members assigned to that provider

at the beginning of each month. The provider is then responsible for utilizing those dollars in exchange for all services provided during that month or period.

To ensure that capitated payment rates reflect the current structure and responsibilities between CalOptima and its delegated providers, capitation rates need to be periodically reset or rebased.

CalOptima last performed a comprehensive rate rebasing in July 2007, for rates effective January 1, 2008, for CalOptima Medi-Cal only. Much has changed since that time including the establishment of shared risk groups; the movement of certain high-acuity members out of the Health Networks and into COD; changes in the DOFR between hospitals, physicians and CalOptima; shifts in member mix between the Health Networks; and changes in utilization of services by members.

Therefore, CalOptima opted to perform another comprehensive rebasing analysis prior to the FY2009-10 year in order to fully reflect the above-mentioned changes.

Fiscal Impact

CalOptima projects no fiscal impact as a result of the rebasing. Rebasing is designed to be budget neutral to overall CalOptima medical expenses even though there will likely be changes to specific capitation rates paid to Health Network providers.

Rationale for Recommendation

Staff recommends approval of this action to provide proper reimbursement levels to CalOptima's capitated health networks participating in CalOptima Medi-Cal and CalOptima Kids.

Concurrence

Procopio, Cory, Hargreaves & Savitch LLP

Attachments

None

/s/ Richard Chambers
Authorized Signature

5/27/2009
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

5. Consider Authorizing Amendment of the CalOptima Medi-Cal Physician Hospital Consortium Health Network Contracts for AMVI Care Health Network, Family Choice Network, and Fountain Valley Regional Medical Center

Contact

Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400
Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Actions

Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to enter into contract amendments of the Physician Hospital Consortium (PHC) health network contracts, for AMVI Care Health Network, Family Choice Network, and Fountain Valley Regional Medical Center to:

1. Modify the rebased capitation rates for the Medi-Cal Classic population, effective January 1, 2019, as authorized in a separate Board action;
2. Modify capitation rates effective January 1, 2019, to include rates associated with the Whole Child Model program to the extent authorized by the Board of Directors in a separate Board action;
3. Amend the contract terms to reflect applicable regulatory changes and other requirements associated with the Whole-Child Model (WCM); and
4. Extend contracts through June 30, 2019.

Background

CalOptima pays its health networks according to the same schedule of capitation rates, which are adjusted by Medi-Cal aid category, gender and age. The actuarial cost model, upon which the rates are based, was developed by consultant Milliman Inc. utilizing encounter and claims data.

CalOptima periodically increases or decreases the capitation rates to account for increases or decreases in capitation rates from the Department of Health Care Services (DHCS) or to account for additional services to be provided by the health networks. An example of this is the recent capitation rate change to account for the transition of the payment of Child Health Disability Program (CHDP) services from CalOptima to the health networks.

It is incumbent on CalOptima to periodically review the actuarial cost model to ensure that the rate methodology, and the resulting capitation rates, continue to allocate fiscal resources commensurate with the level of medical needs of the populations served. This review and adjustment of capitation rates is referred to as rebasing. Staff has worked with Milliman Inc. to develop a standardized rebasing methodology that was previously adopted and approved by CalOptima and the provider community.

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown signed

Senate Bill 586 into law, which authorizes DHCS to incorporate CCS services into Medi-Cal Managed Care Plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the Whole-Child Model (WCM). WCM's goals include: improving coordination and integration of services to meet the needs of the whole child; retaining CCS program standards; supporting active family participation; and maintaining member-provider relationships where possible.

DHCS is implementing WCM on a phased basis; Orange County's implementation will be no sooner than January 1, 2019. Based on this schedule, CalOptima will assume responsibility for authorization and payment of CCS-eligible medical services including service authorization activities, claims (with some exceptions), case management, and quality oversight. At the June 7, 2018 Board meeting, staff received authority to proceed with several actions related to the WCM program including carving CCS services into the health network contract.

At the June 7, 2018 Board meeting, the Board of Directors authorized the extension of the health network contracts through December 31, 2018. The six-month extension, as opposed to the normal one-year extension, was made to allow staff to review, adjust and vet capitation rates and requirements associated with the transition of the CCS program from the State and County to CalOptima and the complete the capitation rate rebasing initiative. Both of these program changes are effective January 1, 2019.

Discussion

Rebasing: CalOptima last performed a comprehensive rate rebasing in 2009. The goal of rebasing is to develop actuarially sound capitation rates that properly aligns capitation payments to a provider's delegated risks. To ensure that providers are accurately and sufficiently compensated, rebasing should be performed on a periodic basis to account for any material changes to medical costs and utilization patterns. To that end, staff has been working with Milliman Inc. to analyze claims utilization data and establish updated capitation rates that reflect more current experience. As proposed, only professional and hospital capitation rates for the Medi-Cal Classic population are being updated through this rebasing effort. Staff requests authority to amend the health network contracts to reflect the new rebased capitation rates effective January 1, 2019.

WCM: To ensure adequate revenue is provided to support the WCM program, CalOptima will develop actuarially sound capitation rates that are consistent with the projected risks that will be delegated to capitated health networks and hospitals. CalOptima also recognizes that medical costs for CCS members can be highly variable and volatile, possibly resulting in material cost differences between different periods and among different providers. To mitigate these financial risks and ensure that networks will receive sufficient and timely compensation, management proposes that CalOptima implement two retrospective reimbursement mechanisms: (1) Interim reimbursement for catastrophic cases; and (2) Retrospective risk corridor.

WCM incorporates requirements from SB 586 and CCS into Medi-Cal Managed Care. Many of these WCM requirements will include new requirements for the health networks. Included is the requirement that the health networks will be required to use CCS paneled providers and facilities to treat children and youth for their CCS condition. Continuity of care provisions and minimum provider rate requirements (unless provider has agreed to different rates with health network) are also among the health network requirements.

Staff requests authority to incorporate the WCM rates and requirements into the health network contracts.

Extension of the Contract Term. Staff requests authority to amend the Medi-Cal contracts to extend the contracts through June 30, 2019.

Fiscal Impact

The recommended action to modify capitation rates, effective January 1, 2019, associated with rebasing is projected to be budget neutral to CalOptima. The rebased capitation rates are not projected to materially change CalOptima's aggregate capitation expenses. Management has included expenses associated with rebased capitation rates in the CalOptima FY 2018-19 Operating Budget approved by the Board on June 7, 2018.

The recommended action to amend health network contracts, effective January 1, 2019, to include rates associated with the WCM program is a budgeted item. Management has included projected revenues and expenses associated with the WCM program in the CalOptima FY 2018-19 Operating Budget approved by the Board on June 7, 2018. Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual WCM program costs at approximately \$274 million. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict and likely to be highly volatile. CalOptima staff will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Rationale for Recommendation

CalOptima staff recommends these actions to: reflect changes in rates and responsibilities in accordance with the CalOptima delegated model; to maintain and continue the contractual relationship with the provider network; and to fulfill regulatory requirements.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Contracted Entities Covered by this Recommended Board Action
2. Board Action dated June 7, 2018, Consider Actions Related to CalOptima's Whole-Child Model Program
3. Board Action dated June 4, 2009, Approve Health Network Contract Rate Methodology

CalOptima Board Action Agenda Referral
Consider Authorizing Amendment of the CalOptima Medi-Cal
Physician Hospital Consortium Health Network Contracts for
AMVI Care Health Network, Family Choice Network, and
Fountain Valley Regional Medical Center
Page 4

4. Board Action dated December 17, 2003, Approve Modifications to the CalOptima Health Network
Capitation Methodology and Rate Allocations

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

*Attachment to August 2, 2018 Board of Directors Meeting –
Agenda Item 5*

CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
AMVI Care Health Network	600 City Parkway West, Suite 800	Orange	CA	92868
Family Choice Medical Group, Inc.	7631 Wyoming Street, Suite 202	Westminster	CA	92683
Fountain Valley Regional Hospital and Medical Center	1400 South Douglass, Suite 250	Anaheim	CA	92860

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 7, 2018 Regular Meeting of the CalOptima Board of Directors

Report Item

45. Consider Actions Related to CalOptima's Whole-Child Model Program

Contact

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

Recommended Actions

1. Authorize CalOptima staff to develop an implementation plan to integrate California Children's Services into its Medi-Cal program in accordance with the Whole Child Model (WCM), and return to the Board for approval after developing draft policies, and completing additional analysis and modeling prior to implementation;
2. Authorize and direct the Chief Executive Officer (CEO), with assistance of Legal Counsel, to execute a Memorandum of Understanding (MOU) with Orange County Health Care Agency (OC HCA) for coordination of care, information sharing and other actions to support WCM activities; and
3. In connection with development of the Whole Child Model Family Advisory Committee:
 - a. Direct the CEO to adopt new Medi-Cal policy AA.1271: Whole Child Model Family Advisory Committee; and,
 - b. Appoint the following eleven individuals to the Whole-Child Model Family Advisory Committee (WCM FAC) for one or two-year terms as indicated or until a successor is appointed, beginning July 1, 2018:
 - i. Family Member Representatives:
 - a) Maura Byron for a two-year term ending June 30, 2020;
 - b) Melissa Hardaway for a one-year term ending June 30, 2019;
 - c) Grace Leroy-Loge for a two-year term ending June 30, 2020;
 - d) Pam Patterson for a one-year term ending June 30, 2019;
 - e) Kristin Rogers for a two-year term ending June 30, 2020; and
 - f) Malissa Watson for a one-year term ending June 30, 2019.
 - ii. ~~Community Representatives:~~
 - a) ~~Michael Arnot for a two year term ending June 30, 2020;~~
 - b) ~~Sandra Cortez Schultz for a one year term ending June 30, 2019;~~
 - c) ~~Gabriela Huerta for a two year term ending June 30, 2020; and~~
 - d) ~~Diane Key for a one year term ending June 30, 2019.~~

Rev.
6/7/2018

6/7/2018:
Continued
to future
Board
meeting.

Background

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown signed Senate Bill 586 into law, which authorizes DHCS to incorporate CCS services into Medi-Cal managed care plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the Whole-Child Model (WCM). WCM's goals include improving coordination and

integration of services to meet the needs of the whole child; retaining CCS program standards; supporting active family participation; and, maintaining member-provider relationships, where possible.

DHCS is implementing WCM on a phased basis; Orange County's implementation will be no sooner than January 1, 2019. Based on this schedule, CalOptima will assume financial responsibility for authorization and payment of CCS-eligible medical services including service authorization activities, claims (with some exceptions), case management, and quality oversight. DHCS will retain responsibility for program oversight, CCS provider paneling, and claims payment for CCS eligible Neonatal Intensive Care Unit (NICU) services. OC HCA will remain responsible for CCS eligibility determination for all children and for CCS services for non-Medi-Cal members (e.g., those who exceed the Medi-Cal income thresholds and undocumented children who transition out of MCP when they turn 18). OC HCA will also remain responsible for Medical Therapy Program (MTP) services and the Pediatric Palliative Care Waiver.

WCM will incorporate requirements from SB 586 and CCS into the Medi-Cal managed care plans. New requirements under WCM will include, but not be limited to:

- Using CCS paneled providers and facilities to treat children and youth for their CCS condition, including network adequacy certification;
- Offering continuity of care (e.g., durable medical equipment, CCS paneled providers) to transitioning members;
- Paying CCS or Medi-Cal rates, whichever is higher, unless provider has agreed to a different contractual arrangement;
- Offering CCS services including out-of-network, out-of-area, and out-of-state, including Maintenance & Transportation (travel, food and lodging) to access CCS services;
- Executing Memorandum of Understanding with OC HCA to support coordination of services;
- Permitting selection of a CCS paneled specialist to serve as a CCS member's Primary Care Provider (PCP);
- Establishing Pediatric Health Risk Assessment (P-HRA), associated risk stratification, and individual care planning process;
- Establishing WCM clinical and member/family advisory committees; and,
- Reporting in accordance with WCM specific requirements.

For the requirements, CalOptima will rely on SB 586 and DHCS guidance provided through All Plan Letters (APL) and current and future CCS requirements published in the CCS Numbered Letters. Additional information will be provided in DHCS contact amendments, readiness requirements, and other regulatory releases.

On November 2, 2017, the CalOptima Board of Directors authorized establishment of the WCM FAC. The WCM FAC is comprised of eleven (11) voting seats.

1. Seven (7) to nine (9) seats shall be seats for family representatives, with a priority to family representatives (i.e., if qualifying family candidates are available, all nine (9) seats will be filled by family members). Family representatives will be in the following categories:
 - a. Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - b. CalOptima members age 18 - 21 who are current recipients of CCS services; or

- c. Current CalOptima members age of 21 and over who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS including
 - a. Community-based organizations; or
 - b. Consumer advocates.

While two (2) of the WCM-FAC’s eleven (11) seats are designated for community-based organizations or consumer advocates, WCM-FAC candidates representing these two groups may be considered for up to two additional WCM-FAC seats in the event that there are not sufficient family representative candidates to fill the family seats.

Except for the initial appointments, WCM FAC members will serve two-year terms, with no limits on the number of terms a representative may serve, provided they meet applicable criteria. The initial appointment will be divided between one- and two-year terms to stagger reappointments. In the first year, five (5) committee member seats will be appointed for a one-year term and six (6) committee members seats will be appointed for two-year terms.

Discussion

Throughout the years, CalOptima staff has monitored regulatory and industry discussions on the possible transition of CCS services to the managed care plans, including participation in DHCS CCS stakeholder meetings. In 2013, the Health Plan of San Mateo, in partnership with the San Mateo County Health System, became the first CCS demonstration project under California’s 1115 “Bridge to Reform” Waiver. In 2014, DHCS formally launched its stakeholder process for *CCS Redesign*, which later became known as the *Whole Child Model*.

CalOptima began meeting with OC HCA in early 2016 to learn about CCS and, more broadly, to share information about CalOptima programs supporting our mutual members. CalOptima conducted its first broad-based stakeholder meeting in March 2016 and launched its WCM stakeholder webpage in 2016. Since that time, CalOptima has shared WCM information and vetted its WCM implementation strategy with stakeholders at events and meetings hosted by CalOptima and others. In January 2018, CalOptima hosted a WCM event for local stakeholders that included presentations by DHCS and CalOptima leadership. Six (6) family-focused stakeholder meetings were held throughout the county in February 2018. CalOptima health networks and providers have also been engaged through Provider Advisory Committee meetings, Provider Associations, Health Network Joint Operations Meetings, and Health Network Forum Meetings. CalOptima has scheduled WCM-specific meetings with health networks to support the implementation and provide a venue for them to raise questions and concerns.

Implementation Plan Elements

Delivery Model

As CCS has been carved-out of CalOptima’s Medi-Cal managed care plan contract with DHCS, it has similarly been carved-out of CalOptima’s health network contracts. CalOptima considered several options for WCM service delivery including: 1) requiring all CCS participants to be enrolled in CalOptima’s direct network (rather than a delegated health network); 2) retaining the current health network carve-out for CCS services, while allowing members to remain enrolled in a delegated health network; or, 3) carving CCS services into the health network division of financial responsibility (DOFR) consistent with their current contract model.

Requiring enrollment in CalOptima Direct could potentially break relationships with existing health network contracted providers and disrupt services for non-CCS conditions. Carving CCS services out of health network responsibility, while allowing members to remain assigned to a health network, would continue the siloed service delivery CCS children currently receive and, therefore, not maximize achievement of the "whole-child" goal. Carving the CCS services into the health networks according to the current health network contract models is most consistent with the WCM goals and existing delivery model structure. For purposes of this action, the CalOptima Community Network (CCN) would be considered a health network.

Health Network Financial Model

CalOptima has worked closely with the DHCS to ensure adequate Medi-Cal revenue to support the WCM and actuarially sound provider and health network rates. For the WCM, DHCS will establish capitation that will include CCS and non-CCS services. However, only limited historical CCS claims payment detail is available. In order to mitigate health network financial risk due to potentially costly outliers, CalOptima staff is considering, with the exception of Kaiser, to:

- Expand current policy that transitions clinical management and financial risk of CalOptima medical members diagnosed with hemophilia, in treatment for end stage renal disease (ESRD), or receiving an organ transplant from the health network to CCN to include Medi-Cal members under 21;
- Establish an estimated capitation rate, similar to the DHCS methodology, that includes CCS and non-CCS services and develop a medical loss ratio (MLR) risk corridor; and
- Modify existing or establish new policies related to payment of services for members enrolled in a shared risk group, reinsurance, health-based risk adjusted capitation payment, shared risk pool, and special payments for high-cost exclusions and out-of-state CCS services.

The estimated capitation rate for the health networks, excluding Kaiser, will be established based on known methodologies and data provided by DHCS. Capitation will include services based on the current health network structure and division of responsibility. Also built into the rates will be the requirement that at a minimum, the Medi-Cal or CCS fee-for-service rate, whichever is higher, will be utilized, unless an alternate payment methodology or rate is mutually agreed to by the CCS provider and the health network. CalOptima staff will review the capitation rate structure with the health networks once final rates are received from DHCS and analyzed by CalOptima staff. In the interim, CalOptima staff will develop, with input from the health networks, the upper and lower limits of the MLR risk corridor and reconciliation process. Current policy regarding high-cost medical exclusions will also be discussed. Separate discussions will occur with Kaiser, as its capitation rate structure is different than the other health networks. CalOptima staff will return to the Board with future recommendations, as required.

Clinical Operations

CalOptima will be responsible for providing CCS-specific case management, care coordination, provider referral, and service authorization to children with a CCS condition. CalOptima will conduct risk stratification, health risk assessment and care planning. For transitioning members, CalOptima will also be responsible for ensuring continuity of services, for example, CCS professional services, durable medical equipment and pharmacy.

While many services currently provided to children enrolled in CCS are covered by CalOptima for non-CCS conditions, the transition to WCM will incorporate new responsibilities to CalOptima including authorizing High-Risk Infant Follow-Up (HRIF), and NICU, and new benefits such as Cochlear implants Maintenance and Transportation services when applicable, to the child and/or family. Maintenance and Transportation services include meals, lodging, transportation, and other necessary costs (i.e. parking, tolls, etc.).

CalOptima will also be responsible for facilitating the transition of care between the County and CalOptima case management and following State requirements issued to the County, in the form of Numbered Letters, in regard to CCS administration and implementation. An example of this would be implementing the County's process for transitioning out of the program children currently enrolled in CCS but who will not be eligible once they turn twenty-one (21).

CalOptima may modify existing or establish new policies to implement WCM. These may include policies related to, for example, CCS comprehensive case management, risk stratification, health risk assessment, continuity of care, authorization for durable medical equipment (including wheelchairs) and pharmacy. CalOptima staff will return to the Board with future recommendations as required.

Provider Impact and Network Adequacy

The State requires plans, and their delegates, to have an adequate network of CCS-paneled and approved providers to serve to children enrolled in CCS. During the timeframe given for readiness and as an ongoing process, CalOptima will attempt to contract with as many CCS providers on the State-provided list and located in Orange County as possible. CalOptima is attempting to contract with all CCS providers in Orange County and specialized providers outside Orange County currently providing services to CalOptima members. Historically, CalOptima has paid, and expects to continue to pay, contracted CCS specialists an augmented rate to support participation and coordination of CalOptima and CCS services. This process is based on previous Board Action and reflected in Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct or a Member Enrolled in a Shared Risk Group.

CalOptima may modify existing or establish new policies to implement WCM. These may include policies related to, for example, access and availability standards, credentialing, primary care provider assignment, CalOptima staff will return to the Board with future recommendations as required.

Memorandum of Understanding (MOU)

Leveraging the DHCS WCM MOU template, CalOptima and OC HCA staff have worked in partnership to develop a new WCM MOU to reflect shared needs and to serve as the primary vehicle for ensuring collaboration between CalOptima and OC HCA in serving our joint CCS members. The MOU identifies each party's responsibilities and obligations based on their respective scope of responsibilities as they relate to CCS eligibility and enrollment, case management, continuity of care, advisory committees, data sharing, dispute management, NICU and quality assurance.

Whole Child Model Family Advisory Committee (WCM FAC)

In connection with the November 2, 2017 Board Action described above, CalOptima staff developed new Medi-Cal policy AA.1271: Whole Child Model Family Advisory Committee to establish policies and procedures related to development and on-going operations of the WCM FAC, Staff recommends Board approval of AA.1271: Whole Child Model Family Advisory Committee.

To identify nominees for the WCM FAC for Board consideration, CalOptima conducted recruitment to ensure that there would be a diverse applicant pool from which to choose candidates. The recruitment included several notification methods, sending outreach flyers to community-based organizations (CBOs) and OC HCA CCS staff for distribution to CCS members and their families, targeting outreach at six (6) CalOptima hosted WCM family events and at community meetings, and posting information on the WCM Stakeholder Information and WCM Family Advisory Committee pages on CalOptima's website. A total of sixteen (16) applications (eight (8) in each category) were received from fifteen (15) individuals (one (1) individual applied for a seat in both categories).

As the WCM FAC is in development, CalOptima requested members of CalOptima's Member Advisory Committee (MAC) to serve as the Nomination Ad Hoc Subcommittee (Subcommittee). Prior to the MAC Nominations Ad Hoc meeting on April 19, 2018, Subcommittee members evaluated each application. The Subcommittee, including Connie Gonzalez, Jaime Munoz and Christine Tolbert, selected a candidate for each of the seats. All eligible applicants for a Family Representative seat were recommended. (One (1) of the eight (8) applicants was not eligible as she did not have family or personal experience in CCS.) At the May 10, 2018 meeting, the MAC considered and accepted the recommended slate of candidates, as proposed by the Subcommittee.

Candidates for the open positions are as follows:

Family Representatives

1. Maura Byron for a two-year term ending June 30, 2020;
2. Melissa Hardaway for a one-year term ending June 30, 2019;
3. Grace Leroy-Loge for a two-year term ending June 30, 2020;
4. Pam Patterson for a one-year term ending June 30, 2019;
5. Kristin Rogers for a two-year term ending June 30, 2020; and
6. Malissa Watson for a one-year term ending June 30, 2019.

Maureen Byron is the mother of a young adult who is a current CCS client. Ms. Byron became involved in the CCS Parent Advisory Committee resulting in her being hired by Family Support Network (FSN). At FSN, she is a parent mentor assisting families of children with complex health care needs to maneuver in the system and secure services. In addition, she responds to families' questions and provides peer and emotional support.

Melissa Hardaway is the mother of a special needs child who receives CCS services. Ms. Hardaway is familiar with the health care industry as a health care professional and a broker. She believes her understanding of managed care and her advocacy experience for her child will benefit her to assist families of children in CCS.

Grace Leroy-Loge is the mother of an adolescent receiving CCS services. Ms. Leroy-Loge works as the Family Support Liaison at CHOC Children's Hospital NICU where she assists families of children with medically complex needs to advocate for their children. She has served in the community on several committees, such as the parent council of CCS, Make-a-Wish Medical Advisory Committee and Orange County Children's Collaborative.

Pam Patterson is the mother of a special needs adolescent receiving CCS. Ms. Patterson is a special needs attorney and a constitutional law attorney. She has many years of experience advocating for her child with CCS and the Regional Center of Orange County. Ms. Patterson is also very active in the community.

Kristin Rogers is the mother of a young teenager who receives CCS services. Ms. Rogers explained that because she encountered difficulties obtaining the correct health care coverage for her child, she wants to educate others with similar situations on how to obtain appropriate coverage. Ms. Rogers is an active volunteer at CHOC.

Malissa Watson is the mother of a child that receives CCS services. Ms. Watson's desire is to help families navigate CCS and CalOptima. Ms. Watson is active in the community, serving on the CHOC Hospital Parent Advisory Committee and mentoring other parents.

CBO/Advocate Representatives

1. ~~Michael Arnot for a two year term ending June 30, 2020;~~
2. ~~Sandra Cortez Schultz for a one year term ending June 30, 2019;~~
3. ~~Gabriela Huerta for a two year term ending June 30, 2020; and~~
4. ~~Diane Key for a one year term ending June 30, 2019.~~

~~Michael Arnot is the Executive Director for Children's Cause Orange County, an organization that provides evidence based therapeutic intervention for children with traumatic stress, such as trauma from medical procedures from co-occurring health conditions covered under CCS. Mr. Arnot has extensive experience working with children in varying capacities.~~

~~Sandra Cortez Schultz is the Customer Service Manager at CHOC Children's Hospital. Ms. Cortez Schultz is responsible for ensuring that the families of medically complex children receive the appropriate care and treatment they require. She is also the Chair of CHOC's Family Advisory Council. Ms. Cortez Schultz has over 25 years of experience working directly and indirectly at varying levels with the CCS program.~~

~~Gabriela Huerta is a Lead Case Manager, California Children's Services/Regional Center for Molina Healthcare, Inc. Ms. Huerta is responsible for health care management and coordination of services for CCS members, including assessments, intervention, planning and development of member centric plans and coordination of care. She has expertise in CCS as a carve out benefit as well as a managed care benefit.~~

~~Diane Key is the Director of Women's and Children's Services for UCI Medical Center. Ms. Key has over 30 years of experience working in women and children's services in clinical nursing and leadership oversight positions. She has knowledge of CCS standards, eligibility criteria and facility requirements. In addition, she understands the physical, psycho-social and developmental needs of CCS children.~~

Staff recommends Board approval of the proposed nominees for the WCM FAC.

6/7/2018:
Continued
to future
Board
meeting.

Fiscal Impact

The recommended action to approve the implementation plan for the WCM program carries significant financial risks. Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual program costs for WCM at \$274 million. Management has included projected revenues and expenses associated with the WCM program in the proposed CalOptima FY 2018-19 Operating Budget pending Board approval. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict and likely to be volatile. CalOptima will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Rationale for Recommendation

The recommended actions will enable CalOptima to operationally prepare for the anticipated January 1, 2019, transition of California Children's Services to Whole-Child Model.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. PowerPoint Presentation: Whole-Child Model Implementation Plan
2. Board Action dated November 2, 2017, Consider Adopting Resolution Establishing a Family Advisory Committee for the Whole-Child Model Medi-Cal Program
3. Policy AA.1271: Whole Child Model Family Advisory Committee (redline and clean copies)

/s/ Michael Schrader
Authorized Signature

5/30/2018
Date



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Whole-Child Model (WCM) Implementation Plan

**Board of Directors Meeting
June 7, 2018**

**Candice Gomez, Executive Director
Program Implementation**



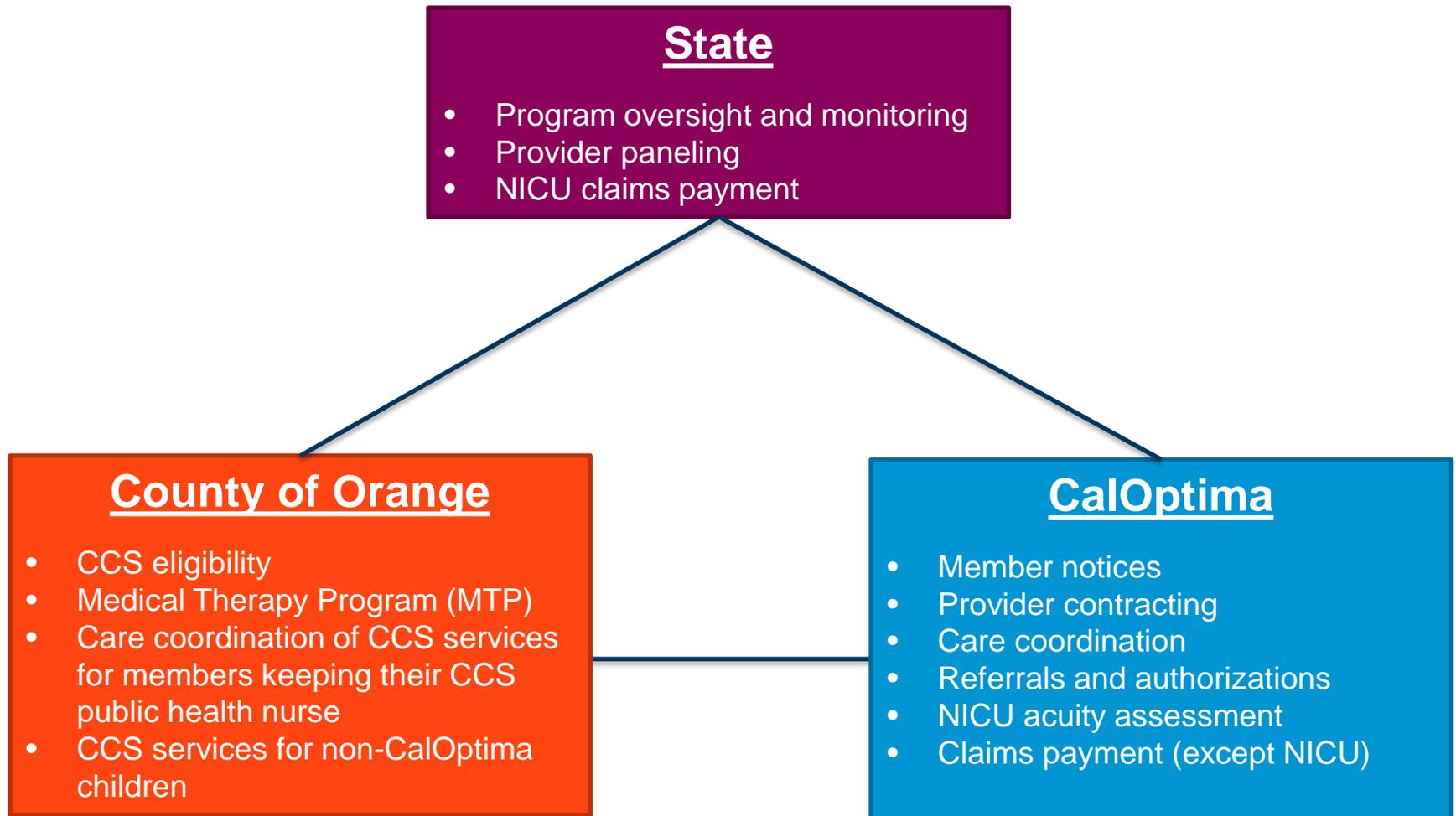
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Background

Whole-Child Model (WCM) Overview

- California Children's Services (CCS) is a statewide program providing medical care and case management for children under 21 with certain medical conditions
 - Locally administered by Orange County Health Care Agency
- The Department of Health Care Services (DHCS) is implementing WCM to integrate the CCS services into select Medi-Cal plans
 - CalOptima will implement WCM effective January 1, 2019

Division of WCM Responsibilities



WCM Transition Goals

- Improve coordination and integration of services to meet the needs of the whole child
- Retain CCS program standards
- Support active family participation
- Establish specialized programs to manage and coordinate care
- Ensure care is provided in the most appropriate, least restrictive setting
- Maintain existing patient-provider relationships when possible

CCS Demographics

- About 13,000 Orange County children are receiving CCS services
 - 90 percent are CalOptima members

Languages

- Spanish = 48 percent
- English = 44 percent
- Vietnamese = 4 percent
- Other/unknown = 4 percent

City of Residence (Top 5)

- Santa Ana = 23 percent
- Anaheim = 18 percent
- Garden Grove = 8 percent
- Orange = 6 percent
- Fullerton = 4 percent

WCM Requirements

- Required use of CCS paneled providers and facilities, including network adequacy certification
- Memorandum of Understanding with OC HCA to support coordination of services
- Maintenance & Transportation (travel, food and lodging) to access CCS services
- WCM specific reporting requirements
- Permit selection of a CCS paneled specialist to serve as a CCS member's Primary Care Provider (PCP)
- Establish WCM clinical and member/family advisory committees

2018 Stakeholder Engagement to Date

- January 25– General stakeholder event (93 attendees)
- February 26 -28 – Six family events (87 attendees)
- Provider focused presentations and meetings:
 - Hospital Association of Southern California
 - Safety Net Summit - Coalition of Orange County Community Health Centers
 - Pediatrician focused events hosted by Orange County Medical Association Pediatric Committee and Health Care Partners
 - Health Network convenings including Health Network Forum, Joint Operations Meetings and on-going workgroups
- Speakers Bureau and community meetings



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Implementation Plan Elements

Proposed Delivery Model

- Leverage existing delivery model using health networks, subject to Board approval
 - Reflects the spirit of the law to bring together CCS services and non-CCS services into a single delivery system
- Using existing model creates several advantages
 - Maintains relationships between CCS-eligible children, their chosen health network and primary care provider
 - Improves clinical outcomes and health care experience for members and their families
 - Decreases inappropriate medical and administrative costs
 - Reduces administrative burden for providers

Financial Approach

- DHCS will establish a single capitation rate that includes CCS and non-CCS services
- Limited historical CCS claims payment detail available
- CalOptima Direct and CalOptima Community Network
 - Follow current fee-for-service methodology and policy
 - CCS paneled physicians are reimbursed at 140% Medi-Cal
- Health Network
 - Keep health network risk and payment structure similar to current methodologies in place
 - Develop risk corridors to mitigate risk

Clinical Operations

- Providing CCS-specific case management, care coordination, provider referral and authorizations
- Supporting new services such as High-Risk Infant Follow-Up authorization, Maintenance and Transportation (lodging, meals and other travel related services)
- Facilitating transitions of care
 - Risk stratification, health risk assessment and care planning for children and youth transitioning to WCM
 - Between CalOptima, OC HCA and other counties
 - Age-out planning for members who will become ineligible for CCS when they turn 21 years of age

Provider Impact and Network Adequacy

- CalOptima and delegated networks must have adequate network of CCS paneled and approved providers
 - CCS panel status will be part of credentialing process
 - CCS members will be able to select their CCS specialists as primary care provider
 - CalOptima is in process of contracting with CCS providers in Orange County and specialized providers outside of county providing services to existing members
 - Documentation of network adequacy will be submitted to DHCS by September 28, 2018

Memorandum of Understanding (MOU)

- DHCS requires CalOptima and Orange County Health Care Agency to develop WCM MOU to support collaboration and information sharing
 - Leverage DHCS template
 - Outlines responsibilities related:
 - CCS eligibility and enrollment
 - Case management
 - Continuity of care
 - Advisory committees
 - Data sharing
 - Dispute management
 - NICU
 - Quality assurance

WCM Family Advisory Committee

- CalOptima must establish a WCM Family Advisory Committee per Welfare & Institutions Code § 14094.17
- November 2, 2017 Board authorized development of committee
 - Eleven voting seats
 - Seven to nine family representative seats
 - Two to four community-based organizations or consumer advocates
 - Priority to family representatives
 - Two-year terms, with no term limits
 - Staggered terms
 - In first year, five seats for one-year term and six seats for two-year term
 - Approval requested for AA.1271: Whole Child Model Family Advisory Committee

WCM Family Advisory Committee (cont.)

- Sixteen applications (eight in each category)
- April 19, 2018 Member Advisory Committee (MAC) Nominations ad hoc committee selected candidates
 - All eligible applicants in family category were selected
 - One applicant was ineligible as she has no prior CCS experience
 - Four applicants in community category were selected
- May 10, 2018 MAC considered and accepted MAC Ad Hoc's recommended nominations for Board consideration

Recommended Nominees

Family Seats	Community Seats
Maura Byron	Michael Arnot Executive Director Children's Cause Orange County
Melissa Hardaway	
Grace Leroy-Loge	Sandra Cortez – Schultz Customer Service Manager CHOC Children's Hospital
Pam Patterson	
Kristin Rogers	Gabriela Huerta Lead Case Manager, California Children's Services/Regional Center Molina Healthcare, Inc.
Malissa Watson	
	Diane Key Director of Women's and Children's Services UCI Medical Center

Next Steps

- Review WCM capitation and risk corridor approach with Health Networks
- Planned stakeholder engagement
 - Community-based organization focus groups in June
 - General event in July
 - Family events in Fall
- Future Board actions
 - Update policies and procedures
 - Health network contracts

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken November 2, 2017 Regular Meeting of the CalOptima Board of Directors

Report Item

18. Consider Adopting Resolution Establishing a Family Advisory Committee for the Whole-Child Model Medi-Cal Program

Contact

Sesha Mudunuri, Executive Director, Operations, (714) 246-8400

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

Recommended Actions

1. Adopt Resolution No. 17-1102-01, establishing the CalOptima Whole-Child Model family advisory committee to provide advice and recommendations to the CalOptima Board of Directors on issues concerning California Children's Services (CCS) and the Whole-Child Model program; and
2. Subject to approval of the California Department of Health Care Services (DHCS), authorize a stipend of up to \$50 per committee meeting attended for each family representative appointed to the Whole-Child Model Family Advisory Committee (WCM-FAC).

Rev.
11/2/17

Background

On September 25, 2016, SB 586 (Hernandez): Children's Services was signed into law. SB 586 authorizes the establishment of the Whole-Child Model that incorporates CCS-covered services for Medi-Cal eligible children and youth into specified county-organized health plans, including CalOptima. A provision of the Whole-Child Model requires each participating health plan to establish a family advisory committee. Accordingly, DHCS is requiring the establishment of a Whole-Child Model family advisory committee to report and provide input and recommendations to CalOptima relative to the Whole-Child Model program. The proposed stipend, subject to DHCS approval, is intended to enable in-person participation by members and family member representatives. It is also anticipated that a representative from the family advisory committees of each Medi-Cal plan will be invited to serve on a statewide stakeholder advisory group.

Since CalOptima's inception, the CalOptima Board of Directors has benefited from stakeholder involvement in the form of standing advisory committees. Under the authority of County of Orange Codified Ordinances, Section 4-11-15, and Article VII of the CalOptima Bylaws, the CalOptima Board of Directors may create committees or advisory boards that may be necessary or beneficial to accomplishing CalOptima's tasks. The advisory committees function solely in an advisory capacity providing input and recommendations concerning the CalOptima programs. CalOptima Whole-Child Model program would also benefit from the advice of a standing family advisory committee.

Discussion

While specific to Whole-Child Model program, the charge of the WCM-FAC would be similar to that of the other CalOptima Board advisory committees, including:

- Provide advice and recommendations to the Board and staff on issues concerning CalOptima Whole-Child Model program as directed by the Board and as permitted under applicable law;

- Engage in study, research and analysis of issues assigned by the Board or generated by staff or the family advisory committee;
- Serve as liaison between interested parties and the Board and assist the Board and staff in obtaining public opinion on issues relating to CalOptima Whole-Child Model program; and
- Initiate recommendations on issues for study to the CalOptima Board for its approval and consideration, and facilitate community outreach for CalOptima Whole-Child Model program and the Board.

While SB 586 requires plans to establish family advisory committees, committee composition is not explicitly defined. Based on current advisory committee experience, staff recommends including eleven (11) voting members on CalOptima's WCM-FAC, representing CCS family members who reflect the diversity of the CCS families served by the plan, as well as consumer advocates representing CCS families. If necessary, CalOptima will provide an in-person interpreter at the meetings. For the first nomination process to fill the seats, it is proposed that CalOptima's current Member Advisory Committee will be asked to participate in the Family Advisory Committee nominating ad hoc committee. The proposed candidates will then be submitted to the Board for consideration. It is anticipated that subsequent nominations for seats will be reviewed by a WCM-FAC nominating ad hoc committee and will be submitted first to the WCM-FAC, then to the full Board for consideration of the WCM-FAC's recommendations.

CalOptima staff recommends that the WCM-FAC be comprised of eleven (11) voting seats:

1. Seven (7) to ~~N~~nine (9) of the seats shall be family representatives in one of the following categories, with a priority to family representatives (i.e., if qualifying family representative candidates are available, all nine (9) seats will be filled by family representatives):
 - i. Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - ii. CalOptima members age 18 -21 who are current recipients of CCS services; or
 - iii. Current CalOptima members over the age of 21 who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS services, including:
 - i. Community-based organizations; or
 - ii. Consumer advocates.

While two (2) of the WCM-FAC's eleven seats are designated for community-based organizations or consumer advocates, WCM-FAC candidates representing these two groups may be considered for up to two additional WCM-FAC seats in the event that there are not sufficient family representative candidates to fill these seats.

Except for initial appointments, CalOptima WCM-FAC members will serve two (2) year terms, with no limits on the number of terms a representative may serve provided they continue to meet the above-referenced eligibility criteria. The initial appointments of WCM-FAC members will be divided between one and two-year terms to stagger reappointments. In the first year, five (5) committee member seats will be appointed for a one-year term and six (6) committee member seats will be appointed for a two-year term.

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11/2/2017

The WCM-FAC Chair and Vice Chair for the first year will be nominated at the second WCM-FAC meeting by committee members. The WCM-FAC's recommendations for these positions will subsequently be submitted to the Board for consideration. After the first year, the Chair and Vice Chair of the WCM-FAC will be appointed by the Board annually from the appointed voting members and may serve two consecutive one-year terms in a particular committee officer position.

The WCM-FAC will develop, review annually and recommend to the Board any revisions to the committee's Mission or Goals and Objectives. The Goals and Objectives will be consistent with those of the CalOptima Whole-Child Model.

The WCM-FAC will meet at least quarterly and will determine the appropriate meeting frequency to provide timely, meaningful input to the Board. At its second meeting, the WCM-FAC will adopt a meeting schedule for the remainder of the fiscal year. Thereafter, a yearly meeting schedule will be adopted prior to the first regularly scheduled meeting of each year. All meetings must be conducted in accordance with CalOptima's Bylaws. Attendance of a simple majority of WCM-FAC seats will constitute a quorum. A quorum must be present for any action to be taken. Members are allowed excused absences from meetings. Notification of absence must be received by CalOptima staff prior to scheduled WCM-FAC meetings.

The CalOptima Chief Executive Officer (CEO) will prepare, or cause to be prepared, an agenda for all WCM-FAC meetings prior to posting. Posting procedures must be consistent with the requirements of the Ralph M. Brown Act (California Government Code section 54950 *et seq.*). In addition, minutes of each WCM-FAC meeting will be taken, which will be filed with the Board. The Chair will report verbally or in writing to the Board at least twice annually. The Chair will also report to the Board, as requested, on issues specified by the Board. CalOptima management will provide staff support to the WCM-FAC to assist and facilitate the operations of the committee.

In order to enable in-person participation, SB 586 provides plans the option to pay a reasonable per diem payment to family representatives serving on the Family Advisory Committee. Similar to another Medi-Cal Managed Care Plan with an already established family-based advisory committee, and subject to DHCS approval, CalOptima staff recommends that the Board authorize a stipend of up to \$50 per meeting for family representatives participating on the WCM-FAC. Only one stipend will be provided per qualifying WCM-FAC member per regularly scheduled meeting. In addition, stipend payments are restricted to family representatives only. Representatives of community-based organizations and consumer advocates are not eligible for stipends. As indicated, payment of the stipends is contingent upon approval by DHCS.

As it is the policy of CalOptima's Board to encourage maximum member and provider involvement in the CalOptima program, it is anticipated that the CalOptima Whole-Child Model will benefit from the establishment of a Family Advisory Committee. This WCM-FAC will report to the Board and will serve solely in an advisory capacity to the Board and CalOptima staff with respect to CalOptima Whole-Child Model. Establishing the WCM-FAC is intended to help to ensure that members' values and needs are integrated into the design, implementation, operation and evaluation of the CalOptima Whole-Child Model.

Fiscal Impact

The fiscal impact of the recommended action to establish the CalOptima WCM-FAC is an unbudgeted item. The projected total cost, including stipends, for meetings from April through June 2018, is \$3,575. Unspent budgeted funds approved in the CalOptima Fiscal Year (FY) 2017-18 Operating Budget on June 1, 2017, will fund the cost through June 30, 2018. The estimated annual cost is \$13,665. At this time, it is unknown whether additional staff will be necessary to support the advisory committee's work. Management plans to include expenses related to the WCM-FAC in future operating budgets.

Rationale for Recommendation

SB 586 requires that, for implementation of the Whole-Child Model program, a family advisory committee must be established. As proposed, the WCM-FAC will advise CalOptima's Board and staff on operations of the CalOptima Whole-Child Model.

Concurrence

Gary Crockett, Chief Counsel

Attachment

Resolution No. 17-1102-01

Rev.
11/2/17

/s/ Michael Schrader
Authorized Signature

10/23/2017
Date

RESOLUTION NUMBER 17-1102-01

RESOLUTION OF THE BOARD OF DIRECTORS ORANGE COUNTY HEALTH AUTHORITY, DBA CALOPTIMA ESTABLISHING POLICY AND PROCEDURES FOR CALOPTIMA WHOLE-CHILD MODEL MEMBER ADVISORY COMMITTEE

WHEREAS, the CalOptima Board of Directors (hereinafter “the Board”) would benefit from the advice of broad-based standing advisory committee specifically focusing on the CalOptima Whole-Child Model Plan hereafter “CalOptima Whole-Child Model Family Advisory Committee”; and

WHEREAS, the State of California, Department of Health Care Services (DHCS) has established requirements for implementation of the CalOptima Whole-Child Model program, including a requirement for the establishment of an advisory committee focusing on the Whole-Child Model; and

WHEREAS, the CalOptima Whole-Child Model Family Advisory Committee will serve solely in an advisory capacity to the Board and staff, and will be convened no later than the effective date of the CalOptima Whole-Child Model;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Committee Established. The CalOptima Whole-Child Model Family Advisory Committee (hereinafter “WCM-FAC”) is hereby established to:

- Report directly to the Board;
- Provide advice and recommendations to the Board and staff on issues concerning the CalOptima Whole-Child Model program as directed by the Board and as permitted under the law;
- Engage in study, research and analysis of issues assigned by the Board or generated by the WCM-FAC;
- Serve as liaison between interested parties and the Board and assist the Board and staff in obtaining public opinion on issues relating to CalOptima Whole-Child Model or California Children Services (CCS);
- Initiates recommendations on issues for study to the Board for approval and consideration; and
- Facilitates community outreach for CalOptima and the Board.

Section 2. Committee Membership. The WCM-FAC shall be comprised of Eleven (11) voting members, representing or representing the interests of CCS families. In making appointments and re-appointments, the Board shall consider the ethnic and cultural diversity and special needs of the CalOptima Whole-Child Model population. Nomination and input from interested groups and community-based organizations will be given due consideration. Except as noted below, members are appointed for a term of two (2) full years, with no limits on the number of terms. All voting member appointments (and reappointments) will be made by the Board. During the first year, five (5) WCM-FAC members will serve a one -year term

and six (6) will serve a two-year term, resulting in staggered appointments being selected in subsequent years.

The WCM-FAC shall be composed of eleven (11) voting seats:

1. Seven (7) to nine (9) of the seats shall be family representatives in the following categories:
 - Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - CalOptima members age 18-21 who are current recipients of CCS services; or
 - Current CalOptima members over the age of 21 who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children with CCS, including:
 - Community-based organizations (CBOs); or
 - Consumer advocates.

Rev.
11/2/2017

If nine or more qualified candidates initially apply for family representative seats, nine of the eleven committee seats will be filled with family representatives. Initially, and on an on-going basis, only in circumstances when there are insufficient applicants to fill all of the designated family representative seats with qualifying family representatives, up to two of the nine seats designated for family members may be filled with representatives of CBOs or consumer advocates.

It is anticipated that a representative from the CalOptima WCM-FAC may be invited to serve on a statewide stakeholder advisory group.

Section 3. Chair and Vice Chair. The Chair and Vice Chair for the WCM-FAC will be appointed by the Board annually from the appointed members. The Chair, or in the Chair's absence, the Vice Chair, shall preside over WCM-FAC meetings. The Chair and Vice Chair may each serve up to two consecutive terms in a particular WCM-FAC officer position, or until their successor is appointed by the Board.

Section 4. Committee Mission, Goals and Objectives. The WCM-FAC will develop, review annually, and make recommendations to the Board on any revisions to the committee's Mission or Goals and Objectives.

Section 5. Meetings. The WCM-FAC will meet at least quarterly. A yearly meeting schedule will be adopted at the second regularly scheduled meeting for the remainder of the fiscal year. Thereafter, a yearly meeting schedule will be adopted prior to the first regularly scheduled meeting of each year. All meetings must be conducted in accordance with CalOptima's Bylaws.

Attendance by the occupants of a simple majority of WCM-FAC seats shall constitute a quorum. A quorum must be present in order for any action to be taken by the WCM-FAC. Committee members are allowed excused absences from meetings. Notification of absence must be received by CalOptima staff prior to the scheduled WCM-FAC meeting.

The CalOptima Chief Executive Officer (CEO) shall prepare, or cause to be prepared, and post, or cause to be posted, an agenda for all WCM-FAC meetings. Agenda contents and posting procedures must be consistent with the requirements of the Ralph M. Brown Act (Government Code section 54950 *et seq.*).

WCM-FAC minutes will be taken at each meeting and filed with the Board.

Section 6. Reporting. The Chair is required to report verbally or in writing to the Board at least twice annually. The Chair will also report to the Board, as requested, on issues specified by the Board.

Section 7. Staffing. CalOptima will provide staff support to the WCM-FAC to assist and facilitate the operations of the committee.

Section 8. Ad Hoc Committees. Ad hoc committees may be established by the WCM-FAC Chair from time to time to formulate recommendations to the full WCM-FAC on specific issues. The scope and purpose of each such ad hoc will be defined by the Chair and disclosed at WCM-FAC meetings. Each ad hoc committee will terminate when the specific task for which it was created is complete. An ad hoc committee must include fewer than a majority of the voting committee members.

Section 9. Stipend. Subject to DHCS approval, family representatives participating on the WCM-FAC are eligible to receive a stipend for their attendance at regularly scheduled and ad hoc WCM-FAC meetings. Only one stipend is available per qualifying WCM-FAC member per regularly scheduled meeting. WCM-FAC members representing community-based organizations and consumer advocates are not eligible for WCM-FAC stipends.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 2nd day of November, 2017.

AYES:

NOES:

ABSENT:

ABSTAIN:

/s/ _____

Title: Chair, Board of Directors

Printed Name and Title: Paul Yost M.D., Chair, CalOptima Board of Directors

Attest:

/s/ _____

Suzanne Turf, Clerk of the Board



Policy #: AA.1271PP
Title: **Whole Child Model Family Advisory Committee**
Department: General Administration
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 06/07/18
Last Review Date: Not Applicable
Last Revised Date: Not Applicable

1 **I. PURPOSE**

2
3 This policy describes the composition and role of the Family Advisory Committee for Whole Child
4 Model (WCM) and establishes a process for recruiting, evaluating, and selecting prospective candidates
5 to the Whole Child Model Family Advisory Committee (WCM FAC).
6

7 **II. POLICY**

- 8
9 A. As directed by CalOptima’s Board of Directors (Board), the WCM FAC shall report to the
10 CalOptima Board and shall provide advice and recommendations to the CalOptima Board and
11 CalOptima staff in regards to California Children’s Services (CCS) provided by CalOptima Medi-
12 Cal's implementation of the WCM.
13
14 B. CalOptima’s Board encourages Member and community involvement in CalOptima programs.
15
16 C. WCM FAC members shall recuse themselves from voting or from decisions where a conflict of
17 interest may exist and shall abide by CalOptima’s conflict of interest code and, in accordance with
18 CalOptima Policy AA.1204: Gifts, Honoraria, and Travel Payments.
19
20 D. CalOptima shall provide timely reporting of information pertaining to the WCM FAC as requested
21 by the Department of Health Care Services (DHCS).
22
23 E. The composition of the WCM FAC shall reflect the cultural diversity and special needs of the health
24 care consumers within the Whole-Child Model population. WCM FAC members shall have direct
25 or indirect contact with CalOptima Members.
26
27 F. In accordance with CalOptima Board Resolution No. 17-1102-01, the WCM FAC shall be
28 comprised of eleven (11) voting members representing CCS family members, as well as consumer
29 advocates representing CCS families. Except as noted below, each voting member shall serve a two
30 (2) year term with no limits on the number of terms a representative may serve. The initial
31 appointments of WCM FAC members will be divided between one (1) and two (2)-year terms to
32 stagger reappointments. In the first year, five (5) committee member seats shall be appointed for a
33 one (1)-year term and six (6) committee member seats shall be appointed for a two (2)-year term.
34 The WCM FAC members serving a one (1) year term in the first year shall, if reappointed, serve
35 two (2) year terms thereafter.
36
37

- 1 1. Seven (7) to nine (9) of the seats shall be family representatives in one (1) of the following
2 categories, with a priority to family representatives (i.e., if qualifying family representative
3 candidates are available, all nine (9) seats will be filled by family representatives):
4
 - 5 a. Authorized representatives, including parents, foster parents, and caregivers, of a
6 CalOptima Member who is a current recipient of CCS services;
7
 - 8 b. CalOptima Members eighteen (18)-twenty-one (21) years of age who are current recipients
9 of CCS services; or
 - 10 c. Current CalOptima members over the age of twenty-one (21) who transitioned from CCS
11 services.
- 12 2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS services,
13 including:
 - 14 a. Community-based organizations; or
 - 15 b. Consumer advocates.
- 16 3. While two (2) of the WCM FAC's eleven (11) seats are designated for community-based
17 organizations or consumer advocates, an additional two (2) WCM FAC candidates representing
18 these groups may be considered for these seats in the event that there are not sufficient family
19 representative candidates to fill the family member seats.
- 20 4. Interpretive services shall be provided at committee meetings upon request from a WCM FAC
21 member or family member representative.
- 22 5. A family representative, in accordance with Section II.G.1 of this Policy, may be invited to
23 serve on a statewide stakeholder advisory group.

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32 G. Stipends

- 33 1. Subject to approval by the CalOptima Board, CalOptima may provide a reasonable per diem
34 payment to a member or family representative serving on the WCM FAC. CalOptima shall
35 maintain a log of each payment provided to the member or family representative, including type
36 and value, and shall provide such log to DHCS upon request.
37
 - 38 a. Representatives of community-based organizations and consumer advocates are not eligible
39 for stipends.
40

41
42 H. The WCM FAC shall conduct a nomination process to recruit potential candidates for expiring
43 seats, in accordance with this Policy.

44
45 I. WCM FAC Vacancies

- 46 1. If a seat is vacated within two (2) months from the start of the nomination process, the vacated
47 seat shall be filled during the annual recruitment and nomination process.
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- 2. If a seat is vacated after the annual nomination process is complete, the WCM FAC nomination ad hoc subcommittee shall review the applicants from the recent recruitment to see if there is a viable candidate.
 - a. If there is no viable candidate among the applicants, CalOptima shall conduct recruitment, per section III.B.2.
 - 3. A new WCM FAC member appointed to fill a mid-term vacancy, shall serve the remainder of the resigning member’s term, which may be less than a full two (2) year term.
- J. On an annual basis, WCM FAC shall select a chair and vice chair from its membership to coincide with the annual recruitment and nomination process. Candidate recruitment and selection of the chair and vice chair shall be conducted in accordance with Sections III.B-D of this Policy.
- 1. The WCM FAC chair and vice chair may serve two (2) consecutive one (1) year terms.
 - 2. The WCM FAC chair and/or vice chair may be removed by a majority vote of CalOptima’s Board.
- K. The WCM FAC chair, or vice chair, shall ask for three (3) to four (4) members from the WCM FAC to serve on a nomination ad hoc subcommittee. WCM FAC members who are being considered for reappointment cannot participate in the nomination ad hoc subcommittee.
- 1. The WCM FAC nomination ad hoc subcommittee shall:
 - a. Review, evaluate and select a prospective chair, vice chair and a candidate for each of the open seats, in accordance with Section III.C-D of this Policy; and
 - b. Forward the prospective chair, vice chair, and slate of candidate(s) to the WCM FAC for review and approval.
 - 2. Following approval from the WCM FAC, the recommended chair, vice chair, and slate of candidate(s) shall be forwarded to CalOptima’s Board for review and approval.
- L. CalOptima’s Board shall approve all appointments, reappointments, and chair and vice chair appointments to the WCM FAC.
- M. Upon appointment to WCM FAC and annually thereafter, WCM FAC members shall be required to complete all mandatory annual Compliance Training by the given deadline to maintain eligibility standing on the WCM FAC.
- N. WCM FAC members shall attend all regularly scheduled meetings, unless they have an excused absence. An absence shall be considered excused if a WCM FAC member provides notification of an absence to CalOptima staff prior to the meeting. CalOptima staff shall maintain an attendance log of the WCM FAC members’ attendance at WCM FAC meetings. As the attendance log is a public record, any request from a member of the public, the WCM FAC chair, the vice chair, the Chief Executive Officer, or the CalOptima Board, CalOptima staff shall provide a copy of the attendance log to the requester. In addition, the WCM FAC chair, or vice chair, shall contact any committee member who has three (3) consecutive unexcused absences.

- 1 1. WCM FAC members' attendance shall be considered as a criterion upon reapplication.
2

3 **III. PROCEDURE**
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5 A. WCM FAC meeting frequency
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- 7 1. WCM FAC shall meet at least quarterly.
8
9 2. WCM FAC shall adopt a yearly meeting schedule at the first regularly scheduled meeting in or
10 after January of each year.
11
12 3. Attendance by a simple majority of appointed members shall constitute a quorum, and a quorum
13 must be present for any votes to be valid.
14

15 B. WCM FAC recruitment process
16

- 17 1. CalOptima shall begin recruitment of potential candidates in March of each year. In the
18 recruitment of potential candidates, the ethnic and cultural diversity and special needs of
19 children and/or families of children in CCS which are or are expected to transition to
20 CalOptima's Whole-Child Model population shall be considered. Nominations and input from
21 interest groups and agencies shall be given due consideration.
22
23 2. CalOptima shall recruit for potential candidates using one or more notification methods, which
24 may include, but are not limited to, the following:
25
26 a. Outreach to family representatives and community advocates that represent children
27 receiving CCS;
28
29 b. Placement of vacancy notices on the CalOptima website; and/or
30
31 c. Advertisement of vacancies in local newspapers in Threshold Languages.
32
33 3. Prospective candidates must submit a WCM Family Advisory Committee application, including
34 resume and signed consent forms. Candidates shall be notified at the time of recruitment
35 regarding the deadline to submit their application to CalOptima.
36
37 4. Except for the initial recruitment, the WCM FAC chair or vice chair shall inquire of its
38 membership whether there are interested candidates who wish to be considered as a chair or
39 vice chair for the upcoming fiscal year.
40
41 a. CalOptima shall inquire at the first WCM FAC meeting whether there are interested
42 candidates who wish to be considered as a chair for the first year.
43

44 C. WCM FAC nomination evaluation process
45

- 46 1. The WCM FAC chair or vice chair shall request three (3) to four (4) members, who are not
47 being considered for reappointment, to serve on the nominations ad hoc subcommittee. For the
48 first nomination process, Member Advisory Committee (MAC) members shall serve on the
49 nominations ad hoc subcommittee to review candidates for WCM FAC.
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- a. At the discretion of the nomination ad hoc subcommittee, a subject matter expert (SME), may be included on the subcommittee to provide consultation and advice.
- 2. Prior to WCM FAC nomination ad hoc subcommittee meeting (including the initial WCM FAC nomination ad hoc subcommittee).
 - a. Ad hoc subcommittee members shall individually evaluate and score the application for each of the prospective candidates using the applicant evaluation tool.
 - b. Ad hoc subcommittee members shall individually evaluate and select a chair and vice chair from among the interested candidates.
 - c. At the discretion of the ad hoc subcommittee, subcommittee members may contact a prospective candidate’s references for additional information and background validation.
- 3. The ad hoc subcommittee shall convene to discuss and select a chair, vice chair and a candidate for each of the expiring seats by using the findings from the applicant evaluation tool, the attendance record if relevant and the prospective candidate’s references.
- D. WCM FAC selection and approval process for prospective chair, vice chair, and WCM FAC candidates:
 - 1. The nomination ad hoc subcommittee shall forward its recommendation for a chair, vice chair, and a slate of candidates to WCM FAC (or in the first year, the MAC) for review and approval. Following WCM FAC’s approval (or in the first year, the MAC), the proposed chair, vice chair and slate of candidates shall be submitted to CalOptima’s Board for approval.
 - 2. The WCM FAC members’ terms shall be effective upon approval by the CalOptima Board.
 - a. In the case of a selected candidate filling a seat that was vacated mid-term, the new candidate shall attend the immediately following WCM FAC meeting.
 - 3. WCM FAC members shall attend a new advisory committee member orientation.

IV. ATTACHMENTS

- A. Whole-Child Model Member Advisory Committee Application
- B. Whole-Child Model Member Advisory Committee Applicant Evaluation Tool
- C. Whole-Child Model Community Advisory Committee Application
- D. Whole-Child Model Community Advisory Committee Applicant Evaluation Tool

V. REFERENCES

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Board Resolution 17-1102-01
- C. CalOptima Policy AA.1204: Gifts, Honoraria, and Travel Payments
- D. Welfare and Institutions Code §14094.17(b)

VI. REGULATORY AGENCY APPROVALS

Policy #: AA.1271

Title: Whole Child Model Family Advisory Committee

Effective Date: 06/07/18

1 None to Date

2

3

VII. BOARD ACTIONS

4

A. 11/02/17: Regular Meeting of the CalOptima Board of Directors

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6

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VIII. REVIEW/REVISION HISTORY

8

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	06/07/2018	AA.1271PP	Whole Child Model Family Advisory Committee	Medi-Cal

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IX. GLOSSARY

Term	Definition
California Children’s Services Program	The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible children under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9.
Member	For purposes of this policy, an enrollee-beneficiary of the CalOptima Medi-Cal Program receiving California Children's Services through the Whole Child Model program.
Member Advisory Committee (MAC)	A committee comprised of community advocates and Members, each of whom represents a constituency served by CalOptima, which was established by CalOptima to advise its Board of Directors on issues impacting Members.
Threshold Languages	Those languages identified based upon State requirements and/or findings of the Group Needs Assessment (GNA).
Whole Child Model	An organized delivery system that will ensure comprehensive, coordinated services through enhanced partnerships among Medi-Cal managed care plans, children’s hospitals and specialty care providers.

4

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Whole-Child Model Family Advisory Committee (WCM FAC) Member Application

Instructions: Please type or print clearly. This application is for current California Children's Services (CCS) members and their family members. Please attach a résumé or bio outlining your qualifications and include signed authorization forms. For questions, please call **1-714-246-8635**.

Name: _____ Primary Phone: _____
 Address: _____ Secondary Phone: _____
 City, State, ZIP: _____ Fax: _____
 Date: _____ Email: _____

Please see the eligibility criteria below:*

Seven (7) to nine (9) seats shall be family representatives in one of the following categories. Please indicate:

- Authorized representatives, which includes parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
- CalOptima members age 18–21 who are current recipients of CCS services; or
- Current CalOptima members over the age of 21 who transitioned from CCS services

Four (4) seats will be appointed for a one-year term and five (5) seats will be appointed for a two-year term.

CalOptima Medi-Cal/CCS status (e.g., member, family member, foster parent, caregiver, etc.):

If you are a family member/foster parent/caregiver, please tell us who the member is and what your relationship is to the member:

Member Name: _____ Relationship: _____

Please tell us whether you have been a CalOptima member (i.e., Medi-Cal) or have any consumer advocacy experience: _____

Please explain why you would be a good representative for diverse cultural and/or special needs of children and/or the families of children in CCS. Include any relevant experience working with these populations: _____

Please provide a brief description of your knowledge or experience with California Children's Services: _____

Please explain why you wish to serve on the WCM FAC: _____

Describe why you would be a qualified representative for service on the WCM FAC: _____

Other than English, do you speak or read any of CalOptima's threshold languages for the Whole-Child Model (i.e. Spanish, Vietnamese, Korean, Farsi, Chinese or Arabic)? If so, which one(s)?

If selected, are you able to commit to attending quarterly (at least) WCM FAC meetings, as well as serving on at least one subcommittee? Yes No

Please supply two references (professional, community or personal):

Name: _____

Name: _____

Relationship: _____

Relationship: _____

Address: _____

Address: _____

City, State, ZIP: _____

City, State, ZIP: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

* Interested candidates for the WCM FAC member or family member seats must reside in Orange County and maintain enrollment in CalOptima Medi-Cal and/or California Children Services/Whole-Child Model or must be a family member of an enrolled CalOptima Medi-Cal and California Children Services/Whole-Child Model member.

This information is available for free in other languages. Please call our Customer Service Department toll-free at **1-888-587-8808**. TDD/TTY users can call toll-free at **1-800-735-2929**.

[Back to Agenda](#)

Please sign the **Public Records Act Notice** below and **Limited Privacy Waiver** on the next page. You also need to sign the attached **Authorization for Use or Disclosure of Protected Health Information** form to enable CalOptima to verify current member status.

PUBLIC RECORDS ACT NOTICE

Under California law, this form, the information it contains, and any further information submitted with it, such as biographical summaries and résumés, are public records, with the exception of your address, email address, and telephone numbers, and the same information of any references provided. These documents may be presented to the Board of Directors for their consideration at a public meeting, at which time they will be published, with the contact information removed, as part of the Board Materials that are available on CalOptima’s website, and even if not presented to the Board, will be available on request to members of the public.

Signature: _____

Date: _____

Print Name: _____

LIMITED PRIVACY WAIVER

Under state and federal law, the fact that a person is eligible for Medi-Cal and California Children's Services (CCS) is a private matter that may only be disclosed by CalOptima as necessary to administer the Medi-Cal and CCS program, unless other disclosures are authorized by the eligible member. Because the position of Member Representative on Whole Child Model Family Advisory Committee (WCM FAC) requires that the person appointed must be a member or a family member of a member receiving CCS, the member's Medi-Cal and CCS eligibility will be disclosed to the general public. The member or their representative (e.g. parent, foster parent, guardian, etc.) should check the appropriate box below and sign this waiver to allow his or her, or his or her family member or caregiver's name to be nominated for the advisory committee.

MEMBER APPLICANT — I understand that by signing below and applying to serve on the WCM FAC, I am disclosing my eligibility for the Medi-Cal and CCS program, the fact of which is otherwise protected under state or federal law. I am not agreeing to disclose any other information protected by state or federal law.

FAMILY MEMBER APPLICANT — I understand that by applying to serve on the WCM FAC, my status as a family member of a person eligible for Medi-Cal and CCS benefits is likely to become public. I authorize the disclosing of my family member's (insert name of member: _____) eligibility for the Medi-Cal and CCS program, the fact of which is otherwise protected under state or federal law. I am not agreeing to disclose any other information protected by state or federal law.

Medi-Cal/CCS Member (Printed Name): _____

Applicant Printed Name: _____

Applicant Signature: _____ Date: _____

**AUTHORIZATION FOR USE AND DISCLOSURE OF
PROTECTED HEALTH INFORMATION (PHI)**

The federal HIPAA Privacy Regulations requires that you complete this form to authorize CalOptima to use or disclose your Protected Health Information (PHI) to another person or organization. Please complete, sign, and return the form to CalOptima.

Date of Request: _____ Telephone Number: _____
Member Name: _____ Member CIN: _____

AUTHORIZATION:

I, _____, hereby authorize CalOptima, to use or disclose my health information as described below.

Describe the health information that will be used or disclosed under this authorization (please be specific): Information related to the identity, program administrative activities and/or services provided to {me} {my child} which is disclosed in response to my own disclosures and/or questions related to same.

Person or organization authorized to receive the health information: General public

Describe each purpose of the requested use or disclosure (please be specific): To allow CalOptima staff to respond to questions or issues raised by me that may require reference to my health information that is protected from disclosure by law during public meetings of the CalOptima Whole-Child Model Family Advisory Committee

EXPIRATION DATE:

This authorization shall become effective immediately and shall expire on: The end of the term of the position applied for

Right to Revoke: I understand that I have the right to revoke this authorization in writing at any time. To revoke this authorization, I understand that I must make my request in writing and clearly state that I am revoking this specific authorization. In addition, I must sign my request and then mail or deliver my request to:

CalOptima
Customer Service Department
505 City Parkway West
Orange, CA 92868

1 I understand that a revocation will not affect the ability of CalOptima or any health care provider to use
2 or disclose the health information to the extent that it has acted in reliance on this authorization.

3 **RESTRICTIONS:**

4
5 I understand that anything that occurs in the context of a public meeting, including the meetings of the
6 Whole Child Model Family Advisory Committee, is a matter of public record that is required to be
7 disclosed upon request under the California Public Records Act. Information related to, or relevant to,
8 information disclosed pursuant to this authorization that is not disclosed at the public meeting remains
9 protected from disclosure under the Health Insurance Portability and Accountability Act (HIPAA), and
10 will not be disclosed by CalOptima without separate authorization, unless disclosure is permitted by
11 HIPAA without authorization, or is required by law.

12 **MEMBER RIGHTS:**

- 13 • I understand that I must receive a copy of this authorization.
- 14 • I understand that I may receive additional copies of the authorization.
- 15 • I understand that I may refuse to sign this authorization.
- 16 • I understand that I may withdraw this authorization at any time.
- 17 • I understand that neither treatment nor payment will be dependent upon my refusing or agreeing
18 to sign this authorization.
- 19

20 **ADDITIONAL COPIES:**

21
22 Did you receive additional copies? Yes No

23 **SIGNATURE:**

24
25 By signing below, I acknowledge receiving a copy of this authorization.

26 Member Signature: _____ Date: _____

27 Signature of Parent or Legal Guardian: _____ Date: _____

28
29
30 ***If Authorized Representative:***

31 Name of Personal Representative: _____

32 Legal Relationship to Member: _____

33 Signature of Personal Representative: _____ Date: _____

34
35 ***Basis for legal authority to sign this Authorization by a Personal Representative***

36 (If a personal representative has signed this form on behalf of the member, a copy of the Health Care
37 Power of Attorney, a court order (such as appointment as a conservator, or as the executor or

- 1 administrator of a deceased member's estate), or other legal documentation demonstrating the authority
- 2 of the personal representative to act on the individual's behalf must be attached to this form.)



Applicant Name: _____

WCM Family Advisory Committee
Applicant Evaluation Tool (use one per applicant)

WCM FAC Seat: _____

Please rate questions 1 through 5 below based on how well the applicant satisfies the following statements where

5 is Excellent 4 is Very good 3 is Average 2 is Fair 1 is Poor

<u>Criteria for Nomination Consideration and Point Scale</u>	<u>Possible Points</u>	<u>Awarded Points</u>
1. Consumer advocacy experience or Medi-Cal member experience	1-5	_____
2. Good representative for diverse cultural and/or special needs of children and/or families of children in CCS	1-5	_____
Include relevant experience with these populations	1-5	_____
3. Knowledge or experience with California Children’s Services	1-5	_____
4. Explanation why applicant wishes to serve on the WCM FAC	1-5	_____
5. Explanation why applicant is a qualified representative for WCM FAC	1-5	_____
6. Ability to speak one of the threshold languages (other than English)	Yes/No	_____
7. Availability and willingness to attend meetings	Yes/No	_____
8. Supportive references	Yes/No	_____
	Total Possible Points	30

 Name of Evaluator

 Total Points Awarded

Whole-Child Model Family Advisory Committee (WCM FAC) Community Application

**Instructions: Please answer all questions. You may handwrite or type your answers.
Attach an additional page if needed.
If you have any questions regarding the application, call 1-714-246-8635.**

Name: _____ Work Phone: _____
 Address: _____ Mobile Phone: _____
 City, State ZIP: _____ Fax Number: _____
 Date: _____ Email: _____

Please see the eligibility criteria below:

Two (2) to four (4) seats will represent the interests of children receiving California Children’s Services (CCS), including:

- Community-based organizations
- Consumer advocates

Except for two designated seats appointed for the initial year of the Committee, all appointments are for a two-year period, subject to continued eligibility to hold a Community representative seat.

Current position and/or relation to a community-based organization or consumer advocate(s) (e.g., organization title, student, volunteer, etc.):

1. Please provide a brief description of your direct or indirect experience working with the CalOptima population receiving CCS services and/or the constituency you wish to represent on the WCM FAC. Include any relevant community experience:

2. What is your understanding of and familiarity with the diverse cultural and/or special needs of children receiving CCS services in Orange County and/or their families? Include any relevant experience working with such populations:

3. What is your understanding of and experience with California Children's Services, managed care systems and/or CalOptima?

4. Please explain why you wish to serve on the WCM FAC:

5. Describe why you would be a qualified representative for service on the WCM FAC:

6. Other than English, do you speak or read any of CalOptima's threshold languages, such as Spanish, Vietnamese, Korean, Farsi, Chinese or Arabic? If so, which one(s)?

7. If selected, are you able to commit to attending WCM FAC meetings, as well as serving on at least one subcommittee? Yes No

8. Please supply two references (professional, community or personal):

Name: _____	Name: _____
Relationship: _____	Relationship: _____
Address: _____	Address: _____
City, State ZIP: _____	City, State ZIP: _____
Phone: _____	Phone: _____
Email: _____	Email: _____

Submit with a **biography or résumé** to:

CalOptima, 505 City Parkway West, Orange, CA 92868

Attn: Becki Melli

Email: bmelli@caloptima.org

For questions, call 1-714-246-8635

Applications must be received by March 30, 2018.

Public Records Act Notice

Under California law, this form, the information it contains, and any further information submitted with it, such as biographical summaries and résumés, are public records, with the exception of your address, email address, and telephone numbers, and the same information of any references provided. These documents may be presented to the Board of Directors for their consideration at a public meeting, at which time they will be published, with the contact information removed, as part of the Board Materials that are available on CalOptima’s website, and even if not presented to the Board, will be available on request to members of the public.

Signature

Date

Print Name



Applicant Name: _____

WCM Family Advisory Committee
Applicant Evaluation Tool (use one per applicant)

WCM FAC Seat: _____

Please rate questions 1 through 5 below based on how well the applicant satisfies the following statements where
 5 is Excellent 4 is Very good 3 is Average 2 is Fair 1 is Poor

<u>Criteria for Nomination Consideration and Point Scale</u>	<u>Possible Points</u>	<u>Awarded Points</u>
1. Direct or indirect experience working with members the applicant wishes to represent	1-5	_____
Include relevant community involvement	1-5	_____
2. Understanding of and familiarity with the diverse cultural and/or special needs populations in Orange County	1-5	_____
Include relevant experience with diverse populations	1-5	_____
3. Knowledge of managed care systems and/or CalOptima programs	1-5	_____
4. Expressed desire to serve on the WCM FAC	1-5	_____
5. Explanation why applicant is a qualified representative	1-5	_____
6. Ability to speak one of the threshold languages (other than English)	Yes/No	_____
7. Availability and willingness to attend meetings	Yes/No	_____
8. Supportive references	Yes/No	_____
	Total Possible Points	_____ 35
_____ Name of Evaluator	Back to Agenda	Total Points Awarded _____

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 4, 2009 Regular Meeting of the CalOptima Board of Directors

Report Item

VI. E. Approve Health Network Contract Rate Methodology

Contact

Michael Engelhard, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve the modification methodology of Health Network capitation rates for October 1, 2009.

Background

Health Network capitation is the payment method that CalOptima uses to reimburse PHCs and shared risk groups for the provision of health care services to members enrolled in CalOptima Medi-Cal and CalOptima Kids. In order to ensure that reimbursement to such capitated providers reflects up-to-date information, CalOptima periodically contracts with its actuarial consultants to recalculate or “rebase” these payment rates.

The purpose of this year’s rebasing is to:

- Establish actuarially sound facility and professional capitation rates;
- Account for changes in CalOptima’s delivery model;
- Incorporate changes in the Division of Financial Responsibility (DOFR); and
- Perform separate analyses for Medi-Cal and CalOptima Kids.

The overall methodology for this year’s rebasing approach includes:

- CalOptima eligibility data;
- Encounter and CalOptima Direct (COD) claim data analysis
- Reimbursement analysis;
- PCP capitation analysis;
- Maternity “kick” payment analysis;
- State benefit carve-out analysis;
- Reinsurance analysis;
- Administrative load analysis;
- Budget neutrality established

Discussion

CalOptima uses capitation as one way to reimburse certain contracted health care providers for services rendered. A Capitation payment is made to the provider during the month and is based solely on the number of contracted members assigned to that provider

at the beginning of each month. The provider is then responsible for utilizing those dollars in exchange for all services provided during that month or period.

To ensure that capitated payment rates reflect the current structure and responsibilities between CalOptima and its delegated providers, capitation rates need to be periodically reset or rebased.

CalOptima last performed a comprehensive rate rebasing in July 2007, for rates effective January 1, 2008, for CalOptima Medi-Cal only. Much has changed since that time including the establishment of shared risk groups; the movement of certain high-acuity members out of the Health Networks and into COD; changes in the DOFR between hospitals, physicians and CalOptima; shifts in member mix between the Health Networks; and changes in utilization of services by members.

Therefore, CalOptima opted to perform another comprehensive rebasing analysis prior to the FY2009-10 year in order to fully reflect the above-mentioned changes.

Fiscal Impact

CalOptima projects no fiscal impact as a result of the rebasing. Rebasing is designed to be budget neutral to overall CalOptima medical expenses even though there will likely be changes to specific capitation rates paid to Health Network providers.

Rationale for Recommendation

Staff recommends approval of this action to provide proper reimbursement levels to CalOptima's capitated health networks participating in CalOptima Medi-Cal and CalOptima Kids.

Concurrence

Procopio, Cory, Hargreaves & Savitch LLP

Attachments

None

/s/ Richard Chambers
Authorized Signature

5/27/2009
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action to Be Taken December 17, 2003 **Special Meeting of the CalOptima Board of Directors**

Report Item

VI. A. Approve Modifications to the CalOptima Health Network Capitation
Methodology and Rate Allocations

Contact

Amy Park, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve modifications to the CalOptima health network capitation methodology and rate allocations between Physician and Hospital financial responsibilities effective March 2004.

Background

CalOptima pays its health networks (HMOs and PHCs) according to the same schedule of capitation rates, which are adjusted by Medi-Cal aid category, gender and age. The actuarial cost model, upon which these rates are based, was developed by Milliman USA utilizing pre-CalOptima Orange County fee-for-service (FFS) experience as the baseline. This model then took into account utilization targets that were actuarially-appropriate for major categories of services and competitive reimbursement levels to ensure sufficient funds to provide all medically necessary services under a managed care model.

Since development of the model in 1999, CalOptima has negotiated capitation rate increases from the State for managed care rate “pass throughs” as a result of provider rate increases implemented in the Medi-Cal FFS program. In turn, CalOptima passed on these additional revenues to the health networks by increasing capitation payments, establishing carve-outs (e.g., transplants), or offering additional financial support, such as funding for enhanced subspecialty coverage and improving reinsurance coverage.

It has now been over four years since CalOptima commissioned a complete review of the actuarial cost model. As noted, CalOptima has only adjusted the underlying pricing in the actuarial cost model over the years to pass on increases in capitation rates to the health networks.

In light of State fiscal challenges and impending potential Medi-Cal funding and benefit reductions, CalOptima must examine the actuarial soundness of the existing cost model and update the utilization assumptions to ensure that CalOptima’s health network capitation rate methodology continues to allocate fiscal resources commensurate with the level of medical needs of the population served. This process will also provide

CalOptima with a renewed starting point from which to make informed decisions as we face yet another round of State budget uncertainties and declining resources.

Discussion

General Process. With the updated model, Milliman's rebasing process takes into account the 7+ years of health network managed care experience, rather than the historical pre-CalOptima Orange County FFS experience, as a base for capitation rates. Milliman examined the utilization statistics as indicated by the health network encounter data and evaluated the utilization for completeness by comparing against health network reported utilization and financial trends, health network primary care physician capitation and other capitation rates, health network hospital risk pool settlements, and other benchmarks as available. Further adjustments were made to account for changes in contractual requirements in the 2003-2005 health network contracts.

Utilization Assumptions. Consistent with changes in the State rate methodology, the updated health network capitation model combines the Family, Poverty and Child aid categories into a single Family aid category, with updated age/gender factors. The new model also recommends the creation of a supplemental capitation rate for members with end stage renal disease (ESRD). Furthermore, the actuarial model identifies actuarially-appropriate utilization targets for all major categories of services. These targets are set at levels that ensure that health networks have sufficient funds to provide all medically necessary services.

Pricing Assumptions. The new actuarial cost model includes reimbursement assumptions that are applied to the utilization targets to determine capitation rates. Effective October 2003, the State reduced CalOptima's capitation rates, effectively passing through the 5% cutback in physician and other provider rates as enacted in the 2003-04 State Budget Act. Notwithstanding this reduction, it is CalOptima's goal to maintain physician reimbursement levels to ensure members' continued access to care. Hence, CalOptima's health network minimum provider reimbursement policy and capitation funding will be maintained at its current levels. In other words, health networks will continue to be required to reimburse specialty physicians at rates that are no less than 150% of the Medi-Cal Fee Schedule and physician services in the actuarial model will continue to be priced at 147% of the August 1999 Medi-Cal Fee Schedule (as adjusted to primarily reflect market primary care physician capitation rates).

The actuarial cost model also provides sufficient funds to reimburse inpatient hospital reimbursement services at rates that are comparable to the average Southern California per diem rates and payment trends as published by California Medical Assistance Commission (CMAC) and to reimburse hospital outpatient services, commensurate with physician services, at 147% of the August 1999 Medi-Cal Fee Schedule.

In addition, the actuarial cost model provides sufficient funds for health network administrative expenses and an allowance for surplus. The table below summarizes the adjusted allocation of health network capitation rates to reflect the new actuarial cost model:

Aid Category	Proposed Hospital	Proposed Physician	Proposed Combined
Family/Poverty/Child	-4.6%	2.1%	-0.7%
Adult	-19.4%	-3.1%	-12.0%
Aged	18.9%	19.1%	19.0%
Disabled	10.9%	-4.4%	3.3%
Composite	1.7%	0.7%	1.2%

**Percentage changes are calculated from current capitation rates which have been adjusted to reflect the establishment of a separate ESRD supplemental capitation.*

Fiscal Impact

In summary, the proposed modifications will increase capitation payments made to physicians by 0.7%, while capitation payments to hospitals will increase by approximately 1.7%, for an overall weighted average increase in health network capitation rate payments of 1.2%, or \$3.1 million on an annualized basis.

This additional increase will be funded by the Medi-Cal capitation rate increases received by CalOptima related to the State’s settlement of the *Orthopaedic v. Belshe* lawsuit concerning Medi-Cal payment rates for hospital outpatient services.

As the Board will recall, the additional monies received by CalOptima related to this hospital outpatient settlement were passed through to hospitals in a lump-sum payment as approved by the Board in April 2003 for Fiscal 2001-02. That Board action also included approval for a second distribution scheduled for January 2004 to be made to hospitals for Fiscal 2002-03 related monies. Therefore, the proposed increases in hospital capitation rates contained in this action referral will facilitate the ongoing distributions of these dollars to CalOptima’s participating hospitals. *See also related Board action referral to approve modifications to CalOptima Direct hospital reimbursement rates.*

Rationale for Recommendation

The proposed modifications to the rate methodology and related allocation of funds are consistent with the extensive, independent analysis performed by Milliman USA to update CalOptima’s health network capitation methodology to reflect the 7+ years of health network managed care experience, rather than the historical pre-CalOptima Orange County FFS experience, as a base for capitation rates. The updated actuarial model also provides CalOptima with a renewed starting point from which to make informed

decisions as we face yet another round of State budget uncertainties and declining resources.

Concurrence

CalOptima Board of Directors' Finance Committee

Attachments

None

/s/ Mary K. Dewane
Authorized Signature

12/9/2003
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018

Regular Meeting of the CalOptima Board of Directors

Report Item

6. Consider Authorizing Amendment of the CalOptima Medi-Cal Physician Hospital Consortium Health Network Contracts for CHOC Physicians Network and Children's Hospital of Orange County

Contact

Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400

Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Actions

Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to enter into contract amendments of the Physician Hospital Consortium (PHC) health network contracts for CHOC Physicians Network and Children's Hospital of Orange County to:

1. Modify the rebased capitation rates for the Medi-Cal Classic population, effective January 1, 2019, as authorized in a separate Board action;
2. Modify capitation rates effective January 1, 2019, to include rates associated with the Whole-Child Model program to the extent authorized by the Board of Directors in a separate Board action;
3. Amend the contract terms to reflect applicable regulatory changes and other requirements associated with the Whole-Child Model (WCM); and
4. Extend contracts through June 30, 2019.

Background

CalOptima pays its health networks according to the same schedule of capitation rates, which are adjusted by Medi-Cal aid category, gender and age. The actuarial cost model, upon which the rates are based, was developed by consultant Milliman Inc. utilizing encounter and claims data.

CalOptima periodically adjusts capitation rates to account for increases or decreases in capitation rates from the Department of Health Care Services (DHCS) or to account for additional services to be provided by the health networks. An example of this is the recent capitation rate change to account for the transition of the payment of Child Health Disability Program (CHDP) services from CalOptima to the health networks.

It is incumbent on CalOptima to periodically review the actuarial cost model to ensure that the rate methodology, and the resulting capitation rates, continue to allocate fiscal resources commensurate with the level of medical needs of the populations served. This review and adjustment of capitation rates is referred to as rebasing. Staff has worked with Milliman Inc. to develop a standardized rebasing methodology that was previously adopted and approved by CalOptima and the provider community.

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown

signed Senate Bill 586 into law, which authorizes DHCS to incorporate CCS services into Medi-Cal Managed Care Plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the Whole-Child Model (WCM). WCM's goals include: improving coordination and integration of services to meet the needs of the whole child; retaining CCS program standards; supporting active family participation; and maintaining member-provider relationships where possible.

DHCS is implementing WCM on a phased basis; Orange County's implementation will be no sooner than January 1, 2019. Based on this schedule, CalOptima will assume responsibility for authorization and payment of CCS-eligible medical services including service authorization activities, claims (with some exceptions), case management, and quality oversight. At the June 7, 2018 Board meeting, staff received authority to proceed with several actions related to the WCM program including carving CCS services into the health network contract.

At the June 7, 2018 Board meeting, the Board of Directors authorized the extension of the health network contracts through December 31, 2018. The six-month extension, as opposed to the normal one-year extension, was made to allow staff to review, adjust and vet capitation rates and requirements associated with the transition of the CCS program from the State and County to CalOptima and complete the capitation rate rebasing initiative. Both of these program changes are effective January 1, 2019.

Discussion

Rebasing: CalOptima last performed a comprehensive rate rebasing in 2009. The goal of rebasing is to develop actuarially sound capitation rates that properly aligns capitation payments to a provider's delegated risks. To ensure that providers are accurately and sufficiently compensated, rebasing should be performed on a periodic basis to account for any material changes to medical costs and utilization patterns. To that end, staff has been working with Milliman Inc. to analyze claims utilization data and establish updated capitation rates that reflect more current experience. As proposed, only professional and hospital capitation rates for the Medi-Cal Classic population are being updated through this rebasing effort. Staff requests authority to amend the health network contracts to reflect the new rebased capitation rates effective January 1, 2019.

WCM: To ensure adequate revenue is provided to support the WCM program, CalOptima will develop actuarially sound capitation rates that are consistent with the projected risks that will be delegated to capitated health networks and hospitals. CalOptima also recognizes that medical costs for CCS members can be highly variable and volatile, possibly resulting in material cost differences between different periods and among different providers. To mitigate these financial risks and ensure that networks will receive sufficient and timely compensation, management proposes that CalOptima implement two retrospective reimbursement mechanisms: (1) Interim reimbursement for catastrophic cases; and (2) Retrospective risk corridor.

WCM incorporates requirements from SB 586 and CCS into the Medi-Cal managed care. Many of these WCM requirements will include new requirements for the health networks. Included is the requirement that the health networks will be required to use CCS paneled providers and facilities to treat children and youth for their CCS condition. Continuity of care provisions and minimum provider rate requirements (unless the provider has agreed to different rates with health network) are also among the health network requirements.

Staff requests authority to incorporate the WCM rates and requirements into the health network contracts.

Extension of the Contract Term. Staff requests authority to amend the Medi-Cal PHC contracts to extend the contracts through June 30, 2019.

Fiscal Impact

The recommended action to modify capitation rates, effective January 1, 2019, associated with rebasing is projected to be budget neutral to CalOptima. The rebased capitation rates are not projected to materially change CalOptima's aggregate capitation expenses. Management has included expenses associated with rebased capitation rates in the CalOptima FY 2018-19 Operating Budget, approved by the Board on June 7, 2018.

The recommended action to amend health network contracts, effective January 1, 2019, to include rates associated with the WCM program is a budgeted item. Management has included projected revenues and expenses associated with the WCM program in the CalOptima FY 2018-19 Operating Budget approved by the Board on June 7, 2018. Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual WCM program costs at approximately \$274 million. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict and likely to be highly volatile. CalOptima will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Rationale for Recommendation

CalOptima staff recommends these actions to: reflect changes in rates and responsibilities in accordance with the CalOptima delegated model; to maintain and continue the contractual relationship with the provider network; and to fulfill regulatory requirements.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Contracted Entities Covered by this Recommended Board Action
2. Board Action dated June 7, 2018, Consider Actions Related to CalOptima's Whole-Child Model Program
3. Board Action dated June 4, 2009, Approve Health Network Contract Rate Methodology

CalOptima Board Action Agenda Referral
Consider Authorizing Amendment of the CalOptima
Medi-Cal Physician Hospital Consortium Health Network
Contracts for, CHOC Physicians Network and
Children's Hospital of Orange County
Page 4

4. Board Action dated December 17, 2003, Approve Modifications to the CalOptima Health Network
Capitation Methodology and Rate Allocations

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

*Attachment to August 2, 2018 Board of Directors Meeting –
Agenda Item 6*

CONTRACTED ENTITY COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
CHOC Physicians Network + Children’s Hospital of Orange County	1120 West La Veta Ave., Suite 450	Orange	CA	92868

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 7, 2018 Regular Meeting of the CalOptima Board of Directors

Report Item

45. Consider Actions Related to CalOptima's Whole-Child Model Program

Contact

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

Recommended Actions

1. Authorize CalOptima staff to develop an implementation plan to integrate California Children's Services into its Medi-Cal program in accordance with the Whole Child Model (WCM), and return to the Board for approval after developing draft policies, and completing additional analysis and modeling prior to implementation;
2. Authorize and direct the Chief Executive Officer (CEO), with assistance of Legal Counsel, to execute a Memorandum of Understanding (MOU) with Orange County Health Care Agency (OC HCA) for coordination of care, information sharing and other actions to support WCM activities; and
3. In connection with development of the Whole Child Model Family Advisory Committee:
 - a. Direct the CEO to adopt new Medi-Cal policy AA.1271: Whole Child Model Family Advisory Committee; and,
 - b. Appoint the following ~~eleven~~ individuals to the Whole-Child Model Family Advisory Committee (WCM FAC) for one or two-year terms as indicated or until a successor is appointed, beginning July 1, 2018:
 - i. Family Member Representatives:
 - a) Maura Byron for a two-year term ending June 30, 2020;
 - b) Melissa Hardaway for a one-year term ending June 30, 2019;
 - c) Grace Leroy-Loge for a two-year term ending June 30, 2020;
 - d) Pam Patterson for a one-year term ending June 30, 2019;
 - e) Kristin Rogers for a two-year term ending June 30, 2020; and
 - f) Malissa Watson for a one-year term ending June 30, 2019.
 - ii. ~~Community Representatives:~~
 - a) ~~Michael Arnot for a two year term ending June 30, 2020;~~
 - b) ~~Sandra Cortez Schultz for a one year term ending June 30, 2019;~~
 - c) ~~Gabriela Huerta for a two year term ending June 30, 2020; and~~
 - d) ~~Diane Key for a one year term ending June 30, 2019.~~

Rev.
6/7/2018

6/7/2018:
Continued
to future
Board
meeting.

Background

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown signed Senate Bill 586 into law, which authorizes DHCS to incorporate CCS services into Medi-Cal managed care plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the Whole-Child Model (WCM). WCM's goals include improving coordination and

integration of services to meet the needs of the whole child; retaining CCS program standards; supporting active family participation; and, maintaining member-provider relationships, where possible.

DHCS is implementing WCM on a phased basis; Orange County's implementation will be no sooner than January 1, 2019. Based on this schedule, CalOptima will assume financial responsibility for authorization and payment of CCS-eligible medical services including service authorization activities, claims (with some exceptions), case management, and quality oversight. DHCS will retain responsibility for program oversight, CCS provider paneling, and claims payment for CCS eligible Neonatal Intensive Care Unit (NICU) services. OC HCA will remain responsible for CCS eligibility determination for all children and for CCS services for non-Medi-Cal members (e.g., those who exceed the Medi-Cal income thresholds and undocumented children who transition out of MCP when they turn 18). OC HCA will also remain responsible for Medical Therapy Program (MTP) services and the Pediatric Palliative Care Waiver.

WCM will incorporate requirements from SB 586 and CCS into the Medi-Cal managed care plans. New requirements under WCM will include, but not be limited to:

- Using CCS paneled providers and facilities to treat children and youth for their CCS condition, including network adequacy certification;
- Offering continuity of care (e.g., durable medical equipment, CCS paneled providers) to transitioning members;
- Paying CCS or Medi-Cal rates, whichever is higher, unless provider has agreed to a different contractual arrangement;
- Offering CCS services including out-of-network, out-of-area, and out-of-state, including Maintenance & Transportation (travel, food and lodging) to access CCS services;
- Executing Memorandum of Understanding with OC HCA to support coordination of services;
- Permitting selection of a CCS paneled specialist to serve as a CCS member's Primary Care Provider (PCP);
- Establishing Pediatric Health Risk Assessment (P-HRA), associated risk stratification, and individual care planning process;
- Establishing WCM clinical and member/family advisory committees; and,
- Reporting in accordance with WCM specific requirements.

For the requirements, CalOptima will rely on SB 586 and DHCS guidance provided through All Plan Letters (APL) and current and future CCS requirements published in the CCS Numbered Letters. Additional information will be provided in DHCS contact amendments, readiness requirements, and other regulatory releases.

On November 2, 2017, the CalOptima Board of Directors authorized establishment of the WCM FAC. The WCM FAC is comprised of eleven (11) voting seats.

1. Seven (7) to nine (9) seats shall be seats for family representatives, with a priority to family representatives (i.e., if qualifying family candidates are available, all nine (9) seats will be filled by family members). Family representatives will be in the following categories:
 - a. Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - b. CalOptima members age 18 - 21 who are current recipients of CCS services; or

- c. Current CalOptima members age of 21 and over who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS including
 - a. Community-based organizations; or
 - b. Consumer advocates.

While two (2) of the WCM-FAC’s eleven (11) seats are designated for community-based organizations or consumer advocates, WCM-FAC candidates representing these two groups may be considered for up to two additional WCM-FAC seats in the event that there are not sufficient family representative candidates to fill the family seats.

Except for the initial appointments, WCM FAC members will serve two-year terms, with no limits on the number of terms a representative may serve, provided they meet applicable criteria. The initial appointment will be divided between one- and two-year terms to stagger reappointments. In the first year, five (5) committee member seats will be appointed for a one-year term and six (6) committee members seats will be appointed for two-year terms.

Discussion

Throughout the years, CalOptima staff has monitored regulatory and industry discussions on the possible transition of CCS services to the managed care plans, including participation in DHCS CCS stakeholder meetings. In 2013, the Health Plan of San Mateo, in partnership with the San Mateo County Health System, became the first CCS demonstration project under California’s 1115 “Bridge to Reform” Waiver. In 2014, DHCS formally launched its stakeholder process for *CCS Redesign*, which later became known as the *Whole Child Model*.

CalOptima began meeting with OC HCA in early 2016 to learn about CCS and, more broadly, to share information about CalOptima programs supporting our mutual members. CalOptima conducted its first broad-based stakeholder meeting in March 2016 and launched its WCM stakeholder webpage in 2016. Since that time, CalOptima has shared WCM information and vetted its WCM implementation strategy with stakeholders at events and meetings hosted by CalOptima and others. In January 2018, CalOptima hosted a WCM event for local stakeholders that included presentations by DHCS and CalOptima leadership. Six (6) family-focused stakeholder meetings were held throughout the county in February 2018. CalOptima health networks and providers have also been engaged through Provider Advisory Committee meetings, Provider Associations, Health Network Joint Operations Meetings, and Health Network Forum Meetings. CalOptima has scheduled WCM-specific meetings with health networks to support the implementation and provide a venue for them to raise questions and concerns.

Implementation Plan Elements

Delivery Model

As CCS has been carved-out of CalOptima’s Medi-Cal managed care plan contract with DHCS, it has similarly been carved-out of CalOptima’s health network contracts. CalOptima considered several options for WCM service delivery including: 1) requiring all CCS participants to be enrolled in CalOptima’s direct network (rather than a delegated health network); 2) retaining the current health network carve-out for CCS services, while allowing members to remain enrolled in a delegated health network; or, 3) carving CCS services into the health network division of financial responsibility (DOFR) consistent with their current contract model.

Requiring enrollment in CalOptima Direct could potentially break relationships with existing health network contracted providers and disrupt services for non-CCS conditions. Carving CCS services out of health network responsibility, while allowing members to remain assigned to a health network, would continue the siloed service delivery CCS children currently receive and, therefore, not maximize achievement of the "whole-child" goal. Carving the CCS services into the health networks according to the current health network contract models is most consistent with the WCM goals and existing delivery model structure. For purposes of this action, the CalOptima Community Network (CCN) would be considered a health network.

Health Network Financial Model

CalOptima has worked closely with the DHCS to ensure adequate Medi-Cal revenue to support the WCM and actuarially sound provider and health network rates. For the WCM, DHCS will establish capitation that will include CCS and non-CCS services. However, only limited historical CCS claims payment detail is available. In order to mitigate health network financial risk due to potentially costly outliers, CalOptima staff is considering, with the exception of Kaiser, to:

- Expand current policy that transitions clinical management and financial risk of CalOptima medical members diagnosed with hemophilia, in treatment for end stage renal disease (ESRD), or receiving an organ transplant from the health network to CCN to include Medi-Cal members under 21;
- Establish an estimated capitation rate, similar to the DHCS methodology, that includes CCS and non-CCS services and develop a medical loss ratio (MLR) risk corridor; and
- Modify existing or establish new policies related to payment of services for members enrolled in a shared risk group, reinsurance, health-based risk adjusted capitation payment, shared risk pool, and special payments for high-cost exclusions and out-of-state CCS services.

The estimated capitation rate for the health networks, excluding Kaiser, will be established based on known methodologies and data provided by DHCS. Capitation will include services based on the current health network structure and division of responsibility. Also built into the rates will be the requirement that at a minimum, the Medi-Cal or CCS fee-for-service rate, whichever is higher, will be utilized, unless an alternate payment methodology or rate is mutually agreed to by the CCS provider and the health network. CalOptima staff will review the capitation rate structure with the health networks once final rates are received from DHCS and analyzed by CalOptima staff. In the interim, CalOptima staff will develop, with input from the health networks, the upper and lower limits of the MLR risk corridor and reconciliation process. Current policy regarding high-cost medical exclusions will also be discussed. Separate discussions will occur with Kaiser, as its capitation rate structure is different than the other health networks. CalOptima staff will return to the Board with future recommendations, as required.

Clinical Operations

CalOptima will be responsible for providing CCS-specific case management, care coordination, provider referral, and service authorization to children with a CCS condition. CalOptima will conduct risk stratification, health risk assessment and care planning. For transitioning members, CalOptima will also be responsible for ensuring continuity of services, for example, CCS professional services, durable medical equipment and pharmacy.

While many services currently provided to children enrolled in CCS are covered by CalOptima for non-CCS conditions, the transition to WCM will incorporate new responsibilities to CalOptima including authorizing High-Risk Infant Follow-Up (HRIF), and NICU, and new benefits such as Cochlear implants Maintenance and Transportation services when applicable, to the child and/or family. Maintenance and Transportation services include meals, lodging, transportation, and other necessary costs (i.e. parking, tolls, etc.).

CalOptima will also be responsible for facilitating the transition of care between the County and CalOptima case management and following State requirements issued to the County, in the form of Numbered Letters, in regard to CCS administration and implementation. An example of this would be implementing the County's process for transitioning out of the program children currently enrolled in CCS but who will not be eligible once they turn twenty-one (21).

CalOptima may modify existing or establish new policies to implement WCM. These may include policies related to, for example, CCS comprehensive case management, risk stratification, health risk assessment, continuity of care, authorization for durable medical equipment (including wheelchairs) and pharmacy. CalOptima staff will return to the Board with future recommendations as required.

Provider Impact and Network Adequacy

The State requires plans, and their delegates, to have an adequate network of CCS-paneled and approved providers to serve to children enrolled in CCS. During the timeframe given for readiness and as an ongoing process, CalOptima will attempt to contract with as many CCS providers on the State-provided list and located in Orange County as possible. CalOptima is attempting to contract with all CCS providers in Orange County and specialized providers outside Orange County currently providing services to CalOptima members. Historically, CalOptima has paid, and expects to continue to pay, contracted CCS specialists an augmented rate to support participation and coordination of CalOptima and CCS services. This process is based on previous Board Action and reflected in Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct or a Member Enrolled in a Shared Risk Group.

CalOptima may modify existing or establish new policies to implement WCM. These may include policies related to, for example, access and availability standards, credentialing, primary care provider assignment, CalOptima staff will return to the Board with future recommendations as required.

Memorandum of Understanding (MOU)

Leveraging the DHCS WCM MOU template, CalOptima and OC HCA staff have worked in partnership to develop a new WCM MOU to reflect shared needs and to serve as the primary vehicle for ensuring collaboration between CalOptima and OC HCA in serving our joint CCS members. The MOU identifies each party's responsibilities and obligations based on their respective scope of responsibilities as they relate to CCS eligibility and enrollment, case management, continuity of care, advisory committees, data sharing, dispute management, NICU and quality assurance.

Whole Child Model Family Advisory Committee (WCM FAC)

In connection with the November 2, 2017 Board Action described above, CalOptima staff developed new Medi-Cal policy AA.1271: Whole Child Model Family Advisory Committee to establish policies and procedures related to development and on-going operations of the WCM FAC, Staff recommends Board approval of AA.1271: Whole Child Model Family Advisory Committee.

To identify nominees for the WCM FAC for Board consideration, CalOptima conducted recruitment to ensure that there would be a diverse applicant pool from which to choose candidates. The recruitment included several notification methods, sending outreach flyers to community-based organizations (CBOs) and OC HCA CCS staff for distribution to CCS members and their families, targeting outreach at six (6) CalOptima hosted WCM family events and at community meetings, and posting information on the WCM Stakeholder Information and WCM Family Advisory Committee pages on CalOptima's website. A total of sixteen (16) applications (eight (8) in each category) were received from fifteen (15) individuals (one (1) individual applied for a seat in both categories).

As the WCM FAC is in development, CalOptima requested members of CalOptima's Member Advisory Committee (MAC) to serve as the Nomination Ad Hoc Subcommittee (Subcommittee). Prior to the MAC Nominations Ad Hoc meeting on April 19, 2018, Subcommittee members evaluated each application. The Subcommittee, including Connie Gonzalez, Jaime Munoz and Christine Tolbert, selected a candidate for each of the seats. All eligible applicants for a Family Representative seat were recommended. (One (1) of the eight (8) applicants was not eligible as she did not have family or personal experience in CCS.) At the May 10, 2018 meeting, the MAC considered and accepted the recommended slate of candidates, as proposed by the Subcommittee.

Candidates for the open positions are as follows:

Family Representatives

1. Maura Byron for a two-year term ending June 30, 2020;
2. Melissa Hardaway for a one-year term ending June 30, 2019;
3. Grace Leroy-Loge for a two-year term ending June 30, 2020;
4. Pam Patterson for a one-year term ending June 30, 2019;
5. Kristin Rogers for a two-year term ending June 30, 2020; and
6. Malissa Watson for a one-year term ending June 30, 2019.

Maureen Byron is the mother of a young adult who is a current CCS client. Ms. Byron became involved in the CCS Parent Advisory Committee resulting in her being hired by Family Support Network (FSN). At FSN, she is a parent mentor assisting families of children with complex health care needs to maneuver in the system and secure services. In addition, she responds to families' questions and provides peer and emotional support.

Melissa Hardaway is the mother of a special needs child who receives CCS services. Ms. Hardaway is familiar with the health care industry as a health care professional and a broker. She believes her understanding of managed care and her advocacy experience for her child will benefit her to assist families of children in CCS.

Grace Leroy-Loge is the mother of an adolescent receiving CCS services. Ms. Leroy-Loge works as the Family Support Liaison at CHOC Children's Hospital NICU where she assists families of children with medically complex needs to advocate for their children. She has served in the community on several committees, such as the parent council of CCS, Make-a-Wish Medical Advisory Committee and Orange County Children's Collaborative.

Pam Patterson is the mother of a special needs adolescent receiving CCS. Ms. Patterson is a special needs attorney and a constitutional law attorney. She has many years of experience advocating for her child with CCS and the Regional Center of Orange County. Ms. Patterson is also very active in the community.

Kristin Rogers is the mother of a young teenager who receives CCS services. Ms. Rogers explained that because she encountered difficulties obtaining the correct health care coverage for her child, she wants to educate others with similar situations on how to obtain appropriate coverage. Ms. Rogers is an active volunteer at CHOC.

Malissa Watson is the mother of a child that receives CCS services. Ms. Watson's desire is to help families navigate CCS and CalOptima. Ms. Watson is active in the community, serving on the CHOC Hospital Parent Advisory Committee and mentoring other parents.

CBO/Advocate Representatives

1. ~~Michael Arnot for a two year term ending June 30, 2020;~~
2. ~~Sandra Cortez Schultz for a one year term ending June 30, 2019;~~
3. ~~Gabriela Huerta for a two year term ending June 30, 2020; and~~
4. ~~Diane Key for a one year term ending June 30, 2019.~~

~~Michael Arnot is the Executive Director for Children's Cause Orange County, an organization that provides evidence based therapeutic intervention for children with traumatic stress, such as trauma from medical procedures from co-occurring health conditions covered under CCS. Mr. Arnot has extensive experience working with children in varying capacities.~~

~~Sandra Cortez Schultz is the Customer Service Manager at CHOC Children's Hospital. Ms. Cortez Schultz is responsible for ensuring that the families of medically complex children receive the appropriate care and treatment they require. She is also the Chair of CHOC's Family Advisory Council. Ms. Cortez Schultz has over 25 years of experience working directly and indirectly at varying levels with the CCS program.~~

~~Gabriela Huerta is a Lead Case Manager, California Children's Services/Regional Center for Molina Healthcare, Inc. Ms. Huerta is responsible for health care management and coordination of services for CCS members, including assessments, intervention, planning and development of member centric plans and coordination of care. She has expertise in CCS as a carve out benefit as well as a managed care benefit.~~

~~Diane Key is the Director of Women's and Children's Services for UCI Medical Center. Ms. Key has over 30 years of experience working in women and children's services in clinical nursing and leadership oversight positions. She has knowledge of CCS standards, eligibility criteria and facility requirements. In addition, she understands the physical, psycho-social and developmental needs of CCS children.~~

Staff recommends Board approval of the proposed nominees for the WCM FAC.

6/7/2018:
Continued
to future
Board
meeting.

Fiscal Impact

The recommended action to approve the implementation plan for the WCM program carries significant financial risks. Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual program costs for WCM at \$274 million. Management has included projected revenues and expenses associated with the WCM program in the proposed CalOptima FY 2018-19 Operating Budget pending Board approval. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict and likely to be volatile. CalOptima will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Rationale for Recommendation

The recommended actions will enable CalOptima to operationally prepare for the anticipated January 1, 2019, transition of California Children's Services to Whole-Child Model.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. PowerPoint Presentation: Whole-Child Model Implementation Plan
2. Board Action dated November 2, 2017, Consider Adopting Resolution Establishing a Family Advisory Committee for the Whole-Child Model Medi-Cal Program
3. Policy AA.1271: Whole Child Model Family Advisory Committee (redline and clean copies)

/s/ Michael Schrader
Authorized Signature

5/30/2018
Date



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Whole-Child Model (WCM) Implementation Plan

**Board of Directors Meeting
June 7, 2018**

**Candice Gomez, Executive Director
Program Implementation**



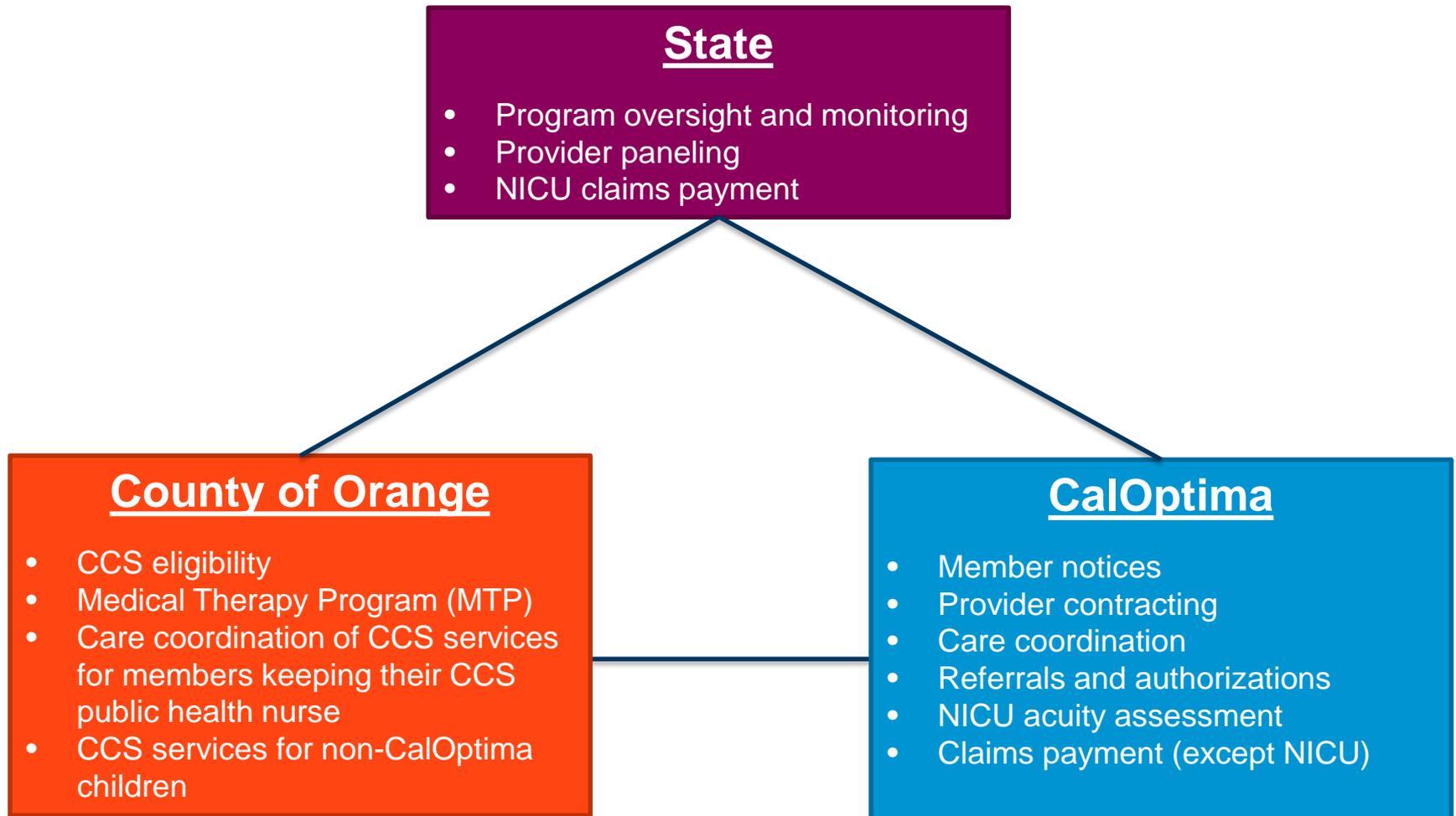
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Background

Whole-Child Model (WCM) Overview

- California Children's Services (CCS) is a statewide program providing medical care and case management for children under 21 with certain medical conditions
 - Locally administered by Orange County Health Care Agency
- The Department of Health Care Services (DHCS) is implementing WCM to integrate the CCS services into select Medi-Cal plans
 - CalOptima will implement WCM effective January 1, 2019

Division of WCM Responsibilities



WCM Transition Goals

- Improve coordination and integration of services to meet the needs of the whole child
- Retain CCS program standards
- Support active family participation
- Establish specialized programs to manage and coordinate care
- Ensure care is provided in the most appropriate, least restrictive setting
- Maintain existing patient-provider relationships when possible

CCS Demographics

- About 13,000 Orange County children are receiving CCS services
 - 90 percent are CalOptima members

Languages

- Spanish = 48 percent
- English = 44 percent
- Vietnamese = 4 percent
- Other/unknown = 4 percent

City of Residence (Top 5)

- Santa Ana = 23 percent
- Anaheim = 18 percent
- Garden Grove = 8 percent
- Orange = 6 percent
- Fullerton = 4 percent

WCM Requirements

- Required use of CCS paneled providers and facilities, including network adequacy certification
- Memorandum of Understanding with OC HCA to support coordination of services
- Maintenance & Transportation (travel, food and lodging) to access CCS services
- WCM specific reporting requirements
- Permit selection of a CCS paneled specialist to serve as a CCS member's Primary Care Provider (PCP)
- Establish WCM clinical and member/family advisory committees

2018 Stakeholder Engagement to Date

- January 25– General stakeholder event (93 attendees)
- February 26 -28 – Six family events (87 attendees)
- Provider focused presentations and meetings:
 - Hospital Association of Southern California
 - Safety Net Summit - Coalition of Orange County Community Health Centers
 - Pediatrician focused events hosted by Orange County Medical Association Pediatric Committee and Health Care Partners
 - Health Network convenings including Health Network Forum, Joint Operations Meetings and on-going workgroups
- Speakers Bureau and community meetings



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Implementation Plan Elements

Proposed Delivery Model

- Leverage existing delivery model using health networks, subject to Board approval
 - Reflects the spirit of the law to bring together CCS services and non-CCS services into a single delivery system
- Using existing model creates several advantages
 - Maintains relationships between CCS-eligible children, their chosen health network and primary care provider
 - Improves clinical outcomes and health care experience for members and their families
 - Decreases inappropriate medical and administrative costs
 - Reduces administrative burden for providers

Financial Approach

- DHCS will establish a single capitation rate that includes CCS and non-CCS services
- Limited historical CCS claims payment detail available
- CalOptima Direct and CalOptima Community Network
 - Follow current fee-for-service methodology and policy
 - CCS paneled physicians are reimbursed at 140% Medi-Cal
- Health Network
 - Keep health network risk and payment structure similar to current methodologies in place
 - Develop risk corridors to mitigate risk

Clinical Operations

- Providing CCS-specific case management, care coordination, provider referral and authorizations
- Supporting new services such as High-Risk Infant Follow-Up authorization, Maintenance and Transportation (lodging, meals and other travel related services)
- Facilitating transitions of care
 - Risk stratification, health risk assessment and care planning for children and youth transitioning to WCM
 - Between CalOptima, OC HCA and other counties
 - Age-out planning for members who will become ineligible for CCS when they turn 21 years of age

Provider Impact and Network Adequacy

- CalOptima and delegated networks must have adequate network of CCS paneled and approved providers
 - CCS panel status will be part of credentialing process
 - CCS members will be able to select their CCS specialists as primary care provider
 - CalOptima is in process of contracting with CCS providers in Orange County and specialized providers outside of county providing services to existing members
 - Documentation of network adequacy will be submitted to DHCS by September 28, 2018

Memorandum of Understanding (MOU)

- DHCS requires CalOptima and Orange County Health Care Agency to develop WCM MOU to support collaboration and information sharing
 - Leverage DHCS template
 - Outlines responsibilities related:
 - CCS eligibility and enrollment
 - Case management
 - Continuity of care
 - Advisory committees
 - Data sharing
 - Dispute management
 - NICU
 - Quality assurance

WCM Family Advisory Committee

- CalOptima must establish a WCM Family Advisory Committee per Welfare & Institutions Code § 14094.17
- November 2, 2017 Board authorized development of committee
 - Eleven voting seats
 - Seven to nine family representative seats
 - Two to four community-based organizations or consumer advocates
 - Priority to family representatives
 - Two-year terms, with no term limits
 - Staggered terms
 - In first year, five seats for one-year term and six seats for two-year term
 - Approval requested for AA.1271: Whole Child Model Family Advisory Committee

WCM Family Advisory Committee (cont.)

- Sixteen applications (eight in each category)
- April 19, 2018 Member Advisory Committee (MAC) Nominations ad hoc committee selected candidates
 - All eligible applicants in family category were selected
 - One applicant was ineligible as she has no prior CCS experience
 - Four applicants in community category were selected
- May 10, 2018 MAC considered and accepted MAC Ad Hoc's recommended nominations for Board consideration

Recommended Nominees

Family Seats	Community Seats
Maura Byron	Michael Arnot Executive Director Children's Cause Orange County
Melissa Hardaway	
Grace Leroy-Loge	Sandra Cortez – Schultz Customer Service Manager CHOC Children's Hospital
Pam Patterson	
Kristin Rogers	Gabriela Huerta Lead Case Manager, California Children's Services/Regional Center Molina Healthcare, Inc.
Malissa Watson	
	Diane Key Director of Women's and Children's Services UCI Medical Center

Next Steps

- Review WCM capitation and risk corridor approach with Health Networks
- Planned stakeholder engagement
 - Community-based organization focus groups in June
 - General event in July
 - Family events in Fall
- Future Board actions
 - Update policies and procedures
 - Health network contracts

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken November 2, 2017 Regular Meeting of the CalOptima Board of Directors

Report Item

18. Consider Adopting Resolution Establishing a Family Advisory Committee for the Whole-Child Model Medi-Cal Program

Contact

Sesha Mudunuri, Executive Director, Operations, (714) 246-8400

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

Recommended Actions

1. Adopt Resolution No. 17-1102-01, establishing the CalOptima Whole-Child Model family advisory committee to provide advice and recommendations to the CalOptima Board of Directors on issues concerning California Children's Services (CCS) and the Whole-Child Model program; and
2. Subject to approval of the California Department of Health Care Services (DHCS), authorize a stipend of up to \$50 per committee meeting attended for each family representative appointed to the Whole-Child Model Family Advisory Committee (WCM-FAC).

Rev.
11/2/17

Background

On September 25, 2016, SB 586 (Hernandez): Children's Services was signed into law. SB 586 authorizes the establishment of the Whole-Child Model that incorporates CCS-covered services for Medi-Cal eligible children and youth into specified county-organized health plans, including CalOptima. A provision of the Whole-Child Model requires each participating health plan to establish a family advisory committee. Accordingly, DHCS is requiring the establishment of a Whole-Child Model family advisory committee to report and provide input and recommendations to CalOptima relative to the Whole-Child Model program. The proposed stipend, subject to DHCS approval, is intended to enable in-person participation by members and family member representatives. It is also anticipated that a representative from the family advisory committees of each Medi-Cal plan will be invited to serve on a statewide stakeholder advisory group.

Since CalOptima's inception, the CalOptima Board of Directors has benefited from stakeholder involvement in the form of standing advisory committees. Under the authority of County of Orange Codified Ordinances, Section 4-11-15, and Article VII of the CalOptima Bylaws, the CalOptima Board of Directors may create committees or advisory boards that may be necessary or beneficial to accomplishing CalOptima's tasks. The advisory committees function solely in an advisory capacity providing input and recommendations concerning the CalOptima programs. CalOptima Whole-Child Model program would also benefit from the advice of a standing family advisory committee.

Discussion

While specific to Whole-Child Model program, the charge of the WCM-FAC would be similar to that of the other CalOptima Board advisory committees, including:

- Provide advice and recommendations to the Board and staff on issues concerning CalOptima Whole-Child Model program as directed by the Board and as permitted under applicable law;

- Engage in study, research and analysis of issues assigned by the Board or generated by staff or the family advisory committee;
- Serve as liaison between interested parties and the Board and assist the Board and staff in obtaining public opinion on issues relating to CalOptima Whole-Child Model program; and
- Initiate recommendations on issues for study to the CalOptima Board for its approval and consideration, and facilitate community outreach for CalOptima Whole-Child Model program and the Board.

While SB 586 requires plans to establish family advisory committees, committee composition is not explicitly defined. Based on current advisory committee experience, staff recommends including eleven (11) voting members on CalOptima's WCM-FAC, representing CCS family members who reflect the diversity of the CCS families served by the plan, as well as consumer advocates representing CCS families. If necessary, CalOptima will provide an in-person interpreter at the meetings. For the first nomination process to fill the seats, it is proposed that CalOptima's current Member Advisory Committee will be asked to participate in the Family Advisory Committee nominating ad hoc committee. The proposed candidates will then be submitted to the Board for consideration. It is anticipated that subsequent nominations for seats will be reviewed by a WCM-FAC nominating ad hoc committee and will be submitted first to the WCM-FAC, then to the full Board for consideration of the WCM-FAC's recommendations.

CalOptima staff recommends that the WCM-FAC be comprised of eleven (11) voting seats:

1. Seven (7) to ~~N~~nine (9) of the seats shall be family representatives in one of the following categories, with a priority to family representatives (i.e., if qualifying family representative candidates are available, all nine (9) seats will be filled by family representatives):
 - i. Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - ii. CalOptima members age 18 -21 who are current recipients of CCS services; or
 - iii. Current CalOptima members over the age of 21 who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS services, including:
 - i. Community-based organizations; or
 - ii. Consumer advocates.

While two (2) of the WCM-FAC's eleven seats are designated for community-based organizations or consumer advocates, WCM-FAC candidates representing these two groups may be considered for up to two additional WCM-FAC seats in the event that there are not sufficient family representative candidates to fill these seats.

Except for initial appointments, CalOptima WCM-FAC members will serve two (2) year terms, with no limits on the number of terms a representative may serve provided they continue to meet the above-referenced eligibility criteria. The initial appointments of WCM-FAC members will be divided between one and two-year terms to stagger reappointments. In the first year, five (5) committee member seats will be appointed for a one-year term and six (6) committee member seats will be appointed for a two-year term.

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The WCM-FAC Chair and Vice Chair for the first year will be nominated at the second WCM-FAC meeting by committee members. The WCM-FAC's recommendations for these positions will subsequently be submitted to the Board for consideration. After the first year, the Chair and Vice Chair of the WCM-FAC will be appointed by the Board annually from the appointed voting members and may serve two consecutive one-year terms in a particular committee officer position.

The WCM-FAC will develop, review annually and recommend to the Board any revisions to the committee's Mission or Goals and Objectives. The Goals and Objectives will be consistent with those of the CalOptima Whole-Child Model.

The WCM-FAC will meet at least quarterly and will determine the appropriate meeting frequency to provide timely, meaningful input to the Board. At its second meeting, the WCM-FAC will adopt a meeting schedule for the remainder of the fiscal year. Thereafter, a yearly meeting schedule will be adopted prior to the first regularly scheduled meeting of each year. All meetings must be conducted in accordance with CalOptima's Bylaws. Attendance of a simple majority of WCM-FAC seats will constitute a quorum. A quorum must be present for any action to be taken. Members are allowed excused absences from meetings. Notification of absence must be received by CalOptima staff prior to scheduled WCM-FAC meetings.

The CalOptima Chief Executive Officer (CEO) will prepare, or cause to be prepared, an agenda for all WCM-FAC meetings prior to posting. Posting procedures must be consistent with the requirements of the Ralph M. Brown Act (California Government Code section 54950 *et seq.*). In addition, minutes of each WCM-FAC meeting will be taken, which will be filed with the Board. The Chair will report verbally or in writing to the Board at least twice annually. The Chair will also report to the Board, as requested, on issues specified by the Board. CalOptima management will provide staff support to the WCM-FAC to assist and facilitate the operations of the committee.

In order to enable in-person participation, SB 586 provides plans the option to pay a reasonable per diem payment to family representatives serving on the Family Advisory Committee. Similar to another Medi-Cal Managed Care Plan with an already established family-based advisory committee, and subject to DHCS approval, CalOptima staff recommends that the Board authorize a stipend of up to \$50 per meeting for family representatives participating on the WCM-FAC. Only one stipend will be provided per qualifying WCM-FAC member per regularly scheduled meeting. In addition, stipend payments are restricted to family representatives only. Representatives of community-based organizations and consumer advocates are not eligible for stipends. As indicated, payment of the stipends is contingent upon approval by DHCS.

As it is the policy of CalOptima's Board to encourage maximum member and provider involvement in the CalOptima program, it is anticipated that the CalOptima Whole-Child Model will benefit from the establishment of a Family Advisory Committee. This WCM-FAC will report to the Board and will serve solely in an advisory capacity to the Board and CalOptima staff with respect to CalOptima Whole-Child Model. Establishing the WCM-FAC is intended to help to ensure that members' values and needs are integrated into the design, implementation, operation and evaluation of the CalOptima Whole-Child Model.

Fiscal Impact

The fiscal impact of the recommended action to establish the CalOptima WCM-FAC is an unbudgeted item. The projected total cost, including stipends, for meetings from April through June 2018, is \$3,575. Unspent budgeted funds approved in the CalOptima Fiscal Year (FY) 2017-18 Operating Budget on June 1, 2017, will fund the cost through June 30, 2018. The estimated annual cost is \$13,665. At this time, it is unknown whether additional staff will be necessary to support the advisory committee's work. Management plans to include expenses related to the WCM-FAC in future operating budgets.

Rationale for Recommendation

SB 586 requires that, for implementation of the Whole-Child Model program, a family advisory committee must be established. As proposed, the WCM-FAC will advise CalOptima's Board and staff on operations of the CalOptima Whole-Child Model.

Concurrence

Gary Crockett, Chief Counsel

Attachment

Resolution No. 17-1102-01

Rev.
11/2/17

/s/ Michael Schrader
Authorized Signature

10/23/2017
Date

RESOLUTION NUMBER 17-1102-01

RESOLUTION OF THE BOARD OF DIRECTORS ORANGE COUNTY HEALTH AUTHORITY, DBA CALOPTIMA ESTABLISHING POLICY AND PROCEDURES FOR CALOPTIMA WHOLE-CHILD MODEL MEMBER ADVISORY COMMITTEE

WHEREAS, the CalOptima Board of Directors (hereinafter “the Board”) would benefit from the advice of broad-based standing advisory committee specifically focusing on the CalOptima Whole-Child Model Plan hereafter “CalOptima Whole-Child Model Family Advisory Committee”; and

WHEREAS, the State of California, Department of Health Care Services (DHCS) has established requirements for implementation of the CalOptima Whole-Child Model program, including a requirement for the establishment of an advisory committee focusing on the Whole-Child Model; and

WHEREAS, the CalOptima Whole-Child Model Family Advisory Committee will serve solely in an advisory capacity to the Board and staff, and will be convened no later than the effective date of the CalOptima Whole-Child Model;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Committee Established. The CalOptima Whole-Child Model Family Advisory Committee (hereinafter “WCM-FAC”) is hereby established to:

- Report directly to the Board;
- Provide advice and recommendations to the Board and staff on issues concerning the CalOptima Whole-Child Model program as directed by the Board and as permitted under the law;
- Engage in study, research and analysis of issues assigned by the Board or generated by the WCM-FAC;
- Serve as liaison between interested parties and the Board and assist the Board and staff in obtaining public opinion on issues relating to CalOptima Whole-Child Model or California Children Services (CCS);
- Initiates recommendations on issues for study to the Board for approval and consideration; and
- Facilitates community outreach for CalOptima and the Board.

Section 2. Committee Membership. The WCM-FAC shall be comprised of Eleven (11) voting members, representing or representing the interests of CCS families. In making appointments and re-appointments, the Board shall consider the ethnic and cultural diversity and special needs of the CalOptima Whole-Child Model population. Nomination and input from interested groups and community-based organizations will be given due consideration. Except as noted below, members are appointed for a term of two (2) full years, with no limits on the number of terms. All voting member appointments (and reappointments) will be made by the Board. During the first year, five (5) WCM-FAC members will serve a one -year term

and six (6) will serve a two-year term, resulting in staggered appointments being selected in subsequent years.

The WCM-FAC shall be composed of eleven (11) voting seats:

1. Seven (7) to nine (9) of the seats shall be family representatives in the following categories:
 - Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - CalOptima members age 18-21 who are current recipients of CCS services; or
 - Current CalOptima members over the age of 21 who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children with CCS, including:
 - Community-based organizations (CBOs); or
 - Consumer advocates.

Rev.
11/2/2017

If nine or more qualified candidates initially apply for family representative seats, nine of the eleven committee seats will be filled with family representatives. Initially, and on an on-going basis, only in circumstances when there are insufficient applicants to fill all of the designated family representative seats with qualifying family representatives, up to two of the nine seats designated for family members may be filled with representatives of CBOs or consumer advocates.

It is anticipated that a representative from the CalOptima WCM-FAC may be invited to serve on a statewide stakeholder advisory group.

Section 3. Chair and Vice Chair. The Chair and Vice Chair for the WCM-FAC will be appointed by the Board annually from the appointed members. The Chair, or in the Chair's absence, the Vice Chair, shall preside over WCM-FAC meetings. The Chair and Vice Chair may each serve up to two consecutive terms in a particular WCM-FAC officer position, or until their successor is appointed by the Board.

Section 4. Committee Mission, Goals and Objectives. The WCM-FAC will develop, review annually, and make recommendations to the Board on any revisions to the committee's Mission or Goals and Objectives.

Section 5. Meetings. The WCM-FAC will meet at least quarterly. A yearly meeting schedule will be adopted at the second regularly scheduled meeting for the remainder of the fiscal year. Thereafter, a yearly meeting schedule will be adopted prior to the first regularly scheduled meeting of each year. All meetings must be conducted in accordance with CalOptima's Bylaws.

Attendance by the occupants of a simple majority of WCM-FAC seats shall constitute a quorum. A quorum must be present in order for any action to be taken by the WCM-FAC. Committee members are allowed excused absences from meetings. Notification of absence must be received by CalOptima staff prior to the scheduled WCM-FAC meeting.

The CalOptima Chief Executive Officer (CEO) shall prepare, or cause to be prepared, and post, or cause to be posted, an agenda for all WCM-FAC meetings. Agenda contents and posting procedures must be consistent with the requirements of the Ralph M. Brown Act (Government Code section 54950 *et seq.*).

WCM-FAC minutes will be taken at each meeting and filed with the Board.

Section 6. Reporting. The Chair is required to report verbally or in writing to the Board at least twice annually. The Chair will also report to the Board, as requested, on issues specified by the Board.

Section 7. Staffing. CalOptima will provide staff support to the WCM-FAC to assist and facilitate the operations of the committee.

Section 8. Ad Hoc Committees. Ad hoc committees may be established by the WCM-FAC Chair from time to time to formulate recommendations to the full WCM-FAC on specific issues. The scope and purpose of each such ad hoc will be defined by the Chair and disclosed at WCM-FAC meetings. Each ad hoc committee will terminate when the specific task for which it was created is complete. An ad hoc committee must include fewer than a majority of the voting committee members.

Section 9. Stipend. Subject to DHCS approval, family representatives participating on the WCM-FAC are eligible to receive a stipend for their attendance at regularly scheduled and ad hoc WCM-FAC meetings. Only one stipend is available per qualifying WCM-FAC member per regularly scheduled meeting. WCM-FAC members representing community-based organizations and consumer advocates are not eligible for WCM-FAC stipends.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 2nd day of November, 2017.

AYES:

NOES:

ABSENT:

ABSTAIN:

/s/ _____

Title: Chair, Board of Directors

Printed Name and Title: Paul Yost M.D., Chair, CalOptima Board of Directors

Attest:

/s/ _____

Suzanne Turf, Clerk of the Board



Policy #: AA.1271PP
Title: **Whole Child Model Family Advisory Committee**
Department: General Administration
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 06/07/18
Last Review Date: Not Applicable
Last Revised Date: Not Applicable

1 **I. PURPOSE**

2
3 This policy describes the composition and role of the Family Advisory Committee for Whole Child
4 Model (WCM) and establishes a process for recruiting, evaluating, and selecting prospective candidates
5 to the Whole Child Model Family Advisory Committee (WCM FAC).
6

7 **II. POLICY**

- 8
9 A. As directed by CalOptima’s Board of Directors (Board), the WCM FAC shall report to the
10 CalOptima Board and shall provide advice and recommendations to the CalOptima Board and
11 CalOptima staff in regards to California Children’s Services (CCS) provided by CalOptima Medi-
12 Cal's implementation of the WCM.
13
14 B. CalOptima’s Board encourages Member and community involvement in CalOptima programs.
15
16 C. WCM FAC members shall recuse themselves from voting or from decisions where a conflict of
17 interest may exist and shall abide by CalOptima’s conflict of interest code and, in accordance with
18 CalOptima Policy AA.1204: Gifts, Honoraria, and Travel Payments.
19
20 D. CalOptima shall provide timely reporting of information pertaining to the WCM FAC as requested
21 by the Department of Health Care Services (DHCS).
22
23 E. The composition of the WCM FAC shall reflect the cultural diversity and special needs of the health
24 care consumers within the Whole-Child Model population. WCM FAC members shall have direct
25 or indirect contact with CalOptima Members.
26
27 F. In accordance with CalOptima Board Resolution No. 17-1102-01, the WCM FAC shall be
28 comprised of eleven (11) voting members representing CCS family members, as well as consumer
29 advocates representing CCS families. Except as noted below, each voting member shall serve a two
30 (2) year term with no limits on the number of terms a representative may serve. The initial
31 appointments of WCM FAC members will be divided between one (1) and two (2)-year terms to
32 stagger reappointments. In the first year, five (5) committee member seats shall be appointed for a
33 one (1)-year term and six (6) committee member seats shall be appointed for a two (2)-year term.
34 The WCM FAC members serving a one (1) year term in the first year shall, if reappointed, serve
35 two (2) year terms thereafter.
36
37

- 1 1. Seven (7) to nine (9) of the seats shall be family representatives in one (1) of the following
2 categories, with a priority to family representatives (i.e., if qualifying family representative
3 candidates are available, all nine (9) seats will be filled by family representatives):
4
5 a. Authorized representatives, including parents, foster parents, and caregivers, of a
6 CalOptima Member who is a current recipient of CCS services;
7
8 b. CalOptima Members eighteen (18)-twenty-one (21) years of age who are current recipients
9 of CCS services; or
10
11 c. Current CalOptima members over the age of twenty-one (21) who transitioned from CCS
12 services.
13
14 2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS services,
15 including:
16
17 a. Community-based organizations; or
18
19 b. Consumer advocates.
20
21 3. While two (2) of the WCM FAC's eleven (11) seats are designated for community-based
22 organizations or consumer advocates, an additional two (2) WCM FAC candidates representing
23 these groups may be considered for these seats in the event that there are not sufficient family
24 representative candidates to fill the family member seats.
25
26 4. Interpretive services shall be provided at committee meetings upon request from a WCM FAC
27 member or family member representative.
28
29 5. A family representative, in accordance with Section II.G.1 of this Policy, may be invited to
30 serve on a statewide stakeholder advisory group.
31

32 G. Stipends

- 33
34 1. Subject to approval by the CalOptima Board, CalOptima may provide a reasonable per diem
35 payment to a member or family representative serving on the WCM FAC. CalOptima shall
36 maintain a log of each payment provided to the member or family representative, including type
37 and value, and shall provide such log to DHCS upon request.
38
39 a. Representatives of community-based organizations and consumer advocates are not eligible
40 for stipends.
41

42 H. The WCM FAC shall conduct a nomination process to recruit potential candidates for expiring 43 seats, in accordance with this Policy.

44 45 I. WCM FAC Vacancies

- 46
47
48 1. If a seat is vacated within two (2) months from the start of the nomination process, the vacated
49 seat shall be filled during the annual recruitment and nomination process.
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- 2. If a seat is vacated after the annual nomination process is complete, the WCM FAC nomination ad hoc subcommittee shall review the applicants from the recent recruitment to see if there is a viable candidate.
 - a. If there is no viable candidate among the applicants, CalOptima shall conduct recruitment, per section III.B.2.
 - 3. A new WCM FAC member appointed to fill a mid-term vacancy, shall serve the remainder of the resigning member’s term, which may be less than a full two (2) year term.
- J. On an annual basis, WCM FAC shall select a chair and vice chair from its membership to coincide with the annual recruitment and nomination process. Candidate recruitment and selection of the chair and vice chair shall be conducted in accordance with Sections III.B-D of this Policy.
- 1. The WCM FAC chair and vice chair may serve two (2) consecutive one (1) year terms.
 - 2. The WCM FAC chair and/or vice chair may be removed by a majority vote of CalOptima’s Board.
- K. The WCM FAC chair, or vice chair, shall ask for three (3) to four (4) members from the WCM FAC to serve on a nomination ad hoc subcommittee. WCM FAC members who are being considered for reappointment cannot participate in the nomination ad hoc subcommittee.
- 1. The WCM FAC nomination ad hoc subcommittee shall:
 - a. Review, evaluate and select a prospective chair, vice chair and a candidate for each of the open seats, in accordance with Section III.C-D of this Policy; and
 - b. Forward the prospective chair, vice chair, and slate of candidate(s) to the WCM FAC for review and approval.
 - 2. Following approval from the WCM FAC, the recommended chair, vice chair, and slate of candidate(s) shall be forwarded to CalOptima’s Board for review and approval.
- L. CalOptima’s Board shall approve all appointments, reappointments, and chair and vice chair appointments to the WCM FAC.
- M. Upon appointment to WCM FAC and annually thereafter, WCM FAC members shall be required to complete all mandatory annual Compliance Training by the given deadline to maintain eligibility standing on the WCM FAC.
- N. WCM FAC members shall attend all regularly scheduled meetings, unless they have an excused absence. An absence shall be considered excused if a WCM FAC member provides notification of an absence to CalOptima staff prior to the meeting. CalOptima staff shall maintain an attendance log of the WCM FAC members’ attendance at WCM FAC meetings. As the attendance log is a public record, any request from a member of the public, the WCM FAC chair, the vice chair, the Chief Executive Officer, or the CalOptima Board, CalOptima staff shall provide a copy of the attendance log to the requester. In addition, the WCM FAC chair, or vice chair, shall contact any committee member who has three (3) consecutive unexcused absences.

- 1 1. WCM FAC members' attendance shall be considered as a criterion upon reapplication.
2

3 **III. PROCEDURE**
4

5 A. WCM FAC meeting frequency
6

- 7 1. WCM FAC shall meet at least quarterly.
8
9 2. WCM FAC shall adopt a yearly meeting schedule at the first regularly scheduled meeting in or
10 after January of each year.
11
12 3. Attendance by a simple majority of appointed members shall constitute a quorum, and a quorum
13 must be present for any votes to be valid.
14

15 B. WCM FAC recruitment process
16

- 17 1. CalOptima shall begin recruitment of potential candidates in March of each year. In the
18 recruitment of potential candidates, the ethnic and cultural diversity and special needs of
19 children and/or families of children in CCS which are or are expected to transition to
20 CalOptima's Whole-Child Model population shall be considered. Nominations and input from
21 interest groups and agencies shall be given due consideration.
22
23 2. CalOptima shall recruit for potential candidates using one or more notification methods, which
24 may include, but are not limited to, the following:
25
26 a. Outreach to family representatives and community advocates that represent children
27 receiving CCS;
28
29 b. Placement of vacancy notices on the CalOptima website; and/or
30
31 c. Advertisement of vacancies in local newspapers in Threshold Languages.
32
33 3. Prospective candidates must submit a WCM Family Advisory Committee application, including
34 resume and signed consent forms. Candidates shall be notified at the time of recruitment
35 regarding the deadline to submit their application to CalOptima.
36
37 4. Except for the initial recruitment, the WCM FAC chair or vice chair shall inquire of its
38 membership whether there are interested candidates who wish to be considered as a chair or
39 vice chair for the upcoming fiscal year.
40
41 a. CalOptima shall inquire at the first WCM FAC meeting whether there are interested
42 candidates who wish to be considered as a chair for the first year.
43

44 C. WCM FAC nomination evaluation process
45

- 46 1. The WCM FAC chair or vice chair shall request three (3) to four (4) members, who are not
47 being considered for reappointment, to serve on the nominations ad hoc subcommittee. For the
48 first nomination process, Member Advisory Committee (MAC) members shall serve on the
49 nominations ad hoc subcommittee to review candidates for WCM FAC.
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- a. At the discretion of the nomination ad hoc subcommittee, a subject matter expert (SME), may be included on the subcommittee to provide consultation and advice.
- 2. Prior to WCM FAC nomination ad hoc subcommittee meeting (including the initial WCM FAC nomination ad hoc subcommittee).
 - a. Ad hoc subcommittee members shall individually evaluate and score the application for each of the prospective candidates using the applicant evaluation tool.
 - b. Ad hoc subcommittee members shall individually evaluate and select a chair and vice chair from among the interested candidates.
 - c. At the discretion of the ad hoc subcommittee, subcommittee members may contact a prospective candidate’s references for additional information and background validation.
- 3. The ad hoc subcommittee shall convene to discuss and select a chair, vice chair and a candidate for each of the expiring seats by using the findings from the applicant evaluation tool, the attendance record if relevant and the prospective candidate’s references.
- D. WCM FAC selection and approval process for prospective chair, vice chair, and WCM FAC candidates:
 - 1. The nomination ad hoc subcommittee shall forward its recommendation for a chair, vice chair, and a slate of candidates to WCM FAC (or in the first year, the MAC) for review and approval. Following WCM FAC’s approval (or in the first year, the MAC), the proposed chair, vice chair and slate of candidates shall be submitted to CalOptima’s Board for approval.
 - 2. The WCM FAC members’ terms shall be effective upon approval by the CalOptima Board.
 - a. In the case of a selected candidate filling a seat that was vacated mid-term, the new candidate shall attend the immediately following WCM FAC meeting.
 - 3. WCM FAC members shall attend a new advisory committee member orientation.

IV. ATTACHMENTS

- A. Whole-Child Model Member Advisory Committee Application
- B. Whole-Child Model Member Advisory Committee Applicant Evaluation Tool
- C. Whole-Child Model Community Advisory Committee Application
- D. Whole-Child Model Community Advisory Committee Applicant Evaluation Tool

V. REFERENCES

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Board Resolution 17-1102-01
- C. CalOptima Policy AA.1204: Gifts, Honoraria, and Travel Payments
- D. Welfare and Institutions Code §14094.17(b)

VI. REGULATORY AGENCY APPROVALS

Policy #: AA.1271

Title: Whole Child Model Family Advisory Committee

Effective Date: 06/07/18

1 None to Date

2

3

VII. BOARD ACTIONS

4

A. 11/02/17: Regular Meeting of the CalOptima Board of Directors

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VIII. REVIEW/REVISION HISTORY

8

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	06/07/2018	AA.1271PP	Whole Child Model Family Advisory Committee	Medi-Cal

9

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DRAFT

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IX. GLOSSARY

Term	Definition
California Children’s Services Program	The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible children under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9.
Member	For purposes of this policy, an enrollee-beneficiary of the CalOptima Medi-Cal Program receiving California Children's Services through the Whole Child Model program.
Member Advisory Committee (MAC)	A committee comprised of community advocates and Members, each of whom represents a constituency served by CalOptima, which was established by CalOptima to advise its Board of Directors on issues impacting Members.
Threshold Languages	Those languages identified based upon State requirements and/or findings of the Group Needs Assessment (GNA).
Whole Child Model	An organized delivery system that will ensure comprehensive, coordinated services through enhanced partnerships among Medi-Cal managed care plans, children’s hospitals and specialty care providers.

4



Whole-Child Model Family Advisory Committee (WCM FAC) Member Application

Instructions: Please type or print clearly. This application is for current California Children's Services (CCS) members and their family members. Please attach a résumé or bio outlining your qualifications and include signed authorization forms. For questions, please call **1-714-246-8635**.

Name: _____ Primary Phone: _____
 Address: _____ Secondary Phone: _____
 City, State, ZIP: _____ Fax: _____
 Date: _____ Email: _____

Please see the eligibility criteria below:*

Seven (7) to nine (9) seats shall be family representatives in one of the following categories. Please indicate:

- Authorized representatives, which includes parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
- CalOptima members age 18–21 who are current recipients of CCS services; or
- Current CalOptima members over the age of 21 who transitioned from CCS services

Four (4) seats will be appointed for a one-year term and five (5) seats will be appointed for a two-year term.

CalOptima Medi-Cal/CCS status (e.g., member, family member, foster parent, caregiver, etc.):

If you are a family member/foster parent/caregiver, please tell us who the member is and what your relationship is to the member:

Member Name: _____ Relationship: _____

Please tell us whether you have been a CalOptima member (i.e., Medi-Cal) or have any consumer advocacy experience: _____

Please explain why you would be a good representative for diverse cultural and/or special needs of children and/or the families of children in CCS. Include any relevant experience working with these populations: _____

Please provide a brief description of your knowledge or experience with California Children's Services: _____

Please explain why you wish to serve on the WCM FAC: _____

Describe why you would be a qualified representative for service on the WCM FAC: _____

Other than English, do you speak or read any of CalOptima's threshold languages for the Whole-Child Model (i.e. Spanish, Vietnamese, Korean, Farsi, Chinese or Arabic)? If so, which one(s)?

If selected, are you able to commit to attending quarterly (at least) WCM FAC meetings, as well as serving on at least one subcommittee? Yes No

Please supply two references (professional, community or personal):

Name: _____

Name: _____

Relationship: _____

Relationship: _____

Address: _____

Address: _____

City, State, ZIP: _____

City, State, ZIP: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

* Interested candidates for the WCM FAC member or family member seats must reside in Orange County and maintain enrollment in CalOptima Medi-Cal and/or California Children Services/Whole-Child Model or must be a family member of an enrolled CalOptima Medi-Cal and California Children Services/Whole-Child Model member.

This information is available for free in other languages. Please call our Customer Service Department toll-free at **1-888-587-8808**. TDD/TTY users can call toll-free at **1-800-735-2929**.

[Back to Agenda](#)

Please sign the **Public Records Act Notice** below and **Limited Privacy Waiver** on the next page. You also need to sign the attached **Authorization for Use or Disclosure of Protected Health Information** form to enable CalOptima to verify current member status.

PUBLIC RECORDS ACT NOTICE

Under California law, this form, the information it contains, and any further information submitted with it, such as biographical summaries and résumés, are public records, with the exception of your address, email address, and telephone numbers, and the same information of any references provided. These documents may be presented to the Board of Directors for their consideration at a public meeting, at which time they will be published, with the contact information removed, as part of the Board Materials that are available on CalOptima’s website, and even if not presented to the Board, will be available on request to members of the public.

Signature: _____

Date: _____

Print Name: _____

LIMITED PRIVACY WAIVER

Under state and federal law, the fact that a person is eligible for Medi-Cal and California Children's Services (CCS) is a private matter that may only be disclosed by CalOptima as necessary to administer the Medi-Cal and CCS program, unless other disclosures are authorized by the eligible member. Because the position of Member Representative on Whole Child Model Family Advisory Committee (WCM FAC) requires that the person appointed must be a member or a family member of a member receiving CCS, the member's Medi-Cal and CCS eligibility will be disclosed to the general public. The member or their representative (e.g. parent, foster parent, guardian, etc.) should check the appropriate box below and sign this waiver to allow his or her, or his or her family member or caregiver's name to be nominated for the advisory committee.

MEMBER APPLICANT — I understand that by signing below and applying to serve on the WCM FAC, I am disclosing my eligibility for the Medi-Cal and CCS program, the fact of which is otherwise protected under state or federal law. I am not agreeing to disclose any other information protected by state or federal law.

FAMILY MEMBER APPLICANT — I understand that by applying to serve on the WCM FAC, my status as a family member of a person eligible for Medi-Cal and CCS benefits is likely to become public. I authorize the disclosing of my family member's (insert name of member: _____) eligibility for the Medi-Cal and CCS program, the fact of which is otherwise protected under state or federal law. I am not agreeing to disclose any other information protected by state or federal law.

Medi-Cal/CCS Member (Printed Name): _____

Applicant Printed Name: _____

Applicant Signature: _____ Date: _____

**AUTHORIZATION FOR USE AND DISCLOSURE OF
PROTECTED HEALTH INFORMATION (PHI)**

The federal HIPAA Privacy Regulations requires that you complete this form to authorize CalOptima to use or disclose your Protected Health Information (PHI) to another person or organization. Please complete, sign, and return the form to CalOptima.

Date of Request: _____ Telephone Number: _____
Member Name: _____ Member CIN: _____

AUTHORIZATION:

I, _____, hereby authorize CalOptima, to use or disclose my health information as described below.

Describe the health information that will be used or disclosed under this authorization (please be specific): Information related to the identity, program administrative activities and/or services provided to {me} {my child} which is disclosed in response to my own disclosures and/or questions related to same.

Person or organization authorized to receive the health information: General public

Describe each purpose of the requested use or disclosure (please be specific): To allow CalOptima staff to respond to questions or issues raised by me that may require reference to my health information that is protected from disclosure by law during public meetings of the CalOptima Whole-Child Model Family Advisory Committee

EXPIRATION DATE:

This authorization shall become effective immediately and shall expire on: The end of the term of the position applied for

Right to Revoke: I understand that I have the right to revoke this authorization in writing at any time. To revoke this authorization, I understand that I must make my request in writing and clearly state that I am revoking this specific authorization. In addition, I must sign my request and then mail or deliver my request to:

CalOptima
Customer Service Department
505 City Parkway West
Orange, CA 92868

1 I understand that a revocation will not affect the ability of CalOptima or any health care provider to use
2 or disclose the health information to the extent that it has acted in reliance on this authorization.

3 **RESTRICTIONS:**

4
5 I understand that anything that occurs in the context of a public meeting, including the meetings of the
6 Whole Child Model Family Advisory Committee, is a matter of public record that is required to be
7 disclosed upon request under the California Public Records Act. Information related to, or relevant to,
8 information disclosed pursuant to this authorization that is not disclosed at the public meeting remains
9 protected from disclosure under the Health Insurance Portability and Accountability Act (HIPAA), and
10 will not be disclosed by CalOptima without separate authorization, unless disclosure is permitted by
11 HIPAA without authorization, or is required by law.

12 **MEMBER RIGHTS:**

- 13 • I understand that I must receive a copy of this authorization.
- 14 • I understand that I may receive additional copies of the authorization.
- 15 • I understand that I may refuse to sign this authorization.
- 16 • I understand that I may withdraw this authorization at any time.
- 17 • I understand that neither treatment nor payment will be dependent upon my refusing or agreeing
18 to sign this authorization.
- 19

20 **ADDITIONAL COPIES:**

21
22 Did you receive additional copies? Yes No

23 **SIGNATURE:**

24
25 By signing below, I acknowledge receiving a copy of this authorization.

26 Member Signature: _____ Date: _____

27 Signature of Parent or Legal Guardian: _____ Date: _____

28
29
30 ***If Authorized Representative:***

31 Name of Personal Representative: _____

32 Legal Relationship to Member: _____

33 Signature of Personal Representative: _____ Date: _____

34
35 ***Basis for legal authority to sign this Authorization by a Personal Representative***

36 (If a personal representative has signed this form on behalf of the member, a copy of the Health Care
37 Power of Attorney, a court order (such as appointment as a conservator, or as the executor or

- 1 administrator of a deceased member's estate), or other legal documentation demonstrating the authority
- 2 of the personal representative to act on the individual's behalf must be attached to this form.)



Applicant Name: _____

WCM Family Advisory Committee
Applicant Evaluation Tool (use one per applicant)

WCM FAC Seat: _____

Please rate questions 1 through 5 below based on how well the applicant satisfies the following statements where
 5 is Excellent 4 is Very good 3 is Average 2 is Fair 1 is Poor

<u>Criteria for Nomination Consideration and Point Scale</u>	<u>Possible Points</u>	<u>Awarded Points</u>
1. Consumer advocacy experience or Medi-Cal member experience	1-5	_____
2. Good representative for diverse cultural and/or special needs of children and/or families of children in CCS	1-5	_____
Include relevant experience with these populations	1-5	_____
3. Knowledge or experience with California Children’s Services	1-5	_____
4. Explanation why applicant wishes to serve on the WCM FAC	1-5	_____
5. Explanation why applicant is a qualified representative for WCM FAC	1-5	_____
6. Ability to speak one of the threshold languages (other than English)	Yes/No	_____
7. Availability and willingness to attend meetings	Yes/No	_____
8. Supportive references	Yes/No	_____
	Total Possible Points	30

 Name of Evaluator

 Total Points Awarded

Whole-Child Model Family Advisory Committee (WCM FAC) Community Application

**Instructions: Please answer all questions. You may handwrite or type your answers.
Attach an additional page if needed.
If you have any questions regarding the application, call 1-714-246-8635.**

Name: _____ Work Phone: _____
 Address: _____ Mobile Phone: _____
 City, State ZIP: _____ Fax Number: _____
 Date: _____ Email: _____

Please see the eligibility criteria below:

Two (2) to four (4) seats will represent the interests of children receiving California Children’s Services (CCS), including:

- Community-based organizations
- Consumer advocates

Except for two designated seats appointed for the initial year of the Committee, all appointments are for a two-year period, subject to continued eligibility to hold a Community representative seat.

Current position and/or relation to a community-based organization or consumer advocate(s) (e.g., organization title, student, volunteer, etc.):

1. Please provide a brief description of your direct or indirect experience working with the CalOptima population receiving CCS services and/or the constituency you wish to represent on the WCM FAC. Include any relevant community experience:

2. What is your understanding of and familiarity with the diverse cultural and/or special needs of children receiving CCS services in Orange County and/or their families? Include any relevant experience working with such populations:

3. What is your understanding of and experience with California Children's Services, managed care systems and/or CalOptima?

4. Please explain why you wish to serve on the WCM FAC:

5. Describe why you would be a qualified representative for service on the WCM FAC:

6. Other than English, do you speak or read any of CalOptima's threshold languages, such as Spanish, Vietnamese, Korean, Farsi, Chinese or Arabic? If so, which one(s)?

7. If selected, are you able to commit to attending WCM FAC meetings, as well as serving on at least one subcommittee? Yes No

8. Please supply two references (professional, community or personal):

Name: _____	Name: _____
Relationship: _____	Relationship: _____
Address: _____	Address: _____
City, State ZIP: _____	City, State ZIP: _____
Phone: _____	Phone: _____
Email: _____	Email: _____

Submit with a **biography or résumé** to:

CalOptima, 505 City Parkway West, Orange, CA 92868

Attn: Becki Melli

Email: bmelli@caloptima.org

For questions, call 1-714-246-8635

Applications must be received by March 30, 2018.

Public Records Act Notice

Under California law, this form, the information it contains, and any further information submitted with it, such as biographical summaries and résumés, are public records, with the exception of your address, email address, and telephone numbers, and the same information of any references provided. These documents may be presented to the Board of Directors for their consideration at a public meeting, at which time they will be published, with the contact information removed, as part of the Board Materials that are available on CalOptima’s website, and even if not presented to the Board, will be available on request to members of the public.

Signature

Date

Print Name



Applicant Name: _____

WCM Family Advisory Committee
Applicant Evaluation Tool (use one per applicant)

WCM FAC Seat: _____

Please rate questions 1 through 5 below based on how well the applicant satisfies the following statements where
 5 is Excellent 4 is Very good 3 is Average 2 is Fair 1 is Poor

<u>Criteria for Nomination Consideration and Point Scale</u>	<u>Possible Points</u>	<u>Awarded Points</u>
1. Direct or indirect experience working with members the applicant wishes to represent	1-5	_____
Include relevant community involvement	1-5	_____
2. Understanding of and familiarity with the diverse cultural and/or special needs populations in Orange County	1-5	_____
Include relevant experience with diverse populations	1-5	_____
3. Knowledge of managed care systems and/or CalOptima programs	1-5	_____
4. Expressed desire to serve on the WCM FAC	1-5	_____
5. Explanation why applicant is a qualified representative	1-5	_____
6. Ability to speak one of the threshold languages (other than English)	Yes/No	_____
7. Availability and willingness to attend meetings	Yes/No	_____
8. Supportive references	Yes/No	_____
	Total Possible Points	_____ 35
_____ Name of Evaluator	Back to Agenda	Total Points Awarded _____

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 4, 2009 Regular Meeting of the CalOptima Board of Directors

Report Item

VI. E. Approve Health Network Contract Rate Methodology

Contact

Michael Engelhard, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve the modification methodology of Health Network capitation rates for October 1, 2009.

Background

Health Network capitation is the payment method that CalOptima uses to reimburse PHCs and shared risk groups for the provision of health care services to members enrolled in CalOptima Medi-Cal and CalOptima Kids. In order to ensure that reimbursement to such capitated providers reflects up-to-date information, CalOptima periodically contracts with its actuarial consultants to recalculate or “rebase” these payment rates.

The purpose of this year’s rebasing is to:

- Establish actuarially sound facility and professional capitation rates;
- Account for changes in CalOptima’s delivery model;
- Incorporate changes in the Division of Financial Responsibility (DOFR); and
- Perform separate analyses for Medi-Cal and CalOptima Kids.

The overall methodology for this year’s rebasing approach includes:

- CalOptima eligibility data;
- Encounter and CalOptima Direct (COD) claim data analysis
- Reimbursement analysis;
- PCP capitation analysis;
- Maternity “kick” payment analysis;
- State benefit carve-out analysis;
- Reinsurance analysis;
- Administrative load analysis;
- Budget neutrality established

Discussion

CalOptima uses capitation as one way to reimburse certain contracted health care providers for services rendered. A Capitation payment is made to the provider during the month and is based solely on the number of contracted members assigned to that provider

at the beginning of each month. The provider is then responsible for utilizing those dollars in exchange for all services provided during that month or period.

To ensure that capitated payment rates reflect the current structure and responsibilities between CalOptima and its delegated providers, capitation rates need to be periodically reset or rebased.

CalOptima last performed a comprehensive rate rebasing in July 2007, for rates effective January 1, 2008, for CalOptima Medi-Cal only. Much has changed since that time including the establishment of shared risk groups; the movement of certain high-acuity members out of the Health Networks and into COD; changes in the DOFR between hospitals, physicians and CalOptima; shifts in member mix between the Health Networks; and changes in utilization of services by members.

Therefore, CalOptima opted to perform another comprehensive rebasing analysis prior to the FY2009-10 year in order to fully reflect the above-mentioned changes.

Fiscal Impact

CalOptima projects no fiscal impact as a result of the rebasing. Rebasing is designed to be budget neutral to overall CalOptima medical expenses even though there will likely be changes to specific capitation rates paid to Health Network providers.

Rationale for Recommendation

Staff recommends approval of this action to provide proper reimbursement levels to CalOptima's capitated health networks participating in CalOptima Medi-Cal and CalOptima Kids.

Concurrence

Procopio, Cory, Hargreaves & Savitch LLP

Attachments

None

/s/ Richard Chambers
Authorized Signature

5/27/2009
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action to Be Taken December 17, 2003 **Special Meeting of the CalOptima Board of Directors**

Report Item

VI. A. Approve Modifications to the CalOptima Health Network Capitation
Methodology and Rate Allocations

Contact

Amy Park, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve modifications to the CalOptima health network capitation methodology and rate allocations between Physician and Hospital financial responsibilities effective March 2004.

Background

CalOptima pays its health networks (HMOs and PHCs) according to the same schedule of capitation rates, which are adjusted by Medi-Cal aid category, gender and age. The actuarial cost model, upon which these rates are based, was developed by Milliman USA utilizing pre-CalOptima Orange County fee-for-service (FFS) experience as the baseline. This model then took into account utilization targets that were actuarially-appropriate for major categories of services and competitive reimbursement levels to ensure sufficient funds to provide all medically necessary services under a managed care model.

Since development of the model in 1999, CalOptima has negotiated capitation rate increases from the State for managed care rate “pass throughs” as a result of provider rate increases implemented in the Medi-Cal FFS program. In turn, CalOptima passed on these additional revenues to the health networks by increasing capitation payments, establishing carve-outs (e.g., transplants), or offering additional financial support, such as funding for enhanced subspecialty coverage and improving reinsurance coverage.

It has now been over four years since CalOptima commissioned a complete review of the actuarial cost model. As noted, CalOptima has only adjusted the underlying pricing in the actuarial cost model over the years to pass on increases in capitation rates to the health networks.

In light of State fiscal challenges and impending potential Medi-Cal funding and benefit reductions, CalOptima must examine the actuarial soundness of the existing cost model and update the utilization assumptions to ensure that CalOptima’s health network capitation rate methodology continues to allocate fiscal resources commensurate with the level of medical needs of the population served. This process will also provide

CalOptima with a renewed starting point from which to make informed decisions as we face yet another round of State budget uncertainties and declining resources.

Discussion

General Process. With the updated model, Milliman's rebasing process takes into account the 7+ years of health network managed care experience, rather than the historical pre-CalOptima Orange County FFS experience, as a base for capitation rates. Milliman examined the utilization statistics as indicated by the health network encounter data and evaluated the utilization for completeness by comparing against health network reported utilization and financial trends, health network primary care physician capitation and other capitation rates, health network hospital risk pool settlements, and other benchmarks as available. Further adjustments were made to account for changes in contractual requirements in the 2003-2005 health network contracts.

Utilization Assumptions. Consistent with changes in the State rate methodology, the updated health network capitation model combines the Family, Poverty and Child aid categories into a single Family aid category, with updated age/gender factors. The new model also recommends the creation of a supplemental capitation rate for members with end stage renal disease (ESRD). Furthermore, the actuarial model identifies actuarially-appropriate utilization targets for all major categories of services. These targets are set at levels that ensure that health networks have sufficient funds to provide all medically necessary services.

Pricing Assumptions. The new actuarial cost model includes reimbursement assumptions that are applied to the utilization targets to determine capitation rates. Effective October 2003, the State reduced CalOptima's capitation rates, effectively passing through the 5% cutback in physician and other provider rates as enacted in the 2003-04 State Budget Act. Notwithstanding this reduction, it is CalOptima's goal to maintain physician reimbursement levels to ensure members' continued access to care. Hence, CalOptima's health network minimum provider reimbursement policy and capitation funding will be maintained at its current levels. In other words, health networks will continue to be required to reimburse specialty physicians at rates that are no less than 150% of the Medi-Cal Fee Schedule and physician services in the actuarial model will continue to be priced at 147% of the August 1999 Medi-Cal Fee Schedule (as adjusted to primarily reflect market primary care physician capitation rates).

The actuarial cost model also provides sufficient funds to reimburse inpatient hospital reimbursement services at rates that are comparable to the average Southern California per diem rates and payment trends as published by California Medical Assistance Commission (CMAC) and to reimburse hospital outpatient services, commensurate with physician services, at 147% of the August 1999 Medi-Cal Fee Schedule.

In addition, the actuarial cost model provides sufficient funds for health network administrative expenses and an allowance for surplus. The table below summarizes the adjusted allocation of health network capitation rates to reflect the new actuarial cost model:

Aid Category	Proposed Hospital	Proposed Physician	Proposed Combined
Family/Poverty/Child	-4.6%	2.1%	-0.7%
Adult	-19.4%	-3.1%	-12.0%
Aged	18.9%	19.1%	19.0%
Disabled	10.9%	-4.4%	3.3%
Composite	1.7%	0.7%	1.2%

**Percentage changes are calculated from current capitation rates which have been adjusted to reflect the establishment of a separate ESRD supplemental capitation.*

Fiscal Impact

In summary, the proposed modifications will increase capitation payments made to physicians by 0.7%, while capitation payments to hospitals will increase by approximately 1.7%, for an overall weighted average increase in health network capitation rate payments of 1.2%, or \$3.1 million on an annualized basis.

This additional increase will be funded by the Medi-Cal capitation rate increases received by CalOptima related to the State’s settlement of the *Orthopaedic v. Belshe* lawsuit concerning Medi-Cal payment rates for hospital outpatient services.

As the Board will recall, the additional monies received by CalOptima related to this hospital outpatient settlement were passed through to hospitals in a lump-sum payment as approved by the Board in April 2003 for Fiscal 2001-02. That Board action also included approval for a second distribution scheduled for January 2004 to be made to hospitals for Fiscal 2002-03 related monies. Therefore, the proposed increases in hospital capitation rates contained in this action referral will facilitate the ongoing distributions of these dollars to CalOptima’s participating hospitals. *See also related Board action referral to approve modifications to CalOptima Direct hospital reimbursement rates.*

Rationale for Recommendation

The proposed modifications to the rate methodology and related allocation of funds are consistent with the extensive, independent analysis performed by Milliman USA to update CalOptima’s health network capitation methodology to reflect the 7+ years of health network managed care experience, rather than the historical pre-CalOptima Orange County FFS experience, as a base for capitation rates. The updated actuarial model also provides CalOptima with a renewed starting point from which to make informed

decisions as we face yet another round of State budget uncertainties and declining resources.

Concurrence

CalOptima Board of Directors' Finance Committee

Attachments

None

/s/ Mary K. Dewane
Authorized Signature

12/9/2003
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

7. Consider Actions Related to Orange County Advantage Medical Group and Fountain Valley Regional Hospital and Medical Center, Including Ratification of Health Network Contract Amendments

Contact

Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400
Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Actions

Ratify the Medi-Cal contract amendments for the Physician Hospital Consortium (PHC) health network contracts for Orange County Advantage Medical Group (OCAMG) and Fountain Valley Regional Hospital and Medical Center (FVRHMC) which:

- a. Extend the contracts through December 31, 2018;
- b. Extend the current capitation rates for assigned members effective July 1, 2018 through December 31, 2018;
- c. Reflect changes in Child Health and Disability Prevention (CHDP) Program responsibilities and rates to the extent authorized by the Board of Directors in a separate Board action;
- d. Reflect the responsibility of OCAMG to pay individual providers Proposition 56 appropriated funds and to compensate OCAMG an administrative fee for performance of these responsibilities to the extent authorized by the Board in a separate action; and
- e. Amend the contract terms to reflect applicable regulatory changes and other requirements.

Background

On June 7, 2018, the Board approved the extension of all other Medi-Cal PHC health network contracts through December 31, 2018. Additionally, the Board approved the extension of current Medi-Cal Expansion (MCE) rates to the Health Networks, authorized amendment of the Health Network contracts to reflect the transition of billing and payment of CHDP services to the Health Networks, authorized amendments to the Health Network contracts to specify the method, timeframes and reporting requirements for the distribution of Proposition 56 funds and authorized the amendment of PHC contracts to include regulatory requirements, as applicable, and in accordance with Department of Health Care Services (DHCS) guidance. OCAMG was not included with the Health Network contract extension staff reports submitted to the Board in June, because it had filed a request to terminate its network contract with CalOptima. The request was based on OCAMG's failure to meet the CalOptima Medi-Cal Board-approved minimum member threshold in accordance with Policy EE.1106. OCAMG has since withdrawn its request for termination and instead asked for an extension of the time period to meet the required minimum Medi-Cal membership threshold. Staff plans to review the minimum enrollment requirements as stated in Policy #EE.1106, complete additional analysis and may return to the Board with additional recommendations, if appropriate.

The background outlined below was included in the health network contract extension staff reports submitted to the Board in June 2018.

CalOptima's current Medi-Cal PHC health network contracts were amended on July 1, 2016 to extend the contracts through December 2016. In November 2016, the Medi-Cal PHC health network contracts were amended to extend the contracts through June 30, 2017. Based on Board approval at the June 2017 meeting, the contracts were extended for another year through June 30, 2018.

In support of Medi-Cal Expansion (MCE), the Board, on November 7, 2013, approved the distribution of enhanced federal funding received from the Department of Health Care Services (DHCS) to the health networks. CalOptima, in order to maintain the higher funding level for MCE members, was required to demonstrate a Medical Loss Ratio (MLR) of eighty-five percent (85%) or higher. CalOptima's MLR did not support the continued level of funding established in 2014 and DHCS gradually reduced the level of MCE funding to CalOptima. The Board subsequently approved a reduction in health network capitation rates in a Board action on September 3, 2015.

DHCS further reduced rates for MCE members. As a result, the Board at the May 5, 2016, meeting approved a fifteen percent (15%) decrease in capitation rates for MCE members. Contracts were amended to reflect this decrease, with revised rates effective through June 30, 2017. Subsequently, effective July 1, 2017, the Board authorized a twenty-nine percent (29%) reduction in capitated hospital rates; all other MCE rates were extended through June 30, 2018.

The Child Health Disability Prevention (CHDP) Program is a preventive program that delivers periodic health assessments and services to low income children and youth in California. The program helps to prevent or find health problems through regular health check-ups. Since the inception of the program, the DHCS has required providers to bill with California defined procedure codes on a California designated form. CalOptima has retained payment responsibility for payment of CHDP services requiring physicians regardless of health network affiliation, to bill CalOptima directly for all services.

Proposition 56 increased the excise tax rate on cigarettes and tobacco products for the purposes of funding specified expenditures, including increased funding for existing healthcare programs administered by the DHCS. Assembly Bill 120 (Ting, Chapter 22, Statutes of 2017), Section 3, Item 4260-101-3305, appropriates Proposition 56 funds for Fiscal Year (FY) 2017-18, which included a portion of the funds to be paid for specific managed care services.

On May 1, 2018, the DHCS issued an All Plan Letter (APL) which provides guidance to Medi-Cal Managed Care Plans, on how the funds from Proposition 56 are to be distributed to providers. The APL specifies that Managed Care Providers and their subcontractors will be required to pay individual providers an additional sum for specified services as defined in the APL by 13 Current Procedural Terminology (CPT) codes. The document also specifies the timeframe and reporting requirements for such payments.

Discussion

Extension of the Contract Term: Staff is requesting Board ratification of the contract amendment to extend the OCAMG Medi-Cal physician PHC contracts for OCAMG and FVRMC through December 31, 2018.

Managed Care Expansion Rates: In April 2018, DHCS released draft capitation rates for CalOptima for FY 2018-19. Staff has reviewed the draft rates and determined that they support the continued payment of existing health network capitation rates, including those associated with the Managed Care Expansion (MCE) members. The rates associated with the MCE members were to expire on June 30, 2018. Therefore, staff recommended extending the current rates effective July 1, 2018 through December 31, 2018. This proposal was addressed in the Board-approved CalOptima FY 2018-19 Operating Budget.

CHDP: As of January 1, 2018, the State required fee for service providers of CHDP services to comply HIPAA standards for health care electronic transactions and code sets. The transition results in providers billing CHDP services using standard CPT codes and CMS 1500 forms, or their electronic equivalent, and is consistent with the billing of all other services. CalOptima proposed to transition the billing and payment of services using the same methodology, effective July 1, 2018. As this transition streamlines the process of billing and paying for these services, CalOptima transitioned the responsibility for payment of CHDP services to the Health Networks effective July 1, 2018. Staff requests ratification of the amendment to OCAMG contract which reflected this change.

Proposition 56 Payments: In accordance with the guidance provided in the DHCS issued APL, CalOptima is defining the process, timeframes and reporting requirements for making the additional payments to individual providers. Staff requested the authority to amend the health network contracts to specify the method, timeframes and reporting requirements for the distribution of Proposition 56 funds by the health networks.

Regulatory Changes: In 2016, the Centers for Medicare & Medicaid Services (CMS) released a comprehensive revision of the federal Medicaid managed care and Child Health Insurance Program (CHIP) regulations. The intent of the regulations is to align the managed care requirements of Medicaid with those for Medicare. As specified in the contract with DHCS, CalOptima is required to incorporate some of the revised regulations into CalOptima's contracts with providers. Staff requested authority to amend PHC contracts to include the regulatory requirements, as applicable and in accordance with DHCS guidance.

Minimum Enrollment Threshold. Staff is currently evaluating OCAMG's request to extend the 5,000 minimum enrollment timeframe. Staff may return to the Board with recommendations at a future date.

Fiscal Impact

Management has included expenses associated with all extended PHC contracts in the CalOptima FY 2018-19 Operating Budget, approved by the Board on June 7, 2018. Extension of the contracts was under the same terms and conditions for professional and hospital services capitation, with the

exception of changes to CHDP and Proposition 56 as addressed in this staff report. The recommended action to extend CalOptima's PHC physician and hospital contracts with Orange County Advantage Medical Group (OCAMG) and Fountain Valley Regional Hospital and Medical Center (FVRHMC) through December 31, 2018, is a budgeted item with no additional fiscal impact.

The proposed transition of CHDP services from CalOptima to health networks is expected to increase CalOptima's total CHDP costs by \$6.2 million annually. The increased costs are primarily due to two factors: (1) the application of the contracted CalOptima Direct/CalOptima Community Network Medical fee schedule for primary care physician services; and (2) the application of an administration load to reimburse health networks for increased claims adjudication and management costs. CalOptima will incorporate funding for CHDP services that are currently paid on a fee for service basis into an equivalent capitation rate to delegated Health Networks. Management has included expenses associated with the recommended CHDP actions in the Board approved CalOptima FY 2018-19 Operating Budget.

Disbursement of Proposition 56 funds is expected to be budget neutral to CalOptima. Based on the draft capitation rates provided by DHCS, staff anticipates that Proposition 56 revenues will be sufficient to cover the total costs of the program.

Rationale for Recommendation

CalOptima staff recommends these changes in PHC responsibilities in accordance with the CalOptima delegated model, to maintain and continue the contractual relationship with OCAMG, and fulfill regulatory requirements.

Concurrence

Gary Crockett

Attachments

None

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

8. Consider Authorizing Amendments of the CalOptima Medi-Cal Full-Risk Health Network Contract with Kaiser Permanente

Contact

Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400
Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Actions

Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to enter into contract amendments of the CalOptima Medi-Cal Full-Risk Health Network Contract with Kaiser Permanente to:

1. Modify capitation rates effective January 1, 2019, to include rates associated with the Whole-Child Model program to the extent authorized by the Board of Directors in a separate Board action; and
2. Amend the contract terms to reflect applicable regulatory changes and other requirements associated with the Whole-Child Model.

Background

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown signed Senate Bill 586 into law, which authorizes DHCS to incorporate CCS services into Medi-Cal Managed Care Plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the Whole-Child Model (WCM). WCM's goals include: improving coordination and integration of services to meet the needs of the whole child; retaining CCS program standards; supporting active family participation; and maintaining member-provider relationships where possible.

DHCS is implementing WCM on a phased basis; Orange County's implementation will be no sooner than January 1, 2019. Based on this schedule, CalOptima will assume responsibility for authorization and payment of CCS-eligible medical services including service authorization activities, claims (with some exceptions), case management, and quality oversight. At the June 7, 2018 Board meeting, staff extended the Kaiser contract through June 30, 2019, and received authority to proceed with several actions related to the WCM program including carving CCS services into the health network contract.

Discussion

WCM: To ensure adequate revenue is provided to support the WCM program, CalOptima will develop actuarially sound capitation rates that are consistent with the projected risks that will be delegated to capitated health networks and hospitals. CalOptima also recognizes that medical costs for CCS members can be highly variable and volatile, possibly resulting in material cost differences between different periods and among different providers. To mitigate these financial risks and ensure

that networks will receive sufficient and timely compensation, management proposes that CalOptima implement two retrospective reimbursement mechanisms: (1) Interim reimbursement for catastrophic cases; and (2) Retrospective risk corridor.

WCM incorporates requirements from SB 586 and CCS into the Medi-Cal Managed Care. Many of these WCM requirements will include new requirements for the health networks. Included is the requirement that the health networks will be required to use CCS paneled providers and facilities to treat children and youth for their CCS condition. Continuity of care provisions and minimum provider rate requirements (unless the provider has agreed to different rates with health network) are also among the health network requirements.

Staff requests authority to incorporate the WCM rates and requirements into the health network contracts.

Fiscal Impact

The recommended action to amend health network contracts, effective January 1, 2019, to include rates associated with the WCM program is a budgeted item. Management has included projected revenues and expenses associated with the WCM program in the CalOptima FY 2018-19 Operating Budget approved by the Board on June 7, 2018. Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual WCM program costs at approximately \$274 million. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict and likely to be highly volatile. CalOptima will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Rationale for Recommendation

CalOptima staff recommends these actions to: reflect changes in rates and responsibilities in accordance with the CalOptima delegated model; to maintain and continue the contractual relationship with the provider network; and to fulfill regulatory requirements.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Contracted Entities Covered by this Recommended Board Action
2. Board Action dated June 7, 2018, Consider Actions Related to CalOptima's Whole-Child Model Program
3. Board Action dated June 4, 2009, Approve Health Network Contract Rate Methodology
4. Board Action dated December 17, 2003, Approve Modifications to the CalOptima Health Network Capitation Methodology and Rate Allocations

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

*Attachment to August 2, 2018 Board of Directors Meeting –
Agenda Item 8*

CONTRACTED ENTITY COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Kaiser Foundation Health Plan, Inc.	393 Walnut St.	Pasadena	CA	91188

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 7, 2018 Regular Meeting of the CalOptima Board of Directors

Report Item

45. Consider Actions Related to CalOptima's Whole-Child Model Program

Contact

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

Recommended Actions

1. Authorize CalOptima staff to develop an implementation plan to integrate California Children's Services into its Medi-Cal program in accordance with the Whole Child Model (WCM), and return to the Board for approval after developing draft policies, and completing additional analysis and modeling prior to implementation;
2. Authorize and direct the Chief Executive Officer (CEO), with assistance of Legal Counsel, to execute a Memorandum of Understanding (MOU) with Orange County Health Care Agency (OC HCA) for coordination of care, information sharing and other actions to support WCM activities; and
3. In connection with development of the Whole Child Model Family Advisory Committee:
 - a. Direct the CEO to adopt new Medi-Cal policy AA.1271: Whole Child Model Family Advisory Committee; and,
 - b. Appoint the following eleven individuals to the Whole-Child Model Family Advisory Committee (WCM FAC) for one or two-year terms as indicated or until a successor is appointed, beginning July 1, 2018:
 - i. Family Member Representatives:
 - a) Maura Byron for a two-year term ending June 30, 2020;
 - b) Melissa Hardaway for a one-year term ending June 30, 2019;
 - c) Grace Leroy-Loge for a two-year term ending June 30, 2020;
 - d) Pam Patterson for a one-year term ending June 30, 2019;
 - e) Kristin Rogers for a two-year term ending June 30, 2020; and
 - f) Malissa Watson for a one-year term ending June 30, 2019.
 - ii. ~~Community Representatives:~~
 - a) ~~Michael Arnot for a two year term ending June 30, 2020;~~
 - b) ~~Sandra Cortez Schultz for a one year term ending June 30, 2019;~~
 - c) ~~Gabriela Huerta for a two year term ending June 30, 2020; and~~
 - d) ~~Diane Key for a one year term ending June 30, 2019.~~

Rev.
6/7/2018

6/7/2018:
Continued
to future
Board
meeting.

Background

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown signed Senate Bill 586 into law, which authorizes DHCS to incorporate CCS services into Medi-Cal managed care plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the Whole-Child Model (WCM). WCM's goals include improving coordination and

integration of services to meet the needs of the whole child; retaining CCS program standards; supporting active family participation; and, maintaining member-provider relationships, where possible.

DHCS is implementing WCM on a phased basis; Orange County's implementation will be no sooner than January 1, 2019. Based on this schedule, CalOptima will assume financial responsibility for authorization and payment of CCS-eligible medical services including service authorization activities, claims (with some exceptions), case management, and quality oversight. DHCS will retain responsibility for program oversight, CCS provider paneling, and claims payment for CCS eligible Neonatal Intensive Care Unit (NICU) services. OC HCA will remain responsible for CCS eligibility determination for all children and for CCS services for non-Medi-Cal members (e.g., those who exceed the Medi-Cal income thresholds and undocumented children who transition out of MCP when they turn 18). OC HCA will also remain responsible for Medical Therapy Program (MTP) services and the Pediatric Palliative Care Waiver.

WCM will incorporate requirements from SB 586 and CCS into the Medi-Cal managed care plans. New requirements under WCM will include, but not be limited to:

- Using CCS paneled providers and facilities to treat children and youth for their CCS condition, including network adequacy certification;
- Offering continuity of care (e.g., durable medical equipment, CCS paneled providers) to transitioning members;
- Paying CCS or Medi-Cal rates, whichever is higher, unless provider has agreed to a different contractual arrangement;
- Offering CCS services including out-of-network, out-of-area, and out-of-state, including Maintenance & Transportation (travel, food and lodging) to access CCS services;
- Executing Memorandum of Understanding with OC HCA to support coordination of services;
- Permitting selection of a CCS paneled specialist to serve as a CCS member's Primary Care Provider (PCP);
- Establishing Pediatric Health Risk Assessment (P-HRA), associated risk stratification, and individual care planning process;
- Establishing WCM clinical and member/family advisory committees; and,
- Reporting in accordance with WCM specific requirements.

For the requirements, CalOptima will rely on SB 586 and DHCS guidance provided through All Plan Letters (APL) and current and future CCS requirements published in the CCS Numbered Letters. Additional information will be provided in DHCS contact amendments, readiness requirements, and other regulatory releases.

On November 2, 2017, the CalOptima Board of Directors authorized establishment of the WCM FAC. The WCM FAC is comprised of eleven (11) voting seats.

1. Seven (7) to nine (9) seats shall be seats for family representatives, with a priority to family representatives (i.e., if qualifying family candidates are available, all nine (9) seats will be filled by family members). Family representatives will be in the following categories:
 - a. Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - b. CalOptima members age 18 - 21 who are current recipients of CCS services; or

- c. Current CalOptima members age of 21 and over who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS including
 - a. Community-based organizations; or
 - b. Consumer advocates.

While two (2) of the WCM-FAC’s eleven (11) seats are designated for community-based organizations or consumer advocates, WCM-FAC candidates representing these two groups may be considered for up to two additional WCM-FAC seats in the event that there are not sufficient family representative candidates to fill the family seats.

Except for the initial appointments, WCM FAC members will serve two-year terms, with no limits on the number of terms a representative may serve, provided they meet applicable criteria. The initial appointment will be divided between one- and two-year terms to stagger reappointments. In the first year, five (5) committee member seats will be appointed for a one-year term and six (6) committee members seats will be appointed for two-year terms.

Discussion

Throughout the years, CalOptima staff has monitored regulatory and industry discussions on the possible transition of CCS services to the managed care plans, including participation in DHCS CCS stakeholder meetings. In 2013, the Health Plan of San Mateo, in partnership with the San Mateo County Health System, became the first CCS demonstration project under California’s 1115 “Bridge to Reform” Waiver. In 2014, DHCS formally launched its stakeholder process for *CCS Redesign*, which later became known as the *Whole Child Model*.

CalOptima began meeting with OC HCA in early 2016 to learn about CCS and, more broadly, to share information about CalOptima programs supporting our mutual members. CalOptima conducted its first broad-based stakeholder meeting in March 2016 and launched its WCM stakeholder webpage in 2016. Since that time, CalOptima has shared WCM information and vetted its WCM implementation strategy with stakeholders at events and meetings hosted by CalOptima and others. In January 2018, CalOptima hosted a WCM event for local stakeholders that included presentations by DHCS and CalOptima leadership. Six (6) family-focused stakeholder meetings were held throughout the county in February 2018. CalOptima health networks and providers have also been engaged through Provider Advisory Committee meetings, Provider Associations, Health Network Joint Operations Meetings, and Health Network Forum Meetings. CalOptima has scheduled WCM-specific meetings with health networks to support the implementation and provide a venue for them to raise questions and concerns.

Implementation Plan Elements

Delivery Model

As CCS has been carved-out of CalOptima’s Medi-Cal managed care plan contract with DHCS, it has similarly been carved-out of CalOptima’s health network contracts. CalOptima considered several options for WCM service delivery including: 1) requiring all CCS participants to be enrolled in CalOptima’s direct network (rather than a delegated health network); 2) retaining the current health network carve-out for CCS services, while allowing members to remain enrolled in a delegated health network; or, 3) carving CCS services into the health network division of financial responsibility (DOFR) consistent with their current contract model.

Requiring enrollment in CalOptima Direct could potentially break relationships with existing health network contracted providers and disrupt services for non-CCS conditions. Carving CCS services out of health network responsibility, while allowing members to remain assigned to a health network, would continue the siloed service delivery CCS children currently receive and, therefore, not maximize achievement of the "whole-child" goal. Carving the CCS services into the health networks according to the current health network contract models is most consistent with the WCM goals and existing delivery model structure. For purposes of this action, the CalOptima Community Network (CCN) would be considered a health network.

Health Network Financial Model

CalOptima has worked closely with the DHCS to ensure adequate Medi-Cal revenue to support the WCM and actuarially sound provider and health network rates. For the WCM, DHCS will establish capitation that will include CCS and non-CCS services. However, only limited historical CCS claims payment detail is available. In order to mitigate health network financial risk due to potentially costly outliers, CalOptima staff is considering, with the exception of Kaiser, to:

- Expand current policy that transitions clinical management and financial risk of CalOptima medical members diagnosed with hemophilia, in treatment for end stage renal disease (ESRD), or receiving an organ transplant from the health network to CCN to include Medi-Cal members under 21;
- Establish an estimated capitation rate, similar to the DHCS methodology, that includes CCS and non-CCS services and develop a medical loss ratio (MLR) risk corridor; and
- Modify existing or establish new policies related to payment of services for members enrolled in a shared risk group, reinsurance, health-based risk adjusted capitation payment, shared risk pool, and special payments for high-cost exclusions and out-of-state CCS services.

The estimated capitation rate for the health networks, excluding Kaiser, will be established based on known methodologies and data provided by DHCS. Capitation will include services based on the current health network structure and division of responsibility. Also built into the rates will be the requirement that at a minimum, the Medi-Cal or CCS fee-for-service rate, whichever is higher, will be utilized, unless an alternate payment methodology or rate is mutually agreed to by the CCS provider and the health network. CalOptima staff will review the capitation rate structure with the health networks once final rates are received from DHCS and analyzed by CalOptima staff. In the interim, CalOptima staff will develop, with input from the health networks, the upper and lower limits of the MLR risk corridor and reconciliation process. Current policy regarding high-cost medical exclusions will also be discussed. Separate discussions will occur with Kaiser, as its capitation rate structure is different than the other health networks. CalOptima staff will return to the Board with future recommendations, as required.

Clinical Operations

CalOptima will be responsible for providing CCS-specific case management, care coordination, provider referral, and service authorization to children with a CCS condition. CalOptima will conduct risk stratification, health risk assessment and care planning. For transitioning members, CalOptima will also be responsible for ensuring continuity of services, for example, CCS professional services, durable medical equipment and pharmacy.

While many services currently provided to children enrolled in CCS are covered by CalOptima for non-CCS conditions, the transition to WCM will incorporate new responsibilities to CalOptima including authorizing High-Risk Infant Follow-Up (HRIF), and NICU, and new benefits such as Cochlear implants Maintenance and Transportation services when applicable, to the child and/or family. Maintenance and Transportation services include meals, lodging, transportation, and other necessary costs (i.e. parking, tolls, etc.).

CalOptima will also be responsible for facilitating the transition of care between the County and CalOptima case management and following State requirements issued to the County, in the form of Numbered Letters, in regard to CCS administration and implementation. An example of this would be implementing the County's process for transitioning out of the program children currently enrolled in CCS but who will not be eligible once they turn twenty-one (21).

CalOptima may modify existing or establish new policies to implement WCM. These may include policies related to, for example, CCS comprehensive case management, risk stratification, health risk assessment, continuity of care, authorization for durable medical equipment (including wheelchairs) and pharmacy. CalOptima staff will return to the Board with future recommendations as required.

Provider Impact and Network Adequacy

The State requires plans, and their delegates, to have an adequate network of CCS-paneled and approved providers to serve to children enrolled in CCS. During the timeframe given for readiness and as an ongoing process, CalOptima will attempt to contract with as many CCS providers on the State-provided list and located in Orange County as possible. CalOptima is attempting to contract with all CCS providers in Orange County and specialized providers outside Orange County currently providing services to CalOptima members. Historically, CalOptima has paid, and expects to continue to pay, contracted CCS specialists an augmented rate to support participation and coordination of CalOptima and CCS services. This process is based on previous Board Action and reflected in Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct or a Member Enrolled in a Shared Risk Group.

CalOptima may modify existing or establish new policies to implement WCM. These may include policies related to, for example, access and availability standards, credentialing, primary care provider assignment, CalOptima staff will return to the Board with future recommendations as required.

Memorandum of Understanding (MOU)

Leveraging the DHCS WCM MOU template, CalOptima and OC HCA staff have worked in partnership to develop a new WCM MOU to reflect shared needs and to serve as the primary vehicle for ensuring collaboration between CalOptima and OC HCA in serving our joint CCS members. The MOU identifies each party's responsibilities and obligations based on their respective scope of responsibilities as they relate to CCS eligibility and enrollment, case management, continuity of care, advisory committees, data sharing, dispute management, NICU and quality assurance.

Whole Child Model Family Advisory Committee (WCM FAC)

In connection with the November 2, 2017 Board Action described above, CalOptima staff developed new Medi-Cal policy AA.1271: Whole Child Model Family Advisory Committee to establish policies and procedures related to development and on-going operations of the WCM FAC, Staff recommends Board approval of AA.1271: Whole Child Model Family Advisory Committee.

To identify nominees for the WCM FAC for Board consideration, CalOptima conducted recruitment to ensure that there would be a diverse applicant pool from which to choose candidates. The recruitment included several notification methods, sending outreach flyers to community-based organizations (CBOs) and OC HCA CCS staff for distribution to CCS members and their families, targeting outreach at six (6) CalOptima hosted WCM family events and at community meetings, and posting information on the WCM Stakeholder Information and WCM Family Advisory Committee pages on CalOptima's website. A total of sixteen (16) applications (eight (8) in each category) were received from fifteen (15) individuals (one (1) individual applied for a seat in both categories).

As the WCM FAC is in development, CalOptima requested members of CalOptima's Member Advisory Committee (MAC) to serve as the Nomination Ad Hoc Subcommittee (Subcommittee). Prior to the MAC Nominations Ad Hoc meeting on April 19, 2018, Subcommittee members evaluated each application. The Subcommittee, including Connie Gonzalez, Jaime Munoz and Christine Tolbert, selected a candidate for each of the seats. All eligible applicants for a Family Representative seat were recommended. (One (1) of the eight (8) applicants was not eligible as she did not have family or personal experience in CCS.) At the May 10, 2018 meeting, the MAC considered and accepted the recommended slate of candidates, as proposed by the Subcommittee.

Candidates for the open positions are as follows:

Family Representatives

1. Maura Byron for a two-year term ending June 30, 2020;
2. Melissa Hardaway for a one-year term ending June 30, 2019;
3. Grace Leroy-Loge for a two-year term ending June 30, 2020;
4. Pam Patterson for a one-year term ending June 30, 2019;
5. Kristin Rogers for a two-year term ending June 30, 2020; and
6. Malissa Watson for a one-year term ending June 30, 2019.

Maureen Byron is the mother of a young adult who is a current CCS client. Ms. Byron became involved in the CCS Parent Advisory Committee resulting in her being hired by Family Support Network (FSN). At FSN, she is a parent mentor assisting families of children with complex health care needs to maneuver in the system and secure services. In addition, she responds to families' questions and provides peer and emotional support.

Melissa Hardaway is the mother of a special needs child who receives CCS services. Ms. Hardaway is familiar with the health care industry as a health care professional and a broker. She believes her understanding of managed care and her advocacy experience for her child will benefit her to assist families of children in CCS.

Grace Leroy-Loge is the mother of an adolescent receiving CCS services. Ms. Leroy-Loge works as the Family Support Liaison at CHOC Children's Hospital NICU where she assists families of children with medically complex needs to advocate for their children. She has served in the community on several committees, such as the parent council of CCS, Make-a-Wish Medical Advisory Committee and Orange County Children's Collaborative.

Pam Patterson is the mother of a special needs adolescent receiving CCS. Ms. Patterson is a special needs attorney and a constitutional law attorney. She has many years of experience advocating for her child with CCS and the Regional Center of Orange County. Ms. Patterson is also very active in the community.

Kristin Rogers is the mother of a young teenager who receives CCS services. Ms. Rogers explained that because she encountered difficulties obtaining the correct health care coverage for her child, she wants to educate others with similar situations on how to obtain appropriate coverage. Ms. Rogers is an active volunteer at CHOC.

Malissa Watson is the mother of a child that receives CCS services. Ms. Watson's desire is to help families navigate CCS and CalOptima. Ms. Watson is active in the community, serving on the CHOC Hospital Parent Advisory Committee and mentoring other parents.

CBO/Advocate Representatives

1. ~~Michael Arnot for a two year term ending June 30, 2020;~~
2. ~~Sandra Cortez Schultz for a one year term ending June 30, 2019;~~
3. ~~Gabriela Huerta for a two year term ending June 30, 2020; and~~
4. ~~Diane Key for a one year term ending June 30, 2019.~~

~~Michael Arnot is the Executive Director for Children's Cause Orange County, an organization that provides evidence based therapeutic intervention for children with traumatic stress, such as trauma from medical procedures from co-occurring health conditions covered under CCS. Mr. Arnot has extensive experience working with children in varying capacities.~~

~~Sandra Cortez Schultz is the Customer Service Manager at CHOC Children's Hospital. Ms. Cortez Schultz is responsible for ensuring that the families of medically complex children receive the appropriate care and treatment they require. She is also the Chair of CHOC's Family Advisory Council. Ms. Cortez Schultz has over 25 years of experience working directly and indirectly at varying levels with the CCS program.~~

~~Gabriela Huerta is a Lead Case Manager, California Children's Services/Regional Center for Molina Healthcare, Inc. Ms. Huerta is responsible for health care management and coordination of services for CCS members, including assessments, intervention, planning and development of member centric plans and coordination of care. She has expertise in CCS as a carve out benefit as well as a managed care benefit.~~

~~Diane Key is the Director of Women's and Children's Services for UCI Medical Center. Ms. Key has over 30 years of experience working in women and children's services in clinical nursing and leadership oversight positions. She has knowledge of CCS standards, eligibility criteria and facility requirements. In addition, she understands the physical, psycho-social and developmental needs of CCS children.~~

Staff recommends Board approval of the proposed nominees for the WCM FAC.

6/7/2018:
Continued
to future
Board
meeting.

Fiscal Impact

The recommended action to approve the implementation plan for the WCM program carries significant financial risks. Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual program costs for WCM at \$274 million. Management has included projected revenues and expenses associated with the WCM program in the proposed CalOptima FY 2018-19 Operating Budget pending Board approval. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict and likely to be volatile. CalOptima will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Rationale for Recommendation

The recommended actions will enable CalOptima to operationally prepare for the anticipated January 1, 2019, transition of California Children's Services to Whole-Child Model.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. PowerPoint Presentation: Whole-Child Model Implementation Plan
2. Board Action dated November 2, 2017, Consider Adopting Resolution Establishing a Family Advisory Committee for the Whole-Child Model Medi-Cal Program
3. Policy AA.1271: Whole Child Model Family Advisory Committee (redline and clean copies)

/s/ Michael Schrader
Authorized Signature

5/30/2018
Date



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Whole-Child Model (WCM) Implementation Plan

**Board of Directors Meeting
June 7, 2018**

**Candice Gomez, Executive Director
Program Implementation**



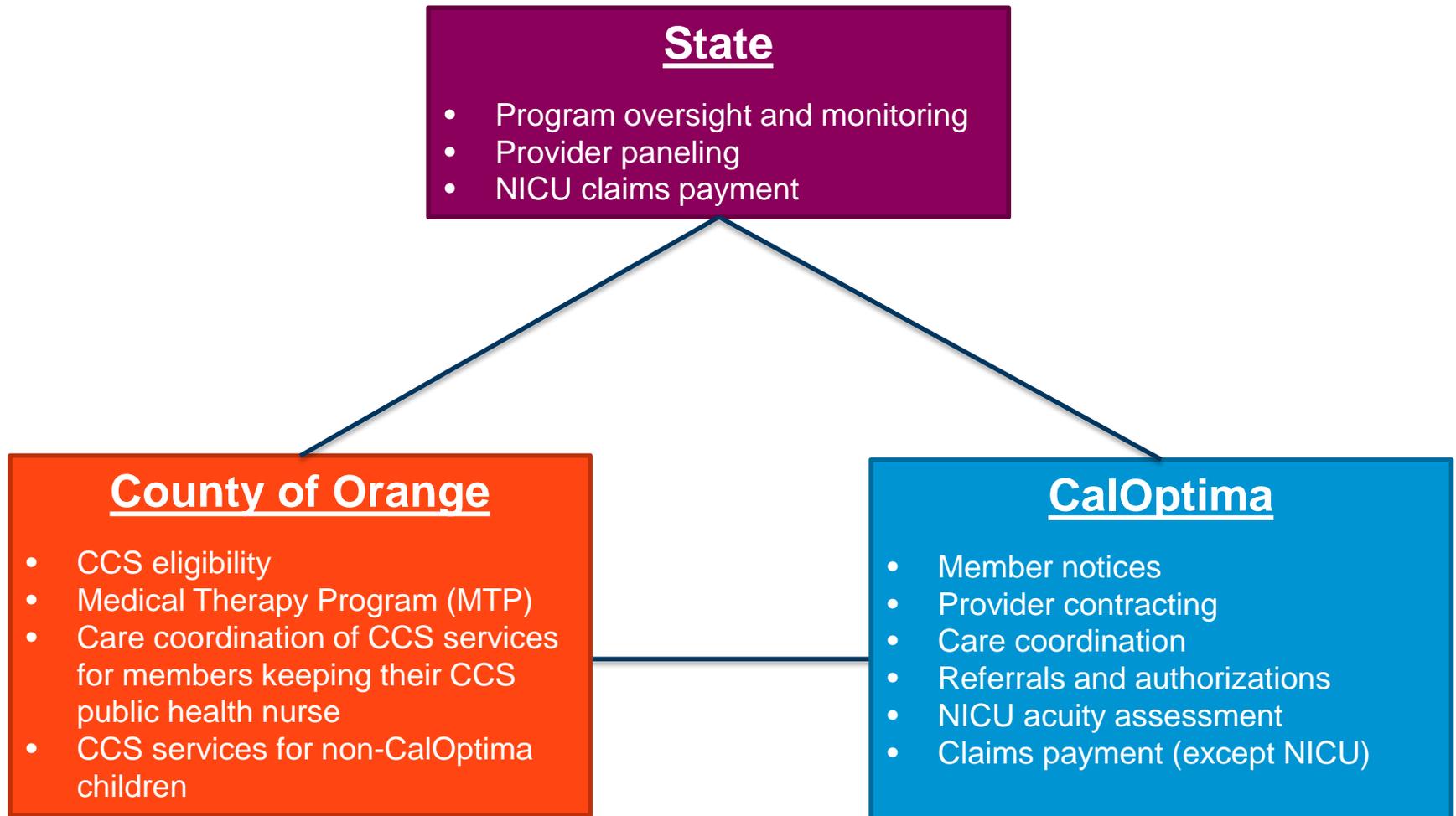
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Background

Whole-Child Model (WCM) Overview

- California Children's Services (CCS) is a statewide program providing medical care and case management for children under 21 with certain medical conditions
 - Locally administered by Orange County Health Care Agency
- The Department of Health Care Services (DHCS) is implementing WCM to integrate the CCS services into select Medi-Cal plans
 - CalOptima will implement WCM effective January 1, 2019

Division of WCM Responsibilities



WCM Transition Goals

- Improve coordination and integration of services to meet the needs of the whole child
- Retain CCS program standards
- Support active family participation
- Establish specialized programs to manage and coordinate care
- Ensure care is provided in the most appropriate, least restrictive setting
- Maintain existing patient-provider relationships when possible

CCS Demographics

- About 13,000 Orange County children are receiving CCS services
 - 90 percent are CalOptima members

Languages

- Spanish = 48 percent
- English = 44 percent
- Vietnamese = 4 percent
- Other/unknown = 4 percent

City of Residence (Top 5)

- Santa Ana = 23 percent
- Anaheim = 18 percent
- Garden Grove = 8 percent
- Orange = 6 percent
- Fullerton = 4 percent

WCM Requirements

- Required use of CCS paneled providers and facilities, including network adequacy certification
- Memorandum of Understanding with OC HCA to support coordination of services
- Maintenance & Transportation (travel, food and lodging) to access CCS services
- WCM specific reporting requirements
- Permit selection of a CCS paneled specialist to serve as a CCS member's Primary Care Provider (PCP)
- Establish WCM clinical and member/family advisory committees

2018 Stakeholder Engagement to Date

- January 25– General stakeholder event (93 attendees)
- February 26 -28 – Six family events (87 attendees)
- Provider focused presentations and meetings:
 - Hospital Association of Southern California
 - Safety Net Summit - Coalition of Orange County Community Health Centers
 - Pediatrician focused events hosted by Orange County Medical Association Pediatric Committee and Health Care Partners
 - Health Network convenings including Health Network Forum, Joint Operations Meetings and on-going workgroups
- Speakers Bureau and community meetings



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Implementation Plan Elements

Proposed Delivery Model

- Leverage existing delivery model using health networks, subject to Board approval
 - Reflects the spirit of the law to bring together CCS services and non-CCS services into a single delivery system
- Using existing model creates several advantages
 - Maintains relationships between CCS-eligible children, their chosen health network and primary care provider
 - Improves clinical outcomes and health care experience for members and their families
 - Decreases inappropriate medical and administrative costs
 - Reduces administrative burden for providers

Financial Approach

- DHCS will establish a single capitation rate that includes CCS and non-CCS services
- Limited historical CCS claims payment detail available
- CalOptima Direct and CalOptima Community Network
 - Follow current fee-for-service methodology and policy
 - CCS paneled physicians are reimbursed at 140% Medi-Cal
- Health Network
 - Keep health network risk and payment structure similar to current methodologies in place
 - Develop risk corridors to mitigate risk

Clinical Operations

- Providing CCS-specific case management, care coordination, provider referral and authorizations
- Supporting new services such as High-Risk Infant Follow-Up authorization, Maintenance and Transportation (lodging, meals and other travel related services)
- Facilitating transitions of care
 - Risk stratification, health risk assessment and care planning for children and youth transitioning to WCM
 - Between CalOptima, OC HCA and other counties
 - Age-out planning for members who will become ineligible for CCS when they turn 21 years of age

Provider Impact and Network Adequacy

- CalOptima and delegated networks must have adequate network of CCS paneled and approved providers
 - CCS panel status will be part of credentialing process
 - CCS members will be able to select their CCS specialists as primary care provider
 - CalOptima is in process of contracting with CCS providers in Orange County and specialized providers outside of county providing services to existing members
 - Documentation of network adequacy will be submitted to DHCS by September 28, 2018

Memorandum of Understanding (MOU)

- DHCS requires CalOptima and Orange County Health Care Agency to develop WCM MOU to support collaboration and information sharing
 - Leverage DHCS template
 - Outlines responsibilities related:
 - CCS eligibility and enrollment
 - Case management
 - Continuity of care
 - Advisory committees
 - Data sharing
 - Dispute management
 - NICU
 - Quality assurance

WCM Family Advisory Committee

- CalOptima must establish a WCM Family Advisory Committee per Welfare & Institutions Code § 14094.17
- November 2, 2017 Board authorized development of committee
 - Eleven voting seats
 - Seven to nine family representative seats
 - Two to four community-based organizations or consumer advocates
 - Priority to family representatives
 - Two-year terms, with no term limits
 - Staggered terms
 - In first year, five seats for one-year term and six seats for two-year term
 - Approval requested for AA.1271: Whole Child Model Family Advisory Committee

WCM Family Advisory Committee (cont.)

- Sixteen applications (eight in each category)
- April 19, 2018 Member Advisory Committee (MAC) Nominations ad hoc committee selected candidates
 - All eligible applicants in family category were selected
 - One applicant was ineligible as she has no prior CCS experience
 - Four applicants in community category were selected
- May 10, 2018 MAC considered and accepted MAC Ad Hoc's recommended nominations for Board consideration

Recommended Nominees

Family Seats	Community Seats
Maura Byron	Michael Arnot Executive Director Children's Cause Orange County
Melissa Hardaway	
Grace Leroy-Loge	Sandra Cortez – Schultz Customer Service Manager CHOC Children's Hospital
Pam Patterson	
Kristin Rogers	Gabriela Huerta Lead Case Manager, California Children's Services/Regional Center Molina Healthcare, Inc.
Malissa Watson	
	Diane Key Director of Women's and Children's Services UCI Medical Center

Next Steps

- Review WCM capitation and risk corridor approach with Health Networks
- Planned stakeholder engagement
 - Community-based organization focus groups in June
 - General event in July
 - Family events in Fall
- Future Board actions
 - Update policies and procedures
 - Health network contracts

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken November 2, 2017 Regular Meeting of the CalOptima Board of Directors

Report Item

18. Consider Adopting Resolution Establishing a Family Advisory Committee for the Whole-Child Model Medi-Cal Program

Contact

Sesha Mudunuri, Executive Director, Operations, (714) 246-8400

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

Recommended Actions

1. Adopt Resolution No. 17-1102-01, establishing the CalOptima Whole-Child Model family advisory committee to provide advice and recommendations to the CalOptima Board of Directors on issues concerning California Children's Services (CCS) and the Whole-Child Model program; and
2. Subject to approval of the California Department of Health Care Services (DHCS), authorize a stipend of up to \$50 per committee meeting attended for each family representative appointed to the Whole-Child Model Family Advisory Committee (WCM-FAC).

Rev.
11/2/17

Background

On September 25, 2016, SB 586 (Hernandez): Children's Services was signed into law. SB 586 authorizes the establishment of the Whole-Child Model that incorporates CCS-covered services for Medi-Cal eligible children and youth into specified county-organized health plans, including CalOptima. A provision of the Whole-Child Model requires each participating health plan to establish a family advisory committee. Accordingly, DHCS is requiring the establishment of a Whole-Child Model family advisory committee to report and provide input and recommendations to CalOptima relative to the Whole-Child Model program. The proposed stipend, subject to DHCS approval, is intended to enable in-person participation by members and family member representatives. It is also anticipated that a representative from the family advisory committees of each Medi-Cal plan will be invited to serve on a statewide stakeholder advisory group.

Since CalOptima's inception, the CalOptima Board of Directors has benefited from stakeholder involvement in the form of standing advisory committees. Under the authority of County of Orange Codified Ordinances, Section 4-11-15, and Article VII of the CalOptima Bylaws, the CalOptima Board of Directors may create committees or advisory boards that may be necessary or beneficial to accomplishing CalOptima's tasks. The advisory committees function solely in an advisory capacity providing input and recommendations concerning the CalOptima programs. CalOptima Whole-Child Model program would also benefit from the advice of a standing family advisory committee.

Discussion

While specific to Whole-Child Model program, the charge of the WCM-FAC would be similar to that of the other CalOptima Board advisory committees, including:

- Provide advice and recommendations to the Board and staff on issues concerning CalOptima Whole-Child Model program as directed by the Board and as permitted under applicable law;

- Engage in study, research and analysis of issues assigned by the Board or generated by staff or the family advisory committee;
- Serve as liaison between interested parties and the Board and assist the Board and staff in obtaining public opinion on issues relating to CalOptima Whole-Child Model program; and
- Initiate recommendations on issues for study to the CalOptima Board for its approval and consideration, and facilitate community outreach for CalOptima Whole-Child Model program and the Board.

While SB 586 requires plans to establish family advisory committees, committee composition is not explicitly defined. Based on current advisory committee experience, staff recommends including eleven (11) voting members on CalOptima's WCM-FAC, representing CCS family members who reflect the diversity of the CCS families served by the plan, as well as consumer advocates representing CCS families. If necessary, CalOptima will provide an in-person interpreter at the meetings. For the first nomination process to fill the seats, it is proposed that CalOptima's current Member Advisory Committee will be asked to participate in the Family Advisory Committee nominating ad hoc committee. The proposed candidates will then be submitted to the Board for consideration. It is anticipated that subsequent nominations for seats will be reviewed by a WCM-FAC nominating ad hoc committee and will be submitted first to the WCM-FAC, then to the full Board for consideration of the WCM-FAC's recommendations.

CalOptima staff recommends that the WCM-FAC be comprised of eleven (11) voting seats:

1. Seven (7) to ~~N~~nine (9) of the seats shall be family representatives in one of the following categories, with a priority to family representatives (i.e., if qualifying family representative candidates are available, all nine (9) seats will be filled by family representatives):
 - i. Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - ii. CalOptima members age 18 -21 who are current recipients of CCS services; or
 - iii. Current CalOptima members over the age of 21 who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS services, including:
 - i. Community-based organizations; or
 - ii. Consumer advocates.

While two (2) of the WCM-FAC's eleven seats are designated for community-based organizations or consumer advocates, WCM-FAC candidates representing these two groups may be considered for up to two additional WCM-FAC seats in the event that there are not sufficient family representative candidates to fill these seats.

Except for initial appointments, CalOptima WCM-FAC members will serve two (2) year terms, with no limits on the number of terms a representative may serve provided they continue to meet the above-referenced eligibility criteria. The initial appointments of WCM-FAC members will be divided between one and two-year terms to stagger reappointments. In the first year, five (5) committee member seats will be appointed for a one-year term and six (6) committee member seats will be appointed for a two-year term.

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The WCM-FAC Chair and Vice Chair for the first year will be nominated at the second WCM-FAC meeting by committee members. The WCM-FAC's recommendations for these positions will subsequently be submitted to the Board for consideration. After the first year, the Chair and Vice Chair of the WCM-FAC will be appointed by the Board annually from the appointed voting members and may serve two consecutive one-year terms in a particular committee officer position.

The WCM-FAC will develop, review annually and recommend to the Board any revisions to the committee's Mission or Goals and Objectives. The Goals and Objectives will be consistent with those of the CalOptima Whole-Child Model.

The WCM-FAC will meet at least quarterly and will determine the appropriate meeting frequency to provide timely, meaningful input to the Board. At its second meeting, the WCM-FAC will adopt a meeting schedule for the remainder of the fiscal year. Thereafter, a yearly meeting schedule will be adopted prior to the first regularly scheduled meeting of each year. All meetings must be conducted in accordance with CalOptima's Bylaws. Attendance of a simple majority of WCM-FAC seats will constitute a quorum. A quorum must be present for any action to be taken. Members are allowed excused absences from meetings. Notification of absence must be received by CalOptima staff prior to scheduled WCM-FAC meetings.

The CalOptima Chief Executive Officer (CEO) will prepare, or cause to be prepared, an agenda for all WCM-FAC meetings prior to posting. Posting procedures must be consistent with the requirements of the Ralph M. Brown Act (California Government Code section 54950 *et seq.*). In addition, minutes of each WCM-FAC meeting will be taken, which will be filed with the Board. The Chair will report verbally or in writing to the Board at least twice annually. The Chair will also report to the Board, as requested, on issues specified by the Board. CalOptima management will provide staff support to the WCM-FAC to assist and facilitate the operations of the committee.

In order to enable in-person participation, SB 586 provides plans the option to pay a reasonable per diem payment to family representatives serving on the Family Advisory Committee. Similar to another Medi-Cal Managed Care Plan with an already established family-based advisory committee, and subject to DHCS approval, CalOptima staff recommends that the Board authorize a stipend of up to \$50 per meeting for family representatives participating on the WCM-FAC. Only one stipend will be provided per qualifying WCM-FAC member per regularly scheduled meeting. In addition, stipend payments are restricted to family representatives only. Representatives of community-based organizations and consumer advocates are not eligible for stipends. As indicated, payment of the stipends is contingent upon approval by DHCS.

As it is the policy of CalOptima's Board to encourage maximum member and provider involvement in the CalOptima program, it is anticipated that the CalOptima Whole-Child Model will benefit from the establishment of a Family Advisory Committee. This WCM-FAC will report to the Board and will serve solely in an advisory capacity to the Board and CalOptima staff with respect to CalOptima Whole-Child Model. Establishing the WCM-FAC is intended to help to ensure that members' values and needs are integrated into the design, implementation, operation and evaluation of the CalOptima Whole-Child Model.

Fiscal Impact

The fiscal impact of the recommended action to establish the CalOptima WCM-FAC is an unbudgeted item. The projected total cost, including stipends, for meetings from April through June 2018, is \$3,575. Unspent budgeted funds approved in the CalOptima Fiscal Year (FY) 2017-18 Operating Budget on June 1, 2017, will fund the cost through June 30, 2018. The estimated annual cost is \$13,665. At this time, it is unknown whether additional staff will be necessary to support the advisory committee's work. Management plans to include expenses related to the WCM-FAC in future operating budgets.

Rationale for Recommendation

SB 586 requires that, for implementation of the Whole-Child Model program, a family advisory committee must be established. As proposed, the WCM-FAC will advise CalOptima's Board and staff on operations of the CalOptima Whole-Child Model.

Concurrence

Gary Crockett, Chief Counsel

Attachment

Resolution No. 17-1102-01

Rev.
11/2/17

/s/ Michael Schrader
Authorized Signature

10/23/2017
Date

RESOLUTION NUMBER 17-1102-01

RESOLUTION OF THE BOARD OF DIRECTORS ORANGE COUNTY HEALTH AUTHORITY, DBA CALOPTIMA ESTABLISHING POLICY AND PROCEDURES FOR CALOPTIMA WHOLE-CHILD MODEL MEMBER ADVISORY COMMITTEE

WHEREAS, the CalOptima Board of Directors (hereinafter “the Board”) would benefit from the advice of broad-based standing advisory committee specifically focusing on the CalOptima Whole-Child Model Plan hereafter “CalOptima Whole-Child Model Family Advisory Committee”; and

WHEREAS, the State of California, Department of Health Care Services (DHCS) has established requirements for implementation of the CalOptima Whole-Child Model program, including a requirement for the establishment of an advisory committee focusing on the Whole-Child Model; and

WHEREAS, the CalOptima Whole-Child Model Family Advisory Committee will serve solely in an advisory capacity to the Board and staff, and will be convened no later than the effective date of the CalOptima Whole-Child Model;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Committee Established. The CalOptima Whole-Child Model Family Advisory Committee (hereinafter “WCM-FAC”) is hereby established to:

- Report directly to the Board;
- Provide advice and recommendations to the Board and staff on issues concerning the CalOptima Whole-Child Model program as directed by the Board and as permitted under the law;
- Engage in study, research and analysis of issues assigned by the Board or generated by the WCM-FAC;
- Serve as liaison between interested parties and the Board and assist the Board and staff in obtaining public opinion on issues relating to CalOptima Whole-Child Model or California Children Services (CCS);
- Initiates recommendations on issues for study to the Board for approval and consideration; and
- Facilitates community outreach for CalOptima and the Board.

Section 2. Committee Membership. The WCM-FAC shall be comprised of Eleven (11) voting members, representing or representing the interests of CCS families. In making appointments and re-appointments, the Board shall consider the ethnic and cultural diversity and special needs of the CalOptima Whole-Child Model population. Nomination and input from interested groups and community-based organizations will be given due consideration. Except as noted below, members are appointed for a term of two (2) full years, with no limits on the number of terms. All voting member appointments (and reappointments) will be made by the Board. During the first year, five (5) WCM-FAC members will serve a one -year term

and six (6) will serve a two-year term, resulting in staggered appointments being selected in subsequent years.

The WCM-FAC shall be composed of eleven (11) voting seats:

1. Seven (7) to nine (9) of the seats shall be family representatives in the following categories:
 - Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - CalOptima members age 18-21 who are current recipients of CCS services; or
 - Current CalOptima members over the age of 21 who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children with CCS, including:
 - Community-based organizations (CBOs); or
 - Consumer advocates.

Rev.
11/2/2017

If nine or more qualified candidates initially apply for family representative seats, nine of the eleven committee seats will be filled with family representatives. Initially, and on an on-going basis, only in circumstances when there are insufficient applicants to fill all of the designated family representative seats with qualifying family representatives, up to two of the nine seats designated for family members may be filled with representatives of CBOs or consumer advocates.

It is anticipated that a representative from the CalOptima WCM-FAC may be invited to serve on a statewide stakeholder advisory group.

Section 3. Chair and Vice Chair. The Chair and Vice Chair for the WCM-FAC will be appointed by the Board annually from the appointed members. The Chair, or in the Chair's absence, the Vice Chair, shall preside over WCM-FAC meetings. The Chair and Vice Chair may each serve up to two consecutive terms in a particular WCM-FAC officer position, or until their successor is appointed by the Board.

Section 4. Committee Mission, Goals and Objectives. The WCM-FAC will develop, review annually, and make recommendations to the Board on any revisions to the committee's Mission or Goals and Objectives.

Section 5. Meetings. The WCM-FAC will meet at least quarterly. A yearly meeting schedule will be adopted at the second regularly scheduled meeting for the remainder of the fiscal year. Thereafter, a yearly meeting schedule will be adopted prior to the first regularly scheduled meeting of each year. All meetings must be conducted in accordance with CalOptima's Bylaws.

Attendance by the occupants of a simple majority of WCM-FAC seats shall constitute a quorum. A quorum must be present in order for any action to be taken by the WCM-FAC. Committee members are allowed excused absences from meetings. Notification of absence must be received by CalOptima staff prior to the scheduled WCM-FAC meeting.

The CalOptima Chief Executive Officer (CEO) shall prepare, or cause to be prepared, and post, or cause to be posted, an agenda for all WCM-FAC meetings. Agenda contents and posting procedures must be consistent with the requirements of the Ralph M. Brown Act (Government Code section 54950 *et seq.*).

WCM-FAC minutes will be taken at each meeting and filed with the Board.

Section 6. Reporting. The Chair is required to report verbally or in writing to the Board at least twice annually. The Chair will also report to the Board, as requested, on issues specified by the Board.

Section 7. Staffing. CalOptima will provide staff support to the WCM-FAC to assist and facilitate the operations of the committee.

Section 8. Ad Hoc Committees. Ad hoc committees may be established by the WCM-FAC Chair from time to time to formulate recommendations to the full WCM-FAC on specific issues. The scope and purpose of each such ad hoc will be defined by the Chair and disclosed at WCM-FAC meetings. Each ad hoc committee will terminate when the specific task for which it was created is complete. An ad hoc committee must include fewer than a majority of the voting committee members.

Section 9. Stipend. Subject to DHCS approval, family representatives participating on the WCM-FAC are eligible to receive a stipend for their attendance at regularly scheduled and ad hoc WCM-FAC meetings. Only one stipend is available per qualifying WCM-FAC member per regularly scheduled meeting. WCM-FAC members representing community-based organizations and consumer advocates are not eligible for WCM-FAC stipends.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 2nd day of November, 2017.

AYES:

NOES:

ABSENT:

ABSTAIN:

/s/ _____

Title: Chair, Board of Directors

Printed Name and Title: Paul Yost M.D., Chair, CalOptima Board of Directors

Attest:

/s/ _____

Suzanne Turf, Clerk of the Board



Policy #: AA.1271PP
Title: **Whole Child Model Family Advisory Committee**
Department: General Administration
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 06/07/18
Last Review Date: Not Applicable
Last Revised Date: Not Applicable

1 **I. PURPOSE**

2
3 This policy describes the composition and role of the Family Advisory Committee for Whole Child
4 Model (WCM) and establishes a process for recruiting, evaluating, and selecting prospective candidates
5 to the Whole Child Model Family Advisory Committee (WCM FAC).
6

7 **II. POLICY**

- 8
9 A. As directed by CalOptima’s Board of Directors (Board), the WCM FAC shall report to the
10 CalOptima Board and shall provide advice and recommendations to the CalOptima Board and
11 CalOptima staff in regards to California Children’s Services (CCS) provided by CalOptima Medi-
12 Cal's implementation of the WCM.
13
14 B. CalOptima’s Board encourages Member and community involvement in CalOptima programs.
15
16 C. WCM FAC members shall recuse themselves from voting or from decisions where a conflict of
17 interest may exist and shall abide by CalOptima’s conflict of interest code and, in accordance with
18 CalOptima Policy AA.1204: Gifts, Honoraria, and Travel Payments.
19
20 D. CalOptima shall provide timely reporting of information pertaining to the WCM FAC as requested
21 by the Department of Health Care Services (DHCS).
22
23 E. The composition of the WCM FAC shall reflect the cultural diversity and special needs of the health
24 care consumers within the Whole-Child Model population. WCM FAC members shall have direct
25 or indirect contact with CalOptima Members.
26
27 F. In accordance with CalOptima Board Resolution No. 17-1102-01, the WCM FAC shall be
28 comprised of eleven (11) voting members representing CCS family members, as well as consumer
29 advocates representing CCS families. Except as noted below, each voting member shall serve a two
30 (2) year term with no limits on the number of terms a representative may serve. The initial
31 appointments of WCM FAC members will be divided between one (1) and two (2)-year terms to
32 stagger reappointments. In the first year, five (5) committee member seats shall be appointed for a
33 one (1)-year term and six (6) committee member seats shall be appointed for a two (2)-year term.
34 The WCM FAC members serving a one (1) year term in the first year shall, if reappointed, serve
35 two (2) year terms thereafter.
36
37

- 1 1. Seven (7) to nine (9) of the seats shall be family representatives in one (1) of the following
2 categories, with a priority to family representatives (i.e., if qualifying family representative
3 candidates are available, all nine (9) seats will be filled by family representatives):
4
 - 5 a. Authorized representatives, including parents, foster parents, and caregivers, of a
6 CalOptima Member who is a current recipient of CCS services;
7
 - 8 b. CalOptima Members eighteen (18)-twenty-one (21) years of age who are current recipients
9 of CCS services; or
 - 10 c. Current CalOptima members over the age of twenty-one (21) who transitioned from CCS
11 services.
- 12 2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS services,
13 including:
 - 14 a. Community-based organizations; or
 - 15 b. Consumer advocates.
- 16 3. While two (2) of the WCM FAC's eleven (11) seats are designated for community-based
17 organizations or consumer advocates, an additional two (2) WCM FAC candidates representing
18 these groups may be considered for these seats in the event that there are not sufficient family
19 representative candidates to fill the family member seats.
- 20 4. Interpretive services shall be provided at committee meetings upon request from a WCM FAC
21 member or family member representative.
- 22 5. A family representative, in accordance with Section II.G.1 of this Policy, may be invited to
23 serve on a statewide stakeholder advisory group.

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32 G. Stipends

- 33 1. Subject to approval by the CalOptima Board, CalOptima may provide a reasonable per diem
34 payment to a member or family representative serving on the WCM FAC. CalOptima shall
35 maintain a log of each payment provided to the member or family representative, including type
36 and value, and shall provide such log to DHCS upon request.
37
 - 38 a. Representatives of community-based organizations and consumer advocates are not eligible
39 for stipends.
40

41
42 H. The WCM FAC shall conduct a nomination process to recruit potential candidates for expiring
43 seats, in accordance with this Policy.

44
45 I. WCM FAC Vacancies

- 46 1. If a seat is vacated within two (2) months from the start of the nomination process, the vacated
47 seat shall be filled during the annual recruitment and nomination process.
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- 2. If a seat is vacated after the annual nomination process is complete, the WCM FAC nomination ad hoc subcommittee shall review the applicants from the recent recruitment to see if there is a viable candidate.
 - a. If there is no viable candidate among the applicants, CalOptima shall conduct recruitment, per section III.B.2.
 - 3. A new WCM FAC member appointed to fill a mid-term vacancy, shall serve the remainder of the resigning member’s term, which may be less than a full two (2) year term.
- J. On an annual basis, WCM FAC shall select a chair and vice chair from its membership to coincide with the annual recruitment and nomination process. Candidate recruitment and selection of the chair and vice chair shall be conducted in accordance with Sections III.B-D of this Policy.
- 1. The WCM FAC chair and vice chair may serve two (2) consecutive one (1) year terms.
 - 2. The WCM FAC chair and/or vice chair may be removed by a majority vote of CalOptima’s Board.
- K. The WCM FAC chair, or vice chair, shall ask for three (3) to four (4) members from the WCM FAC to serve on a nomination ad hoc subcommittee. WCM FAC members who are being considered for reappointment cannot participate in the nomination ad hoc subcommittee.
- 1. The WCM FAC nomination ad hoc subcommittee shall:
 - a. Review, evaluate and select a prospective chair, vice chair and a candidate for each of the open seats, in accordance with Section III.C-D of this Policy; and
 - b. Forward the prospective chair, vice chair, and slate of candidate(s) to the WCM FAC for review and approval.
 - 2. Following approval from the WCM FAC, the recommended chair, vice chair, and slate of candidate(s) shall be forwarded to CalOptima’s Board for review and approval.
- L. CalOptima’s Board shall approve all appointments, reappointments, and chair and vice chair appointments to the WCM FAC.
- M. Upon appointment to WCM FAC and annually thereafter, WCM FAC members shall be required to complete all mandatory annual Compliance Training by the given deadline to maintain eligibility standing on the WCM FAC.
- N. WCM FAC members shall attend all regularly scheduled meetings, unless they have an excused absence. An absence shall be considered excused if a WCM FAC member provides notification of an absence to CalOptima staff prior to the meeting. CalOptima staff shall maintain an attendance log of the WCM FAC members’ attendance at WCM FAC meetings. As the attendance log is a public record, any request from a member of the public, the WCM FAC chair, the vice chair, the Chief Executive Officer, or the CalOptima Board, CalOptima staff shall provide a copy of the attendance log to the requester. In addition, the WCM FAC chair, or vice chair, shall contact any committee member who has three (3) consecutive unexcused absences.

- 1 1. WCM FAC members' attendance shall be considered as a criterion upon reapplication.
2

3 **III. PROCEDURE**
4

5 A. WCM FAC meeting frequency
6

- 7 1. WCM FAC shall meet at least quarterly.
8
9 2. WCM FAC shall adopt a yearly meeting schedule at the first regularly scheduled meeting in or
10 after January of each year.
11
12 3. Attendance by a simple majority of appointed members shall constitute a quorum, and a quorum
13 must be present for any votes to be valid.
14

15 B. WCM FAC recruitment process
16

- 17 1. CalOptima shall begin recruitment of potential candidates in March of each year. In the
18 recruitment of potential candidates, the ethnic and cultural diversity and special needs of
19 children and/or families of children in CCS which are or are expected to transition to
20 CalOptima's Whole-Child Model population shall be considered. Nominations and input from
21 interest groups and agencies shall be given due consideration.
22
23 2. CalOptima shall recruit for potential candidates using one or more notification methods, which
24 may include, but are not limited to, the following:
25
26 a. Outreach to family representatives and community advocates that represent children
27 receiving CCS;
28
29 b. Placement of vacancy notices on the CalOptima website; and/or
30
31 c. Advertisement of vacancies in local newspapers in Threshold Languages.
32
33 3. Prospective candidates must submit a WCM Family Advisory Committee application, including
34 resume and signed consent forms. Candidates shall be notified at the time of recruitment
35 regarding the deadline to submit their application to CalOptima.
36
37 4. Except for the initial recruitment, the WCM FAC chair or vice chair shall inquire of its
38 membership whether there are interested candidates who wish to be considered as a chair or
39 vice chair for the upcoming fiscal year.
40
41 a. CalOptima shall inquire at the first WCM FAC meeting whether there are interested
42 candidates who wish to be considered as a chair for the first year.
43

44 C. WCM FAC nomination evaluation process
45

- 46 1. The WCM FAC chair or vice chair shall request three (3) to four (4) members, who are not
47 being considered for reappointment, to serve on the nominations ad hoc subcommittee. For the
48 first nomination process, Member Advisory Committee (MAC) members shall serve on the
49 nominations ad hoc subcommittee to review candidates for WCM FAC.
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- a. At the discretion of the nomination ad hoc subcommittee, a subject matter expert (SME), may be included on the subcommittee to provide consultation and advice.
- 2. Prior to WCM FAC nomination ad hoc subcommittee meeting (including the initial WCM FAC nomination ad hoc subcommittee).
 - a. Ad hoc subcommittee members shall individually evaluate and score the application for each of the prospective candidates using the applicant evaluation tool.
 - b. Ad hoc subcommittee members shall individually evaluate and select a chair and vice chair from among the interested candidates.
 - c. At the discretion of the ad hoc subcommittee, subcommittee members may contact a prospective candidate’s references for additional information and background validation.
- 3. The ad hoc subcommittee shall convene to discuss and select a chair, vice chair and a candidate for each of the expiring seats by using the findings from the applicant evaluation tool, the attendance record if relevant and the prospective candidate’s references.
- D. WCM FAC selection and approval process for prospective chair, vice chair, and WCM FAC candidates:
 - 1. The nomination ad hoc subcommittee shall forward its recommendation for a chair, vice chair, and a slate of candidates to WCM FAC (or in the first year, the MAC) for review and approval. Following WCM FAC’s approval (or in the first year, the MAC), the proposed chair, vice chair and slate of candidates shall be submitted to CalOptima’s Board for approval.
 - 2. The WCM FAC members’ terms shall be effective upon approval by the CalOptima Board.
 - a. In the case of a selected candidate filling a seat that was vacated mid-term, the new candidate shall attend the immediately following WCM FAC meeting.
 - 3. WCM FAC members shall attend a new advisory committee member orientation.

IV. ATTACHMENTS

- A. Whole-Child Model Member Advisory Committee Application
- B. Whole-Child Model Member Advisory Committee Applicant Evaluation Tool
- C. Whole-Child Model Community Advisory Committee Application
- D. Whole-Child Model Community Advisory Committee Applicant Evaluation Tool

V. REFERENCES

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Board Resolution 17-1102-01
- C. CalOptima Policy AA.1204: Gifts, Honoraria, and Travel Payments
- D. Welfare and Institutions Code §14094.17(b)

VI. REGULATORY AGENCY APPROVALS

Policy #: AA.1271

Title: Whole Child Model Family Advisory Committee

Effective Date: 06/07/18

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None to Date

VII. BOARD ACTIONS

A. 11/02/17: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	06/07/2018	AA.1271PP	Whole Child Model Family Advisory Committee	Medi-Cal

DRAFT

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IX. GLOSSARY

Term	Definition
California Children’s Services Program	The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible children under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9.
Member	For purposes of this policy, an enrollee-beneficiary of the CalOptima Medi-Cal Program receiving California Children's Services through the Whole Child Model program.
Member Advisory Committee (MAC)	A committee comprised of community advocates and Members, each of whom represents a constituency served by CalOptima, which was established by CalOptima to advise its Board of Directors on issues impacting Members.
Threshold Languages	Those languages identified based upon State requirements and/or findings of the Group Needs Assessment (GNA).
Whole Child Model	An organized delivery system that will ensure comprehensive, coordinated services through enhanced partnerships among Medi-Cal managed care plans, children’s hospitals and specialty care providers.

4

DRAFT

Whole-Child Model Family Advisory Committee (WCM FAC) Member Application

Instructions: Please type or print clearly. This application is for current California Children's Services (CCS) members and their family members. Please attach a résumé or bio outlining your qualifications and include signed authorization forms. For questions, please call **1-714-246-8635**.

Name: _____ Primary Phone: _____
 Address: _____ Secondary Phone: _____
 City, State, ZIP: _____ Fax: _____
 Date: _____ Email: _____

Please see the eligibility criteria below:*

Seven (7) to nine (9) seats shall be family representatives in one of the following categories. Please indicate:

- Authorized representatives, which includes parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
- CalOptima members age 18–21 who are current recipients of CCS services; or
- Current CalOptima members over the age of 21 who transitioned from CCS services

Four (4) seats will be appointed for a one-year term and five (5) seats will be appointed for a two-year term.

CalOptima Medi-Cal/CCS status (e.g., member, family member, foster parent, caregiver, etc.):

If you are a family member/foster parent/caregiver, please tell us who the member is and what your relationship is to the member:

Member Name: _____ Relationship: _____

Please tell us whether you have been a CalOptima member (i.e., Medi-Cal) or have any consumer advocacy experience: _____

Please explain why you would be a good representative for diverse cultural and/or special needs of children and/or the families of children in CCS. Include any relevant experience working with these populations: _____

Please provide a brief description of your knowledge or experience with California Children's Services: _____

Please explain why you wish to serve on the WCM FAC: _____

Describe why you would be a qualified representative for service on the WCM FAC: _____

Other than English, do you speak or read any of CalOptima's threshold languages for the Whole-Child Model (i.e. Spanish, Vietnamese, Korean, Farsi, Chinese or Arabic)? If so, which one(s)?

If selected, are you able to commit to attending quarterly (at least) WCM FAC meetings, as well as serving on at least one subcommittee? Yes No

Please supply two references (professional, community or personal):

Name: _____

Name: _____

Relationship: _____

Relationship: _____

Address: _____

Address: _____

City, State, ZIP: _____

City, State, ZIP: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

* Interested candidates for the WCM FAC member or family member seats must reside in Orange County and maintain enrollment in CalOptima Medi-Cal and/or California Children Services/Whole-Child Model or must be a family member of an enrolled CalOptima Medi-Cal and California Children Services/Whole-Child Model member.

This information is available for free in other languages. Please call our Customer Service Department toll-free at **1-888-587-8808**. TDD/TTY users can call toll-free at **1-800-735-2929**.

[Back to Agenda](#)

Please sign the **Public Records Act Notice** below and **Limited Privacy Waiver** on the next page. You also need to sign the attached **Authorization for Use or Disclosure of Protected Health Information** form to enable CalOptima to verify current member status.

PUBLIC RECORDS ACT NOTICE

Under California law, this form, the information it contains, and any further information submitted with it, such as biographical summaries and résumés, are public records, with the exception of your address, email address, and telephone numbers, and the same information of any references provided. These documents may be presented to the Board of Directors for their consideration at a public meeting, at which time they will be published, with the contact information removed, as part of the Board Materials that are available on CalOptima’s website, and even if not presented to the Board, will be available on request to members of the public.

Signature: _____

Date: _____

Print Name: _____

LIMITED PRIVACY WAIVER

Under state and federal law, the fact that a person is eligible for Medi-Cal and California Children's Services (CCS) is a private matter that may only be disclosed by CalOptima as necessary to administer the Medi-Cal and CCS program, unless other disclosures are authorized by the eligible member. Because the position of Member Representative on Whole Child Model Family Advisory Committee (WCM FAC) requires that the person appointed must be a member or a family member of a member receiving CCS, the member's Medi-Cal and CCS eligibility will be disclosed to the general public. The member or their representative (e.g. parent, foster parent, guardian, etc.) should check the appropriate box below and sign this waiver to allow his or her, or his or her family member or caregiver's name to be nominated for the advisory committee.

MEMBER APPLICANT — I understand that by signing below and applying to serve on the WCM FAC, I am disclosing my eligibility for the Medi-Cal and CCS program, the fact of which is otherwise protected under state or federal law. I am not agreeing to disclose any other information protected by state or federal law.

FAMILY MEMBER APPLICANT — I understand that by applying to serve on the WCM FAC, my status as a family member of a person eligible for Medi-Cal and CCS benefits is likely to become public. I authorize the disclosing of my family member's (insert name of member: _____) eligibility for the Medi-Cal and CCS program, the fact of which is otherwise protected under state or federal law. I am not agreeing to disclose any other information protected by state or federal law.

Medi-Cal/CCS Member (Printed Name): _____

Applicant Printed Name: _____

Applicant Signature: _____ Date: _____

**AUTHORIZATION FOR USE AND DISCLOSURE OF
PROTECTED HEALTH INFORMATION (PHI)**

The federal HIPAA Privacy Regulations requires that you complete this form to authorize CalOptima to use or disclose your Protected Health Information (PHI) to another person or organization. Please complete, sign, and return the form to CalOptima.

Date of Request: _____ Telephone Number: _____
Member Name: _____ Member CIN: _____

AUTHORIZATION:

I, _____, hereby authorize CalOptima, to use or disclose my health information as described below.

Describe the health information that will be used or disclosed under this authorization (please be specific): Information related to the identity, program administrative activities and/or services provided to {me} {my child} which is disclosed in response to my own disclosures and/or questions related to same.

Person or organization authorized to receive the health information: General public

Describe each purpose of the requested use or disclosure (please be specific): To allow CalOptima staff to respond to questions or issues raised by me that may require reference to my health information that is protected from disclosure by law during public meetings of the CalOptima Whole-Child Model Family Advisory Committee

EXPIRATION DATE:

This authorization shall become effective immediately and shall expire on: The end of the term of the position applied for

Right to Revoke: I understand that I have the right to revoke this authorization in writing at any time. To revoke this authorization, I understand that I must make my request in writing and clearly state that I am revoking this specific authorization. In addition, I must sign my request and then mail or deliver my request to:

CalOptima
Customer Service Department
505 City Parkway West
Orange, CA 92868

1 I understand that a revocation will not affect the ability of CalOptima or any health care provider to use
2 or disclose the health information to the extent that it has acted in reliance on this authorization.

3 **RESTRICTIONS:**

4
5 I understand that anything that occurs in the context of a public meeting, including the meetings of the
6 Whole Child Model Family Advisory Committee, is a matter of public record that is required to be
7 disclosed upon request under the California Public Records Act. Information related to, or relevant to,
8 information disclosed pursuant to this authorization that is not disclosed at the public meeting remains
9 protected from disclosure under the Health Insurance Portability and Accountability Act (HIPAA), and
10 will not be disclosed by CalOptima without separate authorization, unless disclosure is permitted by
11 HIPAA without authorization, or is required by law.

12 **MEMBER RIGHTS:**

- 13 • I understand that I must receive a copy of this authorization.
- 14 • I understand that I may receive additional copies of the authorization.
- 15 • I understand that I may refuse to sign this authorization.
- 16 • I understand that I may withdraw this authorization at any time.
- 17 • I understand that neither treatment nor payment will be dependent upon my refusing or agreeing
18 to sign this authorization.
- 19

20 **ADDITIONAL COPIES:**

21
22 Did you receive additional copies? Yes No

23 **SIGNATURE:**

24
25 By signing below, I acknowledge receiving a copy of this authorization.

26 Member Signature: _____ Date: _____

27 Signature of Parent or Legal Guardian: _____ Date: _____

28
29
30 ***If Authorized Representative:***

31 Name of Personal Representative: _____

32 Legal Relationship to Member: _____

33 Signature of Personal Representative: _____ Date: _____

34
35 ***Basis for legal authority to sign this Authorization by a Personal Representative***

36 (If a personal representative has signed this form on behalf of the member, a copy of the Health Care
37 Power of Attorney, a court order (such as appointment as a conservator, or as the executor or

- 1 administrator of a deceased member's estate), or other legal documentation demonstrating the authority
- 2 of the personal representative to act on the individual's behalf must be attached to this form.)



Applicant Name: _____

**WCM Family Advisory Committee
Applicant Evaluation Tool** (use one per applicant)

WCM FAC Seat: _____

Please rate questions 1 through 5 below based on how well the applicant satisfies the following statements where

5 is Excellent 4 is Very good 3 is Average 2 is Fair 1 is Poor

<u>Criteria for Nomination Consideration and Point Scale</u>	<u>Possible Points</u>	<u>Awarded Points</u>
1. Consumer advocacy experience or Medi-Cal member experience	1-5	_____
2. Good representative for diverse cultural and/or special needs of children and/or families of children in CCS	1-5	_____
Include relevant experience with these populations	1-5	_____
3. Knowledge or experience with California Children’s Services	1-5	_____
4. Explanation why applicant wishes to serve on the WCM FAC	1-5	_____
5. Explanation why applicant is a qualified representative for WCM FAC	1-5	_____
6. Ability to speak one of the threshold languages (other than English)	Yes/No	_____
7. Availability and willingness to attend meetings	Yes/No	_____
8. Supportive references	Yes/No	_____
	Total Possible Points	30

Name of Evaluator

Total Points Awarded

Whole-Child Model Family Advisory Committee (WCM FAC) Community Application

**Instructions: Please answer all questions. You may handwrite or type your answers.
Attach an additional page if needed.
If you have any questions regarding the application, call 1-714-246-8635.**

Name: _____ Work Phone: _____
 Address: _____ Mobile Phone: _____
 City, State ZIP: _____ Fax Number: _____
 Date: _____ Email: _____

Please see the eligibility criteria below:

Two (2) to four (4) seats will represent the interests of children receiving California Children’s Services (CCS), including:

- Community-based organizations
- Consumer advocates

Except for two designated seats appointed for the initial year of the Committee, all appointments are for a two-year period, subject to continued eligibility to hold a Community representative seat.

Current position and/or relation to a community-based organization or consumer advocate(s) (e.g., organization title, student, volunteer, etc.):

1. Please provide a brief description of your direct or indirect experience working with the CalOptima population receiving CCS services and/or the constituency you wish to represent on the WCM FAC. Include any relevant community experience:

2. What is your understanding of and familiarity with the diverse cultural and/or special needs of children receiving CCS services in Orange County and/or their families? Include any relevant experience working with such populations:

3. What is your understanding of and experience with California Children's Services, managed care systems and/or CalOptima?

4. Please explain why you wish to serve on the WCM FAC:

5. Describe why you would be a qualified representative for service on the WCM FAC:

6. Other than English, do you speak or read any of CalOptima's threshold languages, such as Spanish, Vietnamese, Korean, Farsi, Chinese or Arabic? If so, which one(s)?

7. If selected, are you able to commit to attending WCM FAC meetings, as well as serving on at least one subcommittee? Yes No

8. Please supply two references (professional, community or personal):

Name: _____	Name: _____
Relationship: _____	Relationship: _____
Address: _____	Address: _____
City, State ZIP: _____	City, State ZIP: _____
Phone: _____	Phone: _____
Email: _____	Email: _____

Submit with a **biography or résumé** to:

CalOptima, 505 City Parkway West, Orange, CA 92868

Attn: Becki Melli

Email: bmelli@caloptima.org

For questions, call **1-714-246-8635**

Applications must be received by March 30, 2018.

Public Records Act Notice

Under California law, this form, the information it contains, and any further information submitted with it, such as biographical summaries and résumés, are public records, with the exception of your address, email address, and telephone numbers, and the same information of any references provided. These documents may be presented to the Board of Directors for their consideration at a public meeting, at which time they will be published, with the contact information removed, as part of the Board Materials that are available on CalOptima’s website, and even if not presented to the Board, will be available on request to members of the public.

Signature

Date

Print Name



Applicant Name: _____

WCM Family Advisory Committee
Applicant Evaluation Tool (use one per applicant)

WCM FAC Seat: _____

Please rate questions 1 through 5 below based on how well the applicant satisfies the following statements where
 5 is Excellent 4 is Very good 3 is Average 2 is Fair 1 is Poor

<u>Criteria for Nomination Consideration and Point Scale</u>	<u>Possible Points</u>	<u>Awarded Points</u>
1. Direct or indirect experience working with members the applicant wishes to represent	1-5	_____
Include relevant community involvement	1-5	_____
2. Understanding of and familiarity with the diverse cultural and/or special needs populations in Orange County	1-5	_____
Include relevant experience with diverse populations	1-5	_____
3. Knowledge of managed care systems and/or CalOptima programs	1-5	_____
4. Expressed desire to serve on the WCM FAC	1-5	_____
5. Explanation why applicant is a qualified representative	1-5	_____
6. Ability to speak one of the threshold languages (other than English)	Yes/No	_____
7. Availability and willingness to attend meetings	Yes/No	_____
8. Supportive references	Yes/No	_____
	Total Possible Points	_____ 35
_____ Name of Evaluator	Back to Agenda	Total Points Awarded _____

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 4, 2009 Regular Meeting of the CalOptima Board of Directors

Report Item

VI. E. Approve Health Network Contract Rate Methodology

Contact

Michael Engelhard, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve the modification methodology of Health Network capitation rates for October 1, 2009.

Background

Health Network capitation is the payment method that CalOptima uses to reimburse PHCs and shared risk groups for the provision of health care services to members enrolled in CalOptima Medi-Cal and CalOptima Kids. In order to ensure that reimbursement to such capitated providers reflects up-to-date information, CalOptima periodically contracts with its actuarial consultants to recalculate or “rebase” these payment rates.

The purpose of this year’s rebasing is to:

- Establish actuarially sound facility and professional capitation rates;
- Account for changes in CalOptima’s delivery model;
- Incorporate changes in the Division of Financial Responsibility (DOFR); and
- Perform separate analyses for Medi-Cal and CalOptima Kids.

The overall methodology for this year’s rebasing approach includes:

- CalOptima eligibility data;
- Encounter and CalOptima Direct (COD) claim data analysis
- Reimbursement analysis;
- PCP capitation analysis;
- Maternity “kick” payment analysis;
- State benefit carve-out analysis;
- Reinsurance analysis;
- Administrative load analysis;
- Budget neutrality established

Discussion

CalOptima uses capitation as one way to reimburse certain contracted health care providers for services rendered. A Capitation payment is made to the provider during the month and is based solely on the number of contracted members assigned to that provider

at the beginning of each month. The provider is then responsible for utilizing those dollars in exchange for all services provided during that month or period.

To ensure that capitated payment rates reflect the current structure and responsibilities between CalOptima and its delegated providers, capitation rates need to be periodically reset or rebased.

CalOptima last performed a comprehensive rate rebasing in July 2007, for rates effective January 1, 2008, for CalOptima Medi-Cal only. Much has changed since that time including the establishment of shared risk groups; the movement of certain high-acuity members out of the Health Networks and into COD; changes in the DOFR between hospitals, physicians and CalOptima; shifts in member mix between the Health Networks; and changes in utilization of services by members.

Therefore, CalOptima opted to perform another comprehensive rebasing analysis prior to the FY2009-10 year in order to fully reflect the above-mentioned changes.

Fiscal Impact

CalOptima projects no fiscal impact as a result of the rebasing. Rebasing is designed to be budget neutral to overall CalOptima medical expenses even though there will likely be changes to specific capitation rates paid to Health Network providers.

Rationale for Recommendation

Staff recommends approval of this action to provide proper reimbursement levels to CalOptima's capitated health networks participating in CalOptima Medi-Cal and CalOptima Kids.

Concurrence

Procopio, Cory, Hargreaves & Savitch LLP

Attachments

None

/s/ Richard Chambers
Authorized Signature

5/27/2009
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action to Be Taken December 17, 2003 **Special Meeting of the CalOptima Board of Directors**

Report Item

VI. A. Approve Modifications to the CalOptima Health Network Capitation
Methodology and Rate Allocations

Contact

Amy Park, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve modifications to the CalOptima health network capitation methodology and rate allocations between Physician and Hospital financial responsibilities effective March 2004.

Background

CalOptima pays its health networks (HMOs and PHCs) according to the same schedule of capitation rates, which are adjusted by Medi-Cal aid category, gender and age. The actuarial cost model, upon which these rates are based, was developed by Milliman USA utilizing pre-CalOptima Orange County fee-for-service (FFS) experience as the baseline. This model then took into account utilization targets that were actuarially-appropriate for major categories of services and competitive reimbursement levels to ensure sufficient funds to provide all medically necessary services under a managed care model.

Since development of the model in 1999, CalOptima has negotiated capitation rate increases from the State for managed care rate “pass throughs” as a result of provider rate increases implemented in the Medi-Cal FFS program. In turn, CalOptima passed on these additional revenues to the health networks by increasing capitation payments, establishing carve-outs (e.g., transplants), or offering additional financial support, such as funding for enhanced subspecialty coverage and improving reinsurance coverage.

It has now been over four years since CalOptima commissioned a complete review of the actuarial cost model. As noted, CalOptima has only adjusted the underlying pricing in the actuarial cost model over the years to pass on increases in capitation rates to the health networks.

In light of State fiscal challenges and impending potential Medi-Cal funding and benefit reductions, CalOptima must examine the actuarial soundness of the existing cost model and update the utilization assumptions to ensure that CalOptima’s health network capitation rate methodology continues to allocate fiscal resources commensurate with the level of medical needs of the population served. This process will also provide

CalOptima with a renewed starting point from which to make informed decisions as we face yet another round of State budget uncertainties and declining resources.

Discussion

General Process. With the updated model, Milliman's rebasing process takes into account the 7+ years of health network managed care experience, rather than the historical pre-CalOptima Orange County FFS experience, as a base for capitation rates. Milliman examined the utilization statistics as indicated by the health network encounter data and evaluated the utilization for completeness by comparing against health network reported utilization and financial trends, health network primary care physician capitation and other capitation rates, health network hospital risk pool settlements, and other benchmarks as available. Further adjustments were made to account for changes in contractual requirements in the 2003-2005 health network contracts.

Utilization Assumptions. Consistent with changes in the State rate methodology, the updated health network capitation model combines the Family, Poverty and Child aid categories into a single Family aid category, with updated age/gender factors. The new model also recommends the creation of a supplemental capitation rate for members with end stage renal disease (ESRD). Furthermore, the actuarial model identifies actuarially-appropriate utilization targets for all major categories of services. These targets are set at levels that ensure that health networks have sufficient funds to provide all medically necessary services.

Pricing Assumptions. The new actuarial cost model includes reimbursement assumptions that are applied to the utilization targets to determine capitation rates. Effective October 2003, the State reduced CalOptima's capitation rates, effectively passing through the 5% cutback in physician and other provider rates as enacted in the 2003-04 State Budget Act. Notwithstanding this reduction, it is CalOptima's goal to maintain physician reimbursement levels to ensure members' continued access to care. Hence, CalOptima's health network minimum provider reimbursement policy and capitation funding will be maintained at its current levels. In other words, health networks will continue to be required to reimburse specialty physicians at rates that are no less than 150% of the Medi-Cal Fee Schedule and physician services in the actuarial model will continued to be priced at 147% of the August 1999 Medi-Cal Fee Schedule (as adjusted to primarily reflect market primary care physician capitation rates).

The actuarial cost model also provides sufficient funds to reimburse inpatient hospital reimbursement services at rates that are comparable to the average Southern California per diem rates and payment trends as published by California Medical Assistance Commission (CMAC) and to reimburse hospital outpatient services, commensurate with physician services, at 147% of the August 1999 Medi-Cal Fee Schedule.

In addition, the actuarial cost model provides sufficient funds for health network administrative expenses and an allowance for surplus. The table below summarizes the adjusted allocation of health network capitation rates to reflect the new actuarial cost model:

Aid Category	Proposed Hospital	Proposed Physician	Proposed Combined
Family/Poverty/Child	-4.6%	2.1%	-0.7%
Adult	-19.4%	-3.1%	-12.0%
Aged	18.9%	19.1%	19.0%
Disabled	10.9%	-4.4%	3.3%
Composite	1.7%	0.7%	1.2%

**Percentage changes are calculated from current capitation rates which have been adjusted to reflect the establishment of a separate ESRD supplemental capitation.*

Fiscal Impact

In summary, the proposed modifications will increase capitation payments made to physicians by 0.7%, while capitation payments to hospitals will increase by approximately 1.7%, for an overall weighted average increase in health network capitation rate payments of 1.2%, or \$3.1 million on an annualized basis.

This additional increase will be funded by the Medi-Cal capitation rate increases received by CalOptima related to the State’s settlement of the *Orthopaedic v. Belshe* lawsuit concerning Medi-Cal payment rates for hospital outpatient services.

As the Board will recall, the additional monies received by CalOptima related to this hospital outpatient settlement were passed through to hospitals in a lump-sum payment as approved by the Board in April 2003 for Fiscal 2001-02. That Board action also included approval for a second distribution scheduled for January 2004 to be made to hospitals for Fiscal 2002-03 related monies. Therefore, the proposed increases in hospital capitation rates contained in this action referral will facilitate the ongoing distributions of these dollars to CalOptima’s participating hospitals. *See also related Board action referral to approve modifications to CalOptima Direct hospital reimbursement rates.*

Rationale for Recommendation

The proposed modifications to the rate methodology and related allocation of funds are consistent with the extensive, independent analysis performed by Milliman USA to update CalOptima’s health network capitation methodology to reflect the 7+ years of health network managed care experience, rather than the historical pre-CalOptima Orange County FFS experience, as a base for capitation rates. The updated actuarial model also provides CalOptima with a renewed starting point from which to make informed

decisions as we face yet another round of State budget uncertainties and declining resources.

Concurrence

CalOptima Board of Directors' Finance Committee

Attachments

None

/s/ Mary K. Dewane
Authorized Signature

12/9/2003
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

9. Consider Authorizing Amendments of the CalOptima Medi-Cal Full-Risk Health Network Contracts with Heritage Provider Network, Inc., Monarch Family Healthcare and Prospect Medical Group

Contact

Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400
Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Actions

Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to enter into contract amendments of the CalOptima Medi-Cal Full-Risk Health Network Contract with Heritage Provider Network, Inc., Monarch Family Healthcare and Prospect Medical Group to:

1. Modify the rebased capitation rates for the Medi-Cal Classic population, effective January 1, 2019, as authorized in a separate Board action;
2. Modify capitation rates effective January 1, 2019, to include rates associated with the Whole-Child Model program to the extent authorized by the Board of Directors in a separate Board action;
3. Amend the contract terms to reflect applicable regulatory changes and other requirements associated with the Whole-Child Model (WCM); and
4. Extend contracts through June 30, 2019.

Background

CalOptima pays its health networks according to the same schedule of capitation rates, which are adjusted by Medi-Cal aid category, gender and age. The actuarial cost model, upon which the rates are based, was developed by Milliman Inc. utilizing encounter and claims data. CalOptima periodically increases or decreases the capitation rates to account for increases or decreases in capitation rates from the Department of Health Care Services (DHCS) or to account for additional services to be provided by the health networks. An example of this is the recent capitation rate change to account for the transition of the payment of Child Health Disability Program (CHDP) services from CalOptima to the health networks.

It is incumbent on CalOptima to periodically review the actuarial cost model to ensure that the rate methodology, and the resulting capitation rates, continue to allocate fiscal resources commensurate with the level of medical needs of the populations served. This review and adjustment of capitation rates is referred to as rebasing. Staff has worked with Milliman Inc. to develop a standardized rebasing methodology that was previously adopted and approved by CalOptima and the provider community.

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown signed Senate Bill 586 into law, which authorizes DHCS to incorporate CCS services into Medi-Cal Managed

Care Plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the Whole-Child Model (WCM). WCM's goals include improving coordination and integration of services to meet the needs of the whole child; retaining CCS program standards; supporting active family participation; and maintaining member-provider relationships where possible.

DHCS is implementing WCM on a phased basis; Orange County's implementation will be no sooner than January 1, 2019. Based on this schedule, CalOptima will assume responsibility for authorization and payment of CCS-eligible medical services including service authorization activities, claims (with some exceptions), case management, and quality oversight. At the June 7, 2018 Board meeting, Staff received authority to proceed with several actions related to the WCM program including carving CCS services into the health network contract.

At the June 7, 2018 Board meeting, the Board of Directors authorized the extension of the health network contracts through December 31, 2018. The six-month extension, as opposed to the normal one-year extension, was made to allow staff to review, adjust and vet capitation rates and requirements associated with the transition of the CCS program from the State and County to CalOptima; and complete the capitation rate rebasing initiative. Both of these program changes are effective January 1, 2019.

Discussion

Rebasing: CalOptima last performed a comprehensive rate rebasing in 2009. The goal of rebasing is to develop actuarially sound capitation rates that properly aligns capitation payments to a provider's delegated risks. To ensure that providers are accurately and sufficiently compensated, rebasing should be performed on a periodic basis to account for any material changes to medical costs and utilization patterns. To that end, staff has been working with Milliman Inc. to analyze claims utilization data and establish updated capitation rates that reflect more current experience. As proposed, only professional and hospital capitation rates for the Medi-Cal Classic population will be updated through this rebasing effort. Staff requests authority to amend the health network contracts to reflect the new rebased capitation rates effective January 1, 2019.

WCM: To ensure adequate revenue is provided to support the WCM program, CalOptima will develop actuarially sound capitation rates that are consistent with the projected risks that will be delegated to capitated health networks and hospitals. CalOptima also recognizes that medical costs for CCS members can be highly variable and volatile, possibly resulting in material cost differences between different periods and among different providers. To mitigate these financial risks and ensure that networks will receive sufficient and timely compensation, management proposes that CalOptima implement two retrospective reimbursement mechanisms: (1) Interim reimbursement for catastrophic cases; and (2) Retrospective risk corridor.

WCM incorporates requirements from SB 586 and CCS into the Medi-Cal managed care. Many of these WCM requirements will include new requirements for the health networks. Included is the requirement that the health networks will be required to use CCS paneled providers and facilities to treat children and youth for their CCS condition. Continuity of care provisions and minimum provider rate requirements (unless the provider has agreed to different rates with health network) are also among the

health network requirements.

Staff requests authority to incorporate the WCM rates and requirements into the health network contracts.

Extension of the Contract Term. Staff requests authority to amend the Medi-Cal contracts to extend the contracts through June 30, 2019.

Fiscal Impact

The recommended action to modify capitation rates, effective January 1, 2019, associated with rebasing is projected to be budget neutral to CalOptima. The rebased capitation rates are not projected to materially change CalOptima's aggregate capitation expenses. Management has included expenses associated with rebased capitation rates in the CalOptima FY 2018-19 Operating Budget, approved by the Board on June 7, 2018.

The recommended action to amend health network contracts, effective January 1, 2019, to include rates associated with the WCM program is a budgeted item. Management has included projected revenues and expenses associated with the WCM program in the CalOptima FY 2018-19 Operating Budget approved by the Board on June 7, 2018. Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual WCM program costs at approximately \$274 million. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict and likely to be highly volatile. CalOptima will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Rationale for Recommendation

CalOptima staff recommends these actions to: reflect changes in rates and responsibilities in accordance with the CalOptima delegated model; to maintain and continue the contractual relationship with the provider network; and to fulfill regulatory requirements.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Contracted Entities Covered by this Recommended Board Action
2. Board Action dated June 7, 2018, Consider Actions Related to CalOptima's Whole-Child Model Program
3. Board Action dated June 4, 2009, Approve Health Network Contract Rate Methodology
4. Board Action dated December 17, 2003, Approve Modifications to the CalOptima Health Network Capitation Methodology and Rate Allocations

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

*Attachment to August 2, 2018 Board of Directors Meeting –
Agenda Item 9*

CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Heritage Provider Network, Inc.	8510 Balboa Blvd., Suite 150	Northridge	CA	91325
Monarch Health Plan, Inc.	11 Technology Drive	Irvine	CA	92618
Prospect Health Plan, Inc.	600 City Parkway West, Suite 800	Orange	CA	92868

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 7, 2018 Regular Meeting of the CalOptima Board of Directors

Report Item

45. Consider Actions Related to CalOptima's Whole-Child Model Program

Contact

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

Recommended Actions

1. Authorize CalOptima staff to develop an implementation plan to integrate California Children's Services into its Medi-Cal program in accordance with the Whole Child Model (WCM), and return to the Board for approval after developing draft policies, and completing additional analysis and modeling prior to implementation;
2. Authorize and direct the Chief Executive Officer (CEO), with assistance of Legal Counsel, to execute a Memorandum of Understanding (MOU) with Orange County Health Care Agency (OC HCA) for coordination of care, information sharing and other actions to support WCM activities; and
3. In connection with development of the Whole Child Model Family Advisory Committee:
 - a. Direct the CEO to adopt new Medi-Cal policy AA.1271: Whole Child Model Family Advisory Committee; and,
 - b. Appoint the following eleven individuals to the Whole-Child Model Family Advisory Committee (WCM FAC) for one or two-year terms as indicated or until a successor is appointed, beginning July 1, 2018:
 - i. Family Member Representatives:
 - a) Maura Byron for a two-year term ending June 30, 2020;
 - b) Melissa Hardaway for a one-year term ending June 30, 2019;
 - c) Grace Leroy-Loge for a two-year term ending June 30, 2020;
 - d) Pam Patterson for a one-year term ending June 30, 2019;
 - e) Kristin Rogers for a two-year term ending June 30, 2020; and
 - f) Malissa Watson for a one-year term ending June 30, 2019.
 - ii. ~~Community Representatives:~~
 - a) ~~Michael Arnot for a two year term ending June 30, 2020;~~
 - b) ~~Sandra Cortez Schultz for a one year term ending June 30, 2019;~~
 - c) ~~Gabriela Huerta for a two year term ending June 30, 2020; and~~
 - d) ~~Diane Key for a one year term ending June 30, 2019.~~

Rev.
6/7/2018

6/7/2018:
Continued
to future
Board
meeting.

Background

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown signed Senate Bill 586 into law, which authorizes DHCS to incorporate CCS services into Medi-Cal managed care plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the Whole-Child Model (WCM). WCM's goals include improving coordination and

integration of services to meet the needs of the whole child; retaining CCS program standards; supporting active family participation; and, maintaining member-provider relationships, where possible.

DHCS is implementing WCM on a phased basis; Orange County's implementation will be no sooner than January 1, 2019. Based on this schedule, CalOptima will assume financial responsibility for authorization and payment of CCS-eligible medical services including service authorization activities, claims (with some exceptions), case management, and quality oversight. DHCS will retain responsibility for program oversight, CCS provider paneling, and claims payment for CCS eligible Neonatal Intensive Care Unit (NICU) services. OC HCA will remain responsible for CCS eligibility determination for all children and for CCS services for non-Medi-Cal members (e.g., those who exceed the Medi-Cal income thresholds and undocumented children who transition out of MCP when they turn 18). OC HCA will also remain responsible for Medical Therapy Program (MTP) services and the Pediatric Palliative Care Waiver.

WCM will incorporate requirements from SB 586 and CCS into the Medi-Cal managed care plans. New requirements under WCM will include, but not be limited to:

- Using CCS paneled providers and facilities to treat children and youth for their CCS condition, including network adequacy certification;
- Offering continuity of care (e.g., durable medical equipment, CCS paneled providers) to transitioning members;
- Paying CCS or Medi-Cal rates, whichever is higher, unless provider has agreed to a different contractual arrangement;
- Offering CCS services including out-of-network, out-of-area, and out-of-state, including Maintenance & Transportation (travel, food and lodging) to access CCS services;
- Executing Memorandum of Understanding with OC HCA to support coordination of services;
- Permitting selection of a CCS paneled specialist to serve as a CCS member's Primary Care Provider (PCP);
- Establishing Pediatric Health Risk Assessment (P-HRA), associated risk stratification, and individual care planning process;
- Establishing WCM clinical and member/family advisory committees; and,
- Reporting in accordance with WCM specific requirements.

For the requirements, CalOptima will rely on SB 586 and DHCS guidance provided through All Plan Letters (APL) and current and future CCS requirements published in the CCS Numbered Letters. Additional information will be provided in DHCS contact amendments, readiness requirements, and other regulatory releases.

On November 2, 2017, the CalOptima Board of Directors authorized establishment of the WCM FAC. The WCM FAC is comprised of eleven (11) voting seats.

1. Seven (7) to nine (9) seats shall be seats for family representatives, with a priority to family representatives (i.e., if qualifying family candidates are available, all nine (9) seats will be filled by family members). Family representatives will be in the following categories:
 - a. Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - b. CalOptima members age 18 - 21 who are current recipients of CCS services; or

- c. Current CalOptima members age of 21 and over who transitioned from CCS services.
- 2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS including
 - a. Community-based organizations; or
 - b. Consumer advocates.

While two (2) of the WCM-FAC’s eleven (11) seats are designated for community-based organizations or consumer advocates, WCM-FAC candidates representing these two groups may be considered for up to two additional WCM-FAC seats in the event that there are not sufficient family representative candidates to fill the family seats.

Except for the initial appointments, WCM FAC members will serve two-year terms, with no limits on the number of terms a representative may serve, provided they meet applicable criteria. The initial appointment will be divided between one- and two-year terms to stagger reappointments. In the first year, five (5) committee member seats will be appointed for a one-year term and six (6) committee members seats will be appointed for two-year terms.

Discussion

Throughout the years, CalOptima staff has monitored regulatory and industry discussions on the possible transition of CCS services to the managed care plans, including participation in DHCS CCS stakeholder meetings. In 2013, the Health Plan of San Mateo, in partnership with the San Mateo County Health System, became the first CCS demonstration project under California’s 1115 “Bridge to Reform” Waiver. In 2014, DHCS formally launched its stakeholder process for *CCS Redesign*, which later became known as the *Whole Child Model*.

CalOptima began meeting with OC HCA in early 2016 to learn about CCS and, more broadly, to share information about CalOptima programs supporting our mutual members. CalOptima conducted its first broad-based stakeholder meeting in March 2016 and launched its WCM stakeholder webpage in 2016. Since that time, CalOptima has shared WCM information and vetted its WCM implementation strategy with stakeholders at events and meetings hosted by CalOptima and others. In January 2018, CalOptima hosted a WCM event for local stakeholders that included presentations by DHCS and CalOptima leadership. Six (6) family-focused stakeholder meetings were held throughout the county in February 2018. CalOptima health networks and providers have also been engaged through Provider Advisory Committee meetings, Provider Associations, Health Network Joint Operations Meetings, and Health Network Forum Meetings. CalOptima has scheduled WCM-specific meetings with health networks to support the implementation and provide a venue for them to raise questions and concerns.

Implementation Plan Elements

Delivery Model

As CCS has been carved-out of CalOptima’s Medi-Cal managed care plan contract with DHCS, it has similarly been carved-out of CalOptima’s health network contracts. CalOptima considered several options for WCM service delivery including: 1) requiring all CCS participants to be enrolled in CalOptima’s direct network (rather than a delegated health network); 2) retaining the current health network carve-out for CCS services, while allowing members to remain enrolled in a delegated health network; or, 3) carving CCS services into the health network division of financial responsibility (DOFR) consistent with their current contract model.

Requiring enrollment in CalOptima Direct could potentially break relationships with existing health network contracted providers and disrupt services for non-CCS conditions. Carving CCS services out of health network responsibility, while allowing members to remain assigned to a health network, would continue the siloed service delivery CCS children currently receive and, therefore, not maximize achievement of the "whole-child" goal. Carving the CCS services into the health networks according to the current health network contract models is most consistent with the WCM goals and existing delivery model structure. For purposes of this action, the CalOptima Community Network (CCN) would be considered a health network.

Health Network Financial Model

CalOptima has worked closely with the DHCS to ensure adequate Medi-Cal revenue to support the WCM and actuarially sound provider and health network rates. For the WCM, DHCS will establish capitation that will include CCS and non-CCS services. However, only limited historical CCS claims payment detail is available. In order to mitigate health network financial risk due to potentially costly outliers, CalOptima staff is considering, with the exception of Kaiser, to:

- Expand current policy that transitions clinical management and financial risk of CalOptima medical members diagnosed with hemophilia, in treatment for end stage renal disease (ESRD), or receiving an organ transplant from the health network to CCN to include Medi-Cal members under 21;
- Establish an estimated capitation rate, similar to the DHCS methodology, that includes CCS and non-CCS services and develop a medical loss ratio (MLR) risk corridor; and
- Modify existing or establish new policies related to payment of services for members enrolled in a shared risk group, reinsurance, health-based risk adjusted capitation payment, shared risk pool, and special payments for high-cost exclusions and out-of-state CCS services.

The estimated capitation rate for the health networks, excluding Kaiser, will be established based on known methodologies and data provided by DHCS. Capitation will include services based on the current health network structure and division of responsibility. Also built into the rates will be the requirement that at a minimum, the Medi-Cal or CCS fee-for-service rate, whichever is higher, will be utilized, unless an alternate payment methodology or rate is mutually agreed to by the CCS provider and the health network. CalOptima staff will review the capitation rate structure with the health networks once final rates are received from DHCS and analyzed by CalOptima staff. In the interim, CalOptima staff will develop, with input from the health networks, the upper and lower limits of the MLR risk corridor and reconciliation process. Current policy regarding high-cost medical exclusions will also be discussed. Separate discussions will occur with Kaiser, as its capitation rate structure is different than the other health networks. CalOptima staff will return to the Board with future recommendations, as required.

Clinical Operations

CalOptima will be responsible for providing CCS-specific case management, care coordination, provider referral, and service authorization to children with a CCS condition. CalOptima will conduct risk stratification, health risk assessment and care planning. For transitioning members, CalOptima will also be responsible for ensuring continuity of services, for example, CCS professional services, durable medical equipment and pharmacy.

While many services currently provided to children enrolled in CCS are covered by CalOptima for non-CCS conditions, the transition to WCM will incorporate new responsibilities to CalOptima including authorizing High-Risk Infant Follow-Up (HRIF), and NICU, and new benefits such as Cochlear implants Maintenance and Transportation services when applicable, to the child and/or family. Maintenance and Transportation services include meals, lodging, transportation, and other necessary costs (i.e. parking, tolls, etc.).

CalOptima will also be responsible for facilitating the transition of care between the County and CalOptima case management and following State requirements issued to the County, in the form of Numbered Letters, in regard to CCS administration and implementation. An example of this would be implementing the County's process for transitioning out of the program children currently enrolled in CCS but who will not be eligible once they turn twenty-one (21).

CalOptima may modify existing or establish new policies to implement WCM. These may include policies related to, for example, CCS comprehensive case management, risk stratification, health risk assessment, continuity of care, authorization for durable medical equipment (including wheelchairs) and pharmacy. CalOptima staff will return to the Board with future recommendations as required.

Provider Impact and Network Adequacy

The State requires plans, and their delegates, to have an adequate network of CCS-paneled and approved providers to serve to children enrolled in CCS. During the timeframe given for readiness and as an ongoing process, CalOptima will attempt to contract with as many CCS providers on the State-provided list and located in Orange County as possible. CalOptima is attempting to contract with all CCS providers in Orange County and specialized providers outside Orange County currently providing services to CalOptima members. Historically, CalOptima has paid, and expects to continue to pay, contracted CCS specialists an augmented rate to support participation and coordination of CalOptima and CCS services. This process is based on previous Board Action and reflected in Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct or a Member Enrolled in a Shared Risk Group.

CalOptima may modify existing or establish new policies to implement WCM. These may include policies related to, for example, access and availability standards, credentialing, primary care provider assignment, CalOptima staff will return to the Board with future recommendations as required.

Memorandum of Understanding (MOU)

Leveraging the DHCS WCM MOU template, CalOptima and OC HCA staff have worked in partnership to develop a new WCM MOU to reflect shared needs and to serve as the primary vehicle for ensuring collaboration between CalOptima and OC HCA in serving our joint CCS members. The MOU identifies each party's responsibilities and obligations based on their respective scope of responsibilities as they relate to CCS eligibility and enrollment, case management, continuity of care, advisory committees, data sharing, dispute management, NICU and quality assurance.

Whole Child Model Family Advisory Committee (WCM FAC)

In connection with the November 2, 2017 Board Action described above, CalOptima staff developed new Medi-Cal policy AA.1271: Whole Child Model Family Advisory Committee to establish policies and procedures related to development and on-going operations of the WCM FAC, Staff recommends Board approval of AA.1271: Whole Child Model Family Advisory Committee.

To identify nominees for the WCM FAC for Board consideration, CalOptima conducted recruitment to ensure that there would be a diverse applicant pool from which to choose candidates. The recruitment included several notification methods, sending outreach flyers to community-based organizations (CBOs) and OC HCA CCS staff for distribution to CCS members and their families, targeting outreach at six (6) CalOptima hosted WCM family events and at community meetings, and posting information on the WCM Stakeholder Information and WCM Family Advisory Committee pages on CalOptima's website. A total of sixteen (16) applications (eight (8) in each category) were received from fifteen (15) individuals (one (1) individual applied for a seat in both categories).

As the WCM FAC is in development, CalOptima requested members of CalOptima's Member Advisory Committee (MAC) to serve as the Nomination Ad Hoc Subcommittee (Subcommittee). Prior to the MAC Nominations Ad Hoc meeting on April 19, 2018, Subcommittee members evaluated each application. The Subcommittee, including Connie Gonzalez, Jaime Munoz and Christine Tolbert, selected a candidate for each of the seats. All eligible applicants for a Family Representative seat were recommended. (One (1) of the eight (8) applicants was not eligible as she did not have family or personal experience in CCS.) At the May 10, 2018 meeting, the MAC considered and accepted the recommended slate of candidates, as proposed by the Subcommittee.

Candidates for the open positions are as follows:

Family Representatives

1. Maura Byron for a two-year term ending June 30, 2020;
2. Melissa Hardaway for a one-year term ending June 30, 2019;
3. Grace Leroy-Loge for a two-year term ending June 30, 2020;
4. Pam Patterson for a one-year term ending June 30, 2019;
5. Kristin Rogers for a two-year term ending June 30, 2020; and
6. Malissa Watson for a one-year term ending June 30, 2019.

Maureen Byron is the mother of a young adult who is a current CCS client. Ms. Byron became involved in the CCS Parent Advisory Committee resulting in her being hired by Family Support Network (FSN). At FSN, she is a parent mentor assisting families of children with complex health care needs to maneuver in the system and secure services. In addition, she responds to families' questions and provides peer and emotional support.

Melissa Hardaway is the mother of a special needs child who receives CCS services. Ms. Hardaway is familiar with the health care industry as a health care professional and a broker. She believes her understanding of managed care and her advocacy experience for her child will benefit her to assist families of children in CCS.

Grace Leroy-Loge is the mother of an adolescent receiving CCS services. Ms. Leroy-Loge works as the Family Support Liaison at CHOC Children's Hospital NICU where she assists families of children with medically complex needs to advocate for their children. She has served in the community on several committees, such as the parent council of CCS, Make-a-Wish Medical Advisory Committee and Orange County Children's Collaborative.

Pam Patterson is the mother of a special needs adolescent receiving CCS. Ms. Patterson is a special needs attorney and a constitutional law attorney. She has many years of experience advocating for her child with CCS and the Regional Center of Orange County. Ms. Patterson is also very active in the community.

Kristin Rogers is the mother of a young teenager who receives CCS services. Ms. Rogers explained that because she encountered difficulties obtaining the correct health care coverage for her child, she wants to educate others with similar situations on how to obtain appropriate coverage. Ms. Rogers is an active volunteer at CHOC.

Malissa Watson is the mother of a child that receives CCS services. Ms. Watson's desire is to help families navigate CCS and CalOptima. Ms. Watson is active in the community, serving on the CHOC Hospital Parent Advisory Committee and mentoring other parents.

CBO/Advocate Representatives

1. ~~Michael Arnot for a two year term ending June 30, 2020;~~
2. ~~Sandra Cortez Schultz for a one year term ending June 30, 2019;~~
3. ~~Gabriela Huerta for a two year term ending June 30, 2020; and~~
4. ~~Diane Key for a one year term ending June 30, 2019.~~

~~Michael Arnot is the Executive Director for Children's Cause Orange County, an organization that provides evidence based therapeutic intervention for children with traumatic stress, such as trauma from medical procedures from co-occurring health conditions covered under CCS. Mr. Arnot has extensive experience working with children in varying capacities.~~

~~Sandra Cortez Schultz is the Customer Service Manager at CHOC Children's Hospital. Ms. Cortez Schultz is responsible for ensuring that the families of medically complex children receive the appropriate care and treatment they require. She is also the Chair of CHOC's Family Advisory Council. Ms. Cortez Schultz has over 25 years of experience working directly and indirectly at varying levels with the CCS program.~~

~~Gabriela Huerta is a Lead Case Manager, California Children's Services/Regional Center for Molina Healthcare, Inc. Ms. Huerta is responsible for health care management and coordination of services for CCS members, including assessments, intervention, planning and development of member centric plans and coordination of care. She has expertise in CCS as a carve out benefit as well as a managed care benefit.~~

~~Diane Key is the Director of Women's and Children's Services for UCI Medical Center. Ms. Key has over 30 years of experience working in women and children's services in clinical nursing and leadership oversight positions. She has knowledge of CCS standards, eligibility criteria and facility requirements. In addition, she understands the physical, psycho-social and developmental needs of CCS children.~~

Staff recommends Board approval of the proposed nominees for the WCM FAC.

6/7/2018:
Continued
to future
Board
meeting.

Fiscal Impact

The recommended action to approve the implementation plan for the WCM program carries significant financial risks. Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual program costs for WCM at \$274 million. Management has included projected revenues and expenses associated with the WCM program in the proposed CalOptima FY 2018-19 Operating Budget pending Board approval. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict and likely to be volatile. CalOptima will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Rationale for Recommendation

The recommended actions will enable CalOptima to operationally prepare for the anticipated January 1, 2019, transition of California Children's Services to Whole-Child Model.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. PowerPoint Presentation: Whole-Child Model Implementation Plan
2. Board Action dated November 2, 2017, Consider Adopting Resolution Establishing a Family Advisory Committee for the Whole-Child Model Medi-Cal Program
3. Policy AA.1271: Whole Child Model Family Advisory Committee (redline and clean copies)

/s/ Michael Schrader
Authorized Signature

5/30/2018
Date



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Whole-Child Model (WCM) Implementation Plan

**Board of Directors Meeting
June 7, 2018**

**Candice Gomez, Executive Director
Program Implementation**



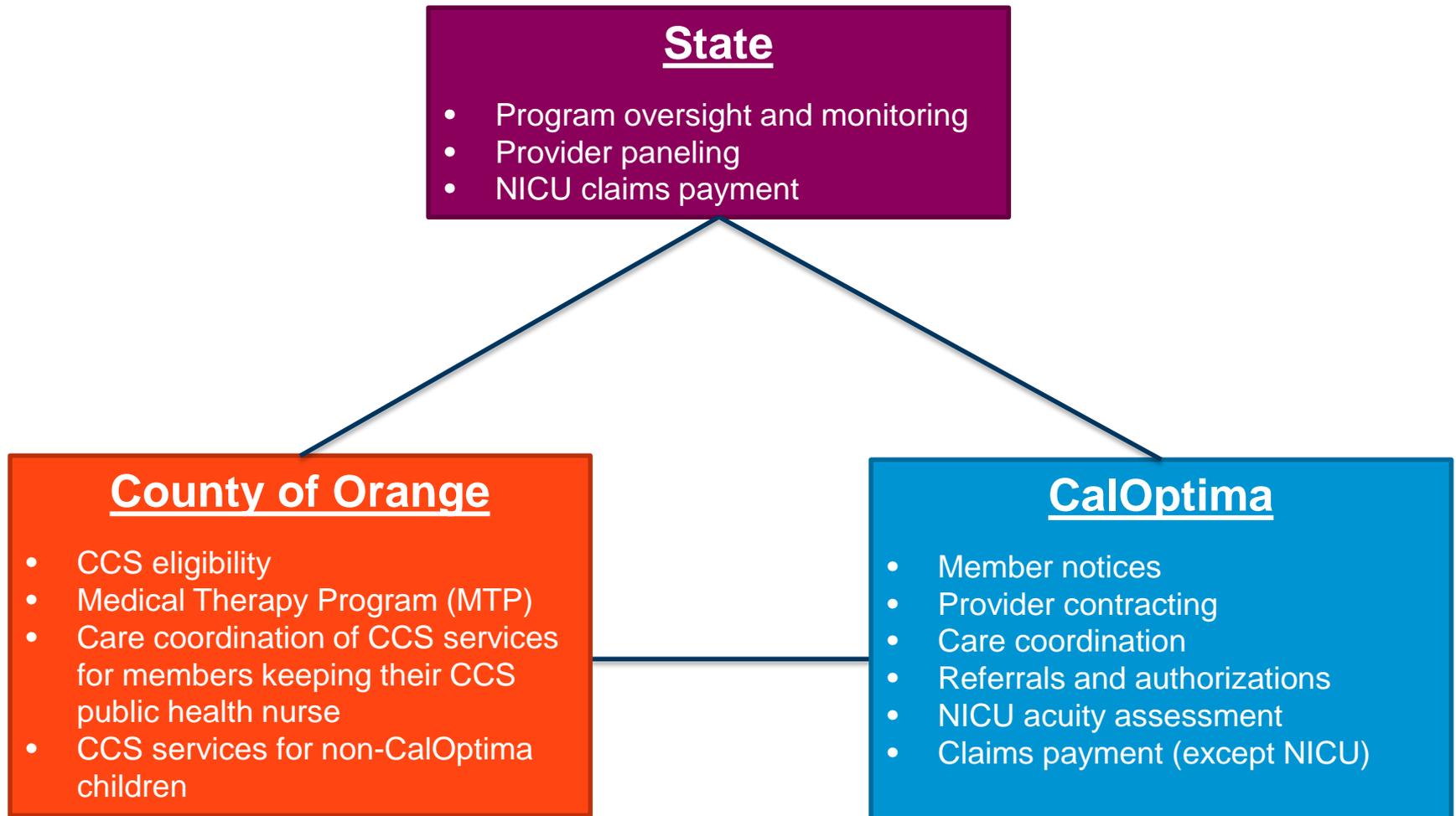
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Background

Whole-Child Model (WCM) Overview

- California Children's Services (CCS) is a statewide program providing medical care and case management for children under 21 with certain medical conditions
 - Locally administered by Orange County Health Care Agency
- The Department of Health Care Services (DHCS) is implementing WCM to integrate the CCS services into select Medi-Cal plans
 - CalOptima will implement WCM effective January 1, 2019

Division of WCM Responsibilities



WCM Transition Goals

- Improve coordination and integration of services to meet the needs of the whole child
- Retain CCS program standards
- Support active family participation
- Establish specialized programs to manage and coordinate care
- Ensure care is provided in the most appropriate, least restrictive setting
- Maintain existing patient-provider relationships when possible

CCS Demographics

- About 13,000 Orange County children are receiving CCS services
 - 90 percent are CalOptima members

Languages

- Spanish = 48 percent
- English = 44 percent
- Vietnamese = 4 percent
- Other/unknown = 4 percent

City of Residence (Top 5)

- Santa Ana = 23 percent
- Anaheim = 18 percent
- Garden Grove = 8 percent
- Orange = 6 percent
- Fullerton = 4 percent

WCM Requirements

- Required use of CCS paneled providers and facilities, including network adequacy certification
- Memorandum of Understanding with OC HCA to support coordination of services
- Maintenance & Transportation (travel, food and lodging) to access CCS services
- WCM specific reporting requirements
- Permit selection of a CCS paneled specialist to serve as a CCS member's Primary Care Provider (PCP)
- Establish WCM clinical and member/family advisory committees

2018 Stakeholder Engagement to Date

- January 25– General stakeholder event (93 attendees)
- February 26 -28 – Six family events (87 attendees)
- Provider focused presentations and meetings:
 - Hospital Association of Southern California
 - Safety Net Summit - Coalition of Orange County Community Health Centers
 - Pediatrician focused events hosted by Orange County Medical Association Pediatric Committee and Health Care Partners
 - Health Network convenings including Health Network Forum, Joint Operations Meetings and on-going workgroups
- Speakers Bureau and community meetings



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Implementation Plan Elements

Proposed Delivery Model

- Leverage existing delivery model using health networks, subject to Board approval
 - Reflects the spirit of the law to bring together CCS services and non-CCS services into a single delivery system
- Using existing model creates several advantages
 - Maintains relationships between CCS-eligible children, their chosen health network and primary care provider
 - Improves clinical outcomes and health care experience for members and their families
 - Decreases inappropriate medical and administrative costs
 - Reduces administrative burden for providers

Financial Approach

- DHCS will establish a single capitation rate that includes CCS and non-CCS services
- Limited historical CCS claims payment detail available
- CalOptima Direct and CalOptima Community Network
 - Follow current fee-for-service methodology and policy
 - CCS paneled physicians are reimbursed at 140% Medi-Cal
- Health Network
 - Keep health network risk and payment structure similar to current methodologies in place
 - Develop risk corridors to mitigate risk

Clinical Operations

- Providing CCS-specific case management, care coordination, provider referral and authorizations
- Supporting new services such as High-Risk Infant Follow-Up authorization, Maintenance and Transportation (lodging, meals and other travel related services)
- Facilitating transitions of care
 - Risk stratification, health risk assessment and care planning for children and youth transitioning to WCM
 - Between CalOptima, OC HCA and other counties
 - Age-out planning for members who will become ineligible for CCS when they turn 21 years of age

Provider Impact and Network Adequacy

- CalOptima and delegated networks must have adequate network of CCS paneled and approved providers
 - CCS panel status will be part of credentialing process
 - CCS members will be able to select their CCS specialists as primary care provider
 - CalOptima is in process of contracting with CCS providers in Orange County and specialized providers outside of county providing services to existing members
 - Documentation of network adequacy will be submitted to DHCS by September 28, 2018

Memorandum of Understanding (MOU)

- DHCS requires CalOptima and Orange County Health Care Agency to develop WCM MOU to support collaboration and information sharing
 - Leverage DHCS template
 - Outlines responsibilities related:
 - CCS eligibility and enrollment
 - Case management
 - Continuity of care
 - Advisory committees
 - Data sharing
 - Dispute management
 - NICU
 - Quality assurance

WCM Family Advisory Committee

- CalOptima must establish a WCM Family Advisory Committee per Welfare & Institutions Code § 14094.17
- November 2, 2017 Board authorized development of committee
 - Eleven voting seats
 - Seven to nine family representative seats
 - Two to four community-based organizations or consumer advocates
 - Priority to family representatives
 - Two-year terms, with no term limits
 - Staggered terms
 - In first year, five seats for one-year term and six seats for two-year term
 - Approval requested for AA.1271: Whole Child Model Family Advisory Committee

WCM Family Advisory Committee (cont.)

- Sixteen applications (eight in each category)
- April 19, 2018 Member Advisory Committee (MAC) Nominations ad hoc committee selected candidates
 - All eligible applicants in family category were selected
 - One applicant was ineligible as she has no prior CCS experience
 - Four applicants in community category were selected
- May 10, 2018 MAC considered and accepted MAC Ad Hoc's recommended nominations for Board consideration

Recommended Nominees

Family Seats	Community Seats
Maura Byron	Michael Arnot Executive Director Children's Cause Orange County
Melissa Hardaway	
Grace Leroy-Loge	Sandra Cortez – Schultz Customer Service Manager CHOC Children's Hospital
Pam Patterson	
Kristin Rogers	Gabriela Huerta Lead Case Manager, California Children's Services/Regional Center Molina Healthcare, Inc.
Malissa Watson	
	Diane Key Director of Women's and Children's Services UCI Medical Center

Next Steps

- Review WCM capitation and risk corridor approach with Health Networks
- Planned stakeholder engagement
 - Community-based organization focus groups in June
 - General event in July
 - Family events in Fall
- Future Board actions
 - Update policies and procedures
 - Health network contracts

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken November 2, 2017 Regular Meeting of the CalOptima Board of Directors

Report Item

18. Consider Adopting Resolution Establishing a Family Advisory Committee for the Whole-Child Model Medi-Cal Program

Contact

Sesha Mudunuri, Executive Director, Operations, (714) 246-8400

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

Recommended Actions

1. Adopt Resolution No. 17-1102-01, establishing the CalOptima Whole-Child Model family advisory committee to provide advice and recommendations to the CalOptima Board of Directors on issues concerning California Children's Services (CCS) and the Whole-Child Model program; and
2. Subject to approval of the California Department of Health Care Services (DHCS), authorize a stipend of up to \$50 per committee meeting attended for each family representative appointed to the Whole-Child Model Family Advisory Committee (WCM-FAC).

Rev.
11/2/17

Background

On September 25, 2016, SB 586 (Hernandez): Children's Services was signed into law. SB 586 authorizes the establishment of the Whole-Child Model that incorporates CCS-covered services for Medi-Cal eligible children and youth into specified county-organized health plans, including CalOptima. A provision of the Whole-Child Model requires each participating health plan to establish a family advisory committee. Accordingly, DHCS is requiring the establishment of a Whole-Child Model family advisory committee to report and provide input and recommendations to CalOptima relative to the Whole-Child Model program. The proposed stipend, subject to DHCS approval, is intended to enable in-person participation by members and family member representatives. It is also anticipated that a representative from the family advisory committees of each Medi-Cal plan will be invited to serve on a statewide stakeholder advisory group.

Since CalOptima's inception, the CalOptima Board of Directors has benefited from stakeholder involvement in the form of standing advisory committees. Under the authority of County of Orange Codified Ordinances, Section 4-11-15, and Article VII of the CalOptima Bylaws, the CalOptima Board of Directors may create committees or advisory boards that may be necessary or beneficial to accomplishing CalOptima's tasks. The advisory committees function solely in an advisory capacity providing input and recommendations concerning the CalOptima programs. CalOptima Whole-Child Model program would also benefit from the advice of a standing family advisory committee.

Discussion

While specific to Whole-Child Model program, the charge of the WCM-FAC would be similar to that of the other CalOptima Board advisory committees, including:

- Provide advice and recommendations to the Board and staff on issues concerning CalOptima Whole-Child Model program as directed by the Board and as permitted under applicable law;

- Engage in study, research and analysis of issues assigned by the Board or generated by staff or the family advisory committee;
- Serve as liaison between interested parties and the Board and assist the Board and staff in obtaining public opinion on issues relating to CalOptima Whole-Child Model program; and
- Initiate recommendations on issues for study to the CalOptima Board for its approval and consideration, and facilitate community outreach for CalOptima Whole-Child Model program and the Board.

While SB 586 requires plans to establish family advisory committees, committee composition is not explicitly defined. Based on current advisory committee experience, staff recommends including eleven (11) voting members on CalOptima's WCM-FAC, representing CCS family members who reflect the diversity of the CCS families served by the plan, as well as consumer advocates representing CCS families. If necessary, CalOptima will provide an in-person interpreter at the meetings. For the first nomination process to fill the seats, it is proposed that CalOptima's current Member Advisory Committee will be asked to participate in the Family Advisory Committee nominating ad hoc committee. The proposed candidates will then be submitted to the Board for consideration. It is anticipated that subsequent nominations for seats will be reviewed by a WCM-FAC nominating ad hoc committee and will be submitted first to the WCM-FAC, then to the full Board for consideration of the WCM-FAC's recommendations.

CalOptima staff recommends that the WCM-FAC be comprised of eleven (11) voting seats:

1. Seven (7) to ~~N~~nine (9) of the seats shall be family representatives in one of the following categories, with a priority to family representatives (i.e., if qualifying family representative candidates are available, all nine (9) seats will be filled by family representatives):
 - i. Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - ii. CalOptima members age 18 -21 who are current recipients of CCS services; or
 - iii. Current CalOptima members over the age of 21 who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS services, including:
 - i. Community-based organizations; or
 - ii. Consumer advocates.

While two (2) of the WCM-FAC's eleven seats are designated for community-based organizations or consumer advocates, WCM-FAC candidates representing these two groups may be considered for up to two additional WCM-FAC seats in the event that there are not sufficient family representative candidates to fill these seats.

Except for initial appointments, CalOptima WCM-FAC members will serve two (2) year terms, with no limits on the number of terms a representative may serve provided they continue to meet the above-referenced eligibility criteria. The initial appointments of WCM-FAC members will be divided between one and two-year terms to stagger reappointments. In the first year, five (5) committee member seats will be appointed for a one-year term and six (6) committee member seats will be appointed for a two-year term.

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11/2/2017

The WCM-FAC Chair and Vice Chair for the first year will be nominated at the second WCM-FAC meeting by committee members. The WCM-FAC's recommendations for these positions will subsequently be submitted to the Board for consideration. After the first year, the Chair and Vice Chair of the WCM-FAC will be appointed by the Board annually from the appointed voting members and may serve two consecutive one-year terms in a particular committee officer position.

The WCM-FAC will develop, review annually and recommend to the Board any revisions to the committee's Mission or Goals and Objectives. The Goals and Objectives will be consistent with those of the CalOptima Whole-Child Model.

The WCM-FAC will meet at least quarterly and will determine the appropriate meeting frequency to provide timely, meaningful input to the Board. At its second meeting, the WCM-FAC will adopt a meeting schedule for the remainder of the fiscal year. Thereafter, a yearly meeting schedule will be adopted prior to the first regularly scheduled meeting of each year. All meetings must be conducted in accordance with CalOptima's Bylaws. Attendance of a simple majority of WCM-FAC seats will constitute a quorum. A quorum must be present for any action to be taken. Members are allowed excused absences from meetings. Notification of absence must be received by CalOptima staff prior to scheduled WCM-FAC meetings.

The CalOptima Chief Executive Officer (CEO) will prepare, or cause to be prepared, an agenda for all WCM-FAC meetings prior to posting. Posting procedures must be consistent with the requirements of the Ralph M. Brown Act (California Government Code section 54950 *et seq.*). In addition, minutes of each WCM-FAC meeting will be taken, which will be filed with the Board. The Chair will report verbally or in writing to the Board at least twice annually. The Chair will also report to the Board, as requested, on issues specified by the Board. CalOptima management will provide staff support to the WCM-FAC to assist and facilitate the operations of the committee.

In order to enable in-person participation, SB 586 provides plans the option to pay a reasonable per diem payment to family representatives serving on the Family Advisory Committee. Similar to another Medi-Cal Managed Care Plan with an already established family-based advisory committee, and subject to DHCS approval, CalOptima staff recommends that the Board authorize a stipend of up to \$50 per meeting for family representatives participating on the WCM-FAC. Only one stipend will be provided per qualifying WCM-FAC member per regularly scheduled meeting. In addition, stipend payments are restricted to family representatives only. Representatives of community-based organizations and consumer advocates are not eligible for stipends. As indicated, payment of the stipends is contingent upon approval by DHCS.

As it is the policy of CalOptima's Board to encourage maximum member and provider involvement in the CalOptima program, it is anticipated that the CalOptima Whole-Child Model will benefit from the establishment of a Family Advisory Committee. This WCM-FAC will report to the Board and will serve solely in an advisory capacity to the Board and CalOptima staff with respect to CalOptima Whole-Child Model. Establishing the WCM-FAC is intended to help to ensure that members' values and needs are integrated into the design, implementation, operation and evaluation of the CalOptima Whole-Child Model.

Fiscal Impact

The fiscal impact of the recommended action to establish the CalOptima WCM-FAC is an unbudgeted item. The projected total cost, including stipends, for meetings from April through June 2018, is \$3,575. Unspent budgeted funds approved in the CalOptima Fiscal Year (FY) 2017-18 Operating Budget on June 1, 2017, will fund the cost through June 30, 2018. The estimated annual cost is \$13,665. At this time, it is unknown whether additional staff will be necessary to support the advisory committee's work. Management plans to include expenses related to the WCM-FAC in future operating budgets.

Rationale for Recommendation

SB 586 requires that, for implementation of the Whole-Child Model program, a family advisory committee must be established. As proposed, the WCM-FAC will advise CalOptima's Board and staff on operations of the CalOptima Whole-Child Model.

Concurrence

Gary Crockett, Chief Counsel

Attachment

Resolution No. 17-1102-01

Rev.
11/2/17

/s/ Michael Schrader
Authorized Signature

10/23/2017
Date

RESOLUTION NUMBER 17-1102-01

RESOLUTION OF THE BOARD OF DIRECTORS ORANGE COUNTY HEALTH AUTHORITY, DBA CALOPTIMA ESTABLISHING POLICY AND PROCEDURES FOR CALOPTIMA WHOLE-CHILD MODEL MEMBER ADVISORY COMMITTEE

WHEREAS, the CalOptima Board of Directors (hereinafter “the Board”) would benefit from the advice of broad-based standing advisory committee specifically focusing on the CalOptima Whole-Child Model Plan hereafter “CalOptima Whole-Child Model Family Advisory Committee”; and

WHEREAS, the State of California, Department of Health Care Services (DHCS) has established requirements for implementation of the CalOptima Whole-Child Model program, including a requirement for the establishment of an advisory committee focusing on the Whole-Child Model; and

WHEREAS, the CalOptima Whole-Child Model Family Advisory Committee will serve solely in an advisory capacity to the Board and staff, and will be convened no later than the effective date of the CalOptima Whole-Child Model;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Committee Established. The CalOptima Whole-Child Model Family Advisory Committee (hereinafter “WCM-FAC”) is hereby established to:

- Report directly to the Board;
- Provide advice and recommendations to the Board and staff on issues concerning the CalOptima Whole-Child Model program as directed by the Board and as permitted under the law;
- Engage in study, research and analysis of issues assigned by the Board or generated by the WCM-FAC;
- Serve as liaison between interested parties and the Board and assist the Board and staff in obtaining public opinion on issues relating to CalOptima Whole-Child Model or California Children Services (CCS);
- Initiates recommendations on issues for study to the Board for approval and consideration; and
- Facilitates community outreach for CalOptima and the Board.

Section 2. Committee Membership. The WCM-FAC shall be comprised of Eleven (11) voting members, representing or representing the interests of CCS families. In making appointments and re-appointments, the Board shall consider the ethnic and cultural diversity and special needs of the CalOptima Whole-Child Model population. Nomination and input from interested groups and community-based organizations will be given due consideration. Except as noted below, members are appointed for a term of two (2) full years, with no limits on the number of terms. All voting member appointments (and reappointments) will be made by the Board. During the first year, five (5) WCM-FAC members will serve a one -year term

and six (6) will serve a two-year term, resulting in staggered appointments being selected in subsequent years.

The WCM-FAC shall be composed of eleven (11) voting seats:

1. Seven (7) to nine (9) of the seats shall be family representatives in the following categories:
 - Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - CalOptima members age 18-21 who are current recipients of CCS services; or
 - Current CalOptima members over the age of 21 who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children with CCS, including:
 - Community-based organizations (CBOs); or
 - Consumer advocates.

Rev.
11/2/2017

If nine or more qualified candidates initially apply for family representative seats, nine of the eleven committee seats will be filled with family representatives. Initially, and on an on-going basis, only in circumstances when there are insufficient applicants to fill all of the designated family representative seats with qualifying family representatives, up to two of the nine seats designated for family members may be filled with representatives of CBOs or consumer advocates.

It is anticipated that a representative from the CalOptima WCM-FAC may be invited to serve on a statewide stakeholder advisory group.

Section 3. Chair and Vice Chair. The Chair and Vice Chair for the WCM-FAC will be appointed by the Board annually from the appointed members. The Chair, or in the Chair's absence, the Vice Chair, shall preside over WCM-FAC meetings. The Chair and Vice Chair may each serve up to two consecutive terms in a particular WCM-FAC officer position, or until their successor is appointed by the Board.

Section 4. Committee Mission, Goals and Objectives. The WCM-FAC will develop, review annually, and make recommendations to the Board on any revisions to the committee's Mission or Goals and Objectives.

Section 5. Meetings. The WCM-FAC will meet at least quarterly. A yearly meeting schedule will be adopted at the second regularly scheduled meeting for the remainder of the fiscal year. Thereafter, a yearly meeting schedule will be adopted prior to the first regularly scheduled meeting of each year. All meetings must be conducted in accordance with CalOptima's Bylaws.

Attendance by the occupants of a simple majority of WCM-FAC seats shall constitute a quorum. A quorum must be present in order for any action to be taken by the WCM-FAC. Committee members are allowed excused absences from meetings. Notification of absence must be received by CalOptima staff prior to the scheduled WCM-FAC meeting.

The CalOptima Chief Executive Officer (CEO) shall prepare, or cause to be prepared, and post, or cause to be posted, an agenda for all WCM-FAC meetings. Agenda contents and posting procedures must be consistent with the requirements of the Ralph M. Brown Act (Government Code section 54950 *et seq.*).

WCM-FAC minutes will be taken at each meeting and filed with the Board.

Section 6. Reporting. The Chair is required to report verbally or in writing to the Board at least twice annually. The Chair will also report to the Board, as requested, on issues specified by the Board.

Section 7. Staffing. CalOptima will provide staff support to the WCM-FAC to assist and facilitate the operations of the committee.

Section 8. Ad Hoc Committees. Ad hoc committees may be established by the WCM-FAC Chair from time to time to formulate recommendations to the full WCM-FAC on specific issues. The scope and purpose of each such ad hoc will be defined by the Chair and disclosed at WCM-FAC meetings. Each ad hoc committee will terminate when the specific task for which it was created is complete. An ad hoc committee must include fewer than a majority of the voting committee members.

Section 9. Stipend. Subject to DHCS approval, family representatives participating on the WCM-FAC are eligible to receive a stipend for their attendance at regularly scheduled and ad hoc WCM-FAC meetings. Only one stipend is available per qualifying WCM-FAC member per regularly scheduled meeting. WCM-FAC members representing community-based organizations and consumer advocates are not eligible for WCM-FAC stipends.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 2nd day of November, 2017.

AYES:

NOES:

ABSENT:

ABSTAIN:

/s/ _____

Title: Chair, Board of Directors

Printed Name and Title: Paul Yost M.D., Chair, CalOptima Board of Directors

Attest:

/s/ _____

Suzanne Turf, Clerk of the Board



Policy #: AA.1271PP
Title: **Whole Child Model Family Advisory Committee**
Department: General Administration
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 06/07/18
Last Review Date: Not Applicable
Last Revised Date: Not Applicable

1 **I. PURPOSE**

2
3 This policy describes the composition and role of the Family Advisory Committee for Whole Child
4 Model (WCM) and establishes a process for recruiting, evaluating, and selecting prospective candidates
5 to the Whole Child Model Family Advisory Committee (WCM FAC).
6

7 **II. POLICY**

- 8
9 A. As directed by CalOptima’s Board of Directors (Board), the WCM FAC shall report to the
10 CalOptima Board and shall provide advice and recommendations to the CalOptima Board and
11 CalOptima staff in regards to California Children’s Services (CCS) provided by CalOptima Medi-
12 Cal's implementation of the WCM.
13
14 B. CalOptima’s Board encourages Member and community involvement in CalOptima programs.
15
16 C. WCM FAC members shall recuse themselves from voting or from decisions where a conflict of
17 interest may exist and shall abide by CalOptima’s conflict of interest code and, in accordance with
18 CalOptima Policy AA.1204: Gifts, Honoraria, and Travel Payments.
19
20 D. CalOptima shall provide timely reporting of information pertaining to the WCM FAC as requested
21 by the Department of Health Care Services (DHCS).
22
23 E. The composition of the WCM FAC shall reflect the cultural diversity and special needs of the health
24 care consumers within the Whole-Child Model population. WCM FAC members shall have direct
25 or indirect contact with CalOptima Members.
26
27 F. In accordance with CalOptima Board Resolution No. 17-1102-01, the WCM FAC shall be
28 comprised of eleven (11) voting members representing CCS family members, as well as consumer
29 advocates representing CCS families. Except as noted below, each voting member shall serve a two
30 (2) year term with no limits on the number of terms a representative may serve. The initial
31 appointments of WCM FAC members will be divided between one (1) and two (2)-year terms to
32 stagger reappointments. In the first year, five (5) committee member seats shall be appointed for a
33 one (1)-year term and six (6) committee member seats shall be appointed for a two (2)-year term.
34 The WCM FAC members serving a one (1) year term in the first year shall, if reappointed, serve
35 two (2) year terms thereafter.
36
37

- 1 1. Seven (7) to nine (9) of the seats shall be family representatives in one (1) of the following
2 categories, with a priority to family representatives (i.e., if qualifying family representative
3 candidates are available, all nine (9) seats will be filled by family representatives):
4
 - 5 a. Authorized representatives, including parents, foster parents, and caregivers, of a
6 CalOptima Member who is a current recipient of CCS services;
7
 - 8 b. CalOptima Members eighteen (18)-twenty-one (21) years of age who are current recipients
9 of CCS services; or
 - 10 c. Current CalOptima members over the age of twenty-one (21) who transitioned from CCS
11 services.
- 12 2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS services,
13 including:
 - 14 a. Community-based organizations; or
 - 15 b. Consumer advocates.
- 16 3. While two (2) of the WCM FAC's eleven (11) seats are designated for community-based
17 organizations or consumer advocates, an additional two (2) WCM FAC candidates representing
18 these groups may be considered for these seats in the event that there are not sufficient family
19 representative candidates to fill the family member seats.
- 20 4. Interpretive services shall be provided at committee meetings upon request from a WCM FAC
21 member or family member representative.
- 22 5. A family representative, in accordance with Section II.G.1 of this Policy, may be invited to
23 serve on a statewide stakeholder advisory group.

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32 G. Stipends

- 33 1. Subject to approval by the CalOptima Board, CalOptima may provide a reasonable per diem
34 payment to a member or family representative serving on the WCM FAC. CalOptima shall
35 maintain a log of each payment provided to the member or family representative, including type
36 and value, and shall provide such log to DHCS upon request.
37
 - 38 a. Representatives of community-based organizations and consumer advocates are not eligible
39 for stipends.
40

41
42 H. The WCM FAC shall conduct a nomination process to recruit potential candidates for expiring
43 seats, in accordance with this Policy.

44
45 I. WCM FAC Vacancies

- 46 1. If a seat is vacated within two (2) months from the start of the nomination process, the vacated
47 seat shall be filled during the annual recruitment and nomination process.
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- 2. If a seat is vacated after the annual nomination process is complete, the WCM FAC nomination ad hoc subcommittee shall review the applicants from the recent recruitment to see if there is a viable candidate.
 - a. If there is no viable candidate among the applicants, CalOptima shall conduct recruitment, per section III.B.2.
 - 3. A new WCM FAC member appointed to fill a mid-term vacancy, shall serve the remainder of the resigning member’s term, which may be less than a full two (2) year term.
- J. On an annual basis, WCM FAC shall select a chair and vice chair from its membership to coincide with the annual recruitment and nomination process. Candidate recruitment and selection of the chair and vice chair shall be conducted in accordance with Sections III.B-D of this Policy.
- 1. The WCM FAC chair and vice chair may serve two (2) consecutive one (1) year terms.
 - 2. The WCM FAC chair and/or vice chair may be removed by a majority vote of CalOptima’s Board.
- K. The WCM FAC chair, or vice chair, shall ask for three (3) to four (4) members from the WCM FAC to serve on a nomination ad hoc subcommittee. WCM FAC members who are being considered for reappointment cannot participate in the nomination ad hoc subcommittee.
- 1. The WCM FAC nomination ad hoc subcommittee shall:
 - a. Review, evaluate and select a prospective chair, vice chair and a candidate for each of the open seats, in accordance with Section III.C-D of this Policy; and
 - b. Forward the prospective chair, vice chair, and slate of candidate(s) to the WCM FAC for review and approval.
 - 2. Following approval from the WCM FAC, the recommended chair, vice chair, and slate of candidate(s) shall be forwarded to CalOptima’s Board for review and approval.
- L. CalOptima’s Board shall approve all appointments, reappointments, and chair and vice chair appointments to the WCM FAC.
- M. Upon appointment to WCM FAC and annually thereafter, WCM FAC members shall be required to complete all mandatory annual Compliance Training by the given deadline to maintain eligibility standing on the WCM FAC.
- N. WCM FAC members shall attend all regularly scheduled meetings, unless they have an excused absence. An absence shall be considered excused if a WCM FAC member provides notification of an absence to CalOptima staff prior to the meeting. CalOptima staff shall maintain an attendance log of the WCM FAC members’ attendance at WCM FAC meetings. As the attendance log is a public record, any request from a member of the public, the WCM FAC chair, the vice chair, the Chief Executive Officer, or the CalOptima Board, CalOptima staff shall provide a copy of the attendance log to the requester. In addition, the WCM FAC chair, or vice chair, shall contact any committee member who has three (3) consecutive unexcused absences.

- 1 1. WCM FAC members' attendance shall be considered as a criterion upon reapplication.
2

3 **III. PROCEDURE**
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5 A. WCM FAC meeting frequency
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- 7 1. WCM FAC shall meet at least quarterly.
8
9 2. WCM FAC shall adopt a yearly meeting schedule at the first regularly scheduled meeting in or
10 after January of each year.
11
12 3. Attendance by a simple majority of appointed members shall constitute a quorum, and a quorum
13 must be present for any votes to be valid.
14

15 B. WCM FAC recruitment process
16

- 17 1. CalOptima shall begin recruitment of potential candidates in March of each year. In the
18 recruitment of potential candidates, the ethnic and cultural diversity and special needs of
19 children and/or families of children in CCS which are or are expected to transition to
20 CalOptima's Whole-Child Model population shall be considered. Nominations and input from
21 interest groups and agencies shall be given due consideration.
22
23 2. CalOptima shall recruit for potential candidates using one or more notification methods, which
24 may include, but are not limited to, the following:
25
26 a. Outreach to family representatives and community advocates that represent children
27 receiving CCS;
28
29 b. Placement of vacancy notices on the CalOptima website; and/or
30
31 c. Advertisement of vacancies in local newspapers in Threshold Languages.
32
33 3. Prospective candidates must submit a WCM Family Advisory Committee application, including
34 resume and signed consent forms. Candidates shall be notified at the time of recruitment
35 regarding the deadline to submit their application to CalOptima.
36
37 4. Except for the initial recruitment, the WCM FAC chair or vice chair shall inquire of its
38 membership whether there are interested candidates who wish to be considered as a chair or
39 vice chair for the upcoming fiscal year.
40
41 a. CalOptima shall inquire at the first WCM FAC meeting whether there are interested
42 candidates who wish to be considered as a chair for the first year.
43

44 C. WCM FAC nomination evaluation process
45

- 46 1. The WCM FAC chair or vice chair shall request three (3) to four (4) members, who are not
47 being considered for reappointment, to serve on the nominations ad hoc subcommittee. For the
48 first nomination process, Member Advisory Committee (MAC) members shall serve on the
49 nominations ad hoc subcommittee to review candidates for WCM FAC.
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- a. At the discretion of the nomination ad hoc subcommittee, a subject matter expert (SME), may be included on the subcommittee to provide consultation and advice.
- 2. Prior to WCM FAC nomination ad hoc subcommittee meeting (including the initial WCM FAC nomination ad hoc subcommittee).
 - a. Ad hoc subcommittee members shall individually evaluate and score the application for each of the prospective candidates using the applicant evaluation tool.
 - b. Ad hoc subcommittee members shall individually evaluate and select a chair and vice chair from among the interested candidates.
 - c. At the discretion of the ad hoc subcommittee, subcommittee members may contact a prospective candidate’s references for additional information and background validation.
- 3. The ad hoc subcommittee shall convene to discuss and select a chair, vice chair and a candidate for each of the expiring seats by using the findings from the applicant evaluation tool, the attendance record if relevant and the prospective candidate’s references.
- D. WCM FAC selection and approval process for prospective chair, vice chair, and WCM FAC candidates:
 - 1. The nomination ad hoc subcommittee shall forward its recommendation for a chair, vice chair, and a slate of candidates to WCM FAC (or in the first year, the MAC) for review and approval. Following WCM FAC’s approval (or in the first year, the MAC), the proposed chair, vice chair and slate of candidates shall be submitted to CalOptima’s Board for approval.
 - 2. The WCM FAC members’ terms shall be effective upon approval by the CalOptima Board.
 - a. In the case of a selected candidate filling a seat that was vacated mid-term, the new candidate shall attend the immediately following WCM FAC meeting.
 - 3. WCM FAC members shall attend a new advisory committee member orientation.

IV. ATTACHMENTS

- A. Whole-Child Model Member Advisory Committee Application
- B. Whole-Child Model Member Advisory Committee Applicant Evaluation Tool
- C. Whole-Child Model Community Advisory Committee Application
- D. Whole-Child Model Community Advisory Committee Applicant Evaluation Tool

V. REFERENCES

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Board Resolution 17-1102-01
- C. CalOptima Policy AA.1204: Gifts, Honoraria, and Travel Payments
- D. Welfare and Institutions Code §14094.17(b)

VI. REGULATORY AGENCY APPROVALS

Policy #: AA.1271

Title: Whole Child Model Family Advisory Committee

Effective Date: 06/07/18

1 None to Date

2

3

VII. BOARD ACTIONS

4

A. 11/02/17: Regular Meeting of the CalOptima Board of Directors

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VIII. REVIEW/REVISION HISTORY

8

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	06/07/2018	AA.1271PP	Whole Child Model Family Advisory Committee	Medi-Cal

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DRAFT

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IX. GLOSSARY

Term	Definition
California Children’s Services Program	The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible children under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9.
Member	For purposes of this policy, an enrollee-beneficiary of the CalOptima Medi-Cal Program receiving California Children's Services through the Whole Child Model program.
Member Advisory Committee (MAC)	A committee comprised of community advocates and Members, each of whom represents a constituency served by CalOptima, which was established by CalOptima to advise its Board of Directors on issues impacting Members.
Threshold Languages	Those languages identified based upon State requirements and/or findings of the Group Needs Assessment (GNA).
Whole Child Model	An organized delivery system that will ensure comprehensive, coordinated services through enhanced partnerships among Medi-Cal managed care plans, children’s hospitals and specialty care providers.

4



Whole-Child Model Family Advisory Committee (WCM FAC) Member Application

Instructions: Please type or print clearly. This application is for current California Children's Services (CCS) members and their family members. Please attach a résumé or bio outlining your qualifications and include signed authorization forms. For questions, please call **1-714-246-8635**.

Name: _____ Primary Phone: _____
 Address: _____ Secondary Phone: _____
 City, State, ZIP: _____ Fax: _____
 Date: _____ Email: _____

Please see the eligibility criteria below:*

Seven (7) to nine (9) seats shall be family representatives in one of the following categories. Please indicate:

- Authorized representatives, which includes parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
- CalOptima members age 18–21 who are current recipients of CCS services; or
- Current CalOptima members over the age of 21 who transitioned from CCS services

Four (4) seats will be appointed for a one-year term and five (5) seats will be appointed for a two-year term.

CalOptima Medi-Cal/CCS status (e.g., member, family member, foster parent, caregiver, etc.):

If you are a family member/foster parent/caregiver, please tell us who the member is and what your relationship is to the member:

Member Name: _____ Relationship: _____

Please tell us whether you have been a CalOptima member (i.e., Medi-Cal) or have any consumer advocacy experience: _____

Please explain why you would be a good representative for diverse cultural and/or special needs of children and/or the families of children in CCS. Include any relevant experience working with these populations: _____

Please provide a brief description of your knowledge or experience with California Children's Services: _____

Please explain why you wish to serve on the WCM FAC: _____

Describe why you would be a qualified representative for service on the WCM FAC: _____

Other than English, do you speak or read any of CalOptima's threshold languages for the Whole-Child Model (i.e. Spanish, Vietnamese, Korean, Farsi, Chinese or Arabic)? If so, which one(s)?

If selected, are you able to commit to attending quarterly (at least) WCM FAC meetings, as well as serving on at least one subcommittee? Yes No

Please supply two references (professional, community or personal):

Name: _____

Name: _____

Relationship: _____

Relationship: _____

Address: _____

Address: _____

City, State, ZIP: _____

City, State, ZIP: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

* Interested candidates for the WCM FAC member or family member seats must reside in Orange County and maintain enrollment in CalOptima Medi-Cal and/or California Children Services/Whole-Child Model or must be a family member of an enrolled CalOptima Medi-Cal and California Children Services/Whole-Child Model member.

This information is available for free in other languages. Please call our Customer Service Department toll-free at **1-888-587-8808**. TDD/TTY users can call toll-free at **1-800-735-2929**.

[Back to Agenda](#)

Please sign the **Public Records Act Notice** below and **Limited Privacy Waiver** on the next page. You also need to sign the attached **Authorization for Use or Disclosure of Protected Health Information** form to enable CalOptima to verify current member status.

PUBLIC RECORDS ACT NOTICE

Under California law, this form, the information it contains, and any further information submitted with it, such as biographical summaries and résumés, are public records, with the exception of your address, email address, and telephone numbers, and the same information of any references provided. These documents may be presented to the Board of Directors for their consideration at a public meeting, at which time they will be published, with the contact information removed, as part of the Board Materials that are available on CalOptima’s website, and even if not presented to the Board, will be available on request to members of the public.

Signature: _____

Date: _____

Print Name: _____

LIMITED PRIVACY WAIVER

Under state and federal law, the fact that a person is eligible for Medi-Cal and California Children's Services (CCS) is a private matter that may only be disclosed by CalOptima as necessary to administer the Medi-Cal and CCS program, unless other disclosures are authorized by the eligible member. Because the position of Member Representative on Whole Child Model Family Advisory Committee (WCM FAC) requires that the person appointed must be a member or a family member of a member receiving CCS, the member's Medi-Cal and CCS eligibility will be disclosed to the general public. The member or their representative (e.g. parent, foster parent, guardian, etc.) should check the appropriate box below and sign this waiver to allow his or her, or his or her family member or caregiver's name to be nominated for the advisory committee.

MEMBER APPLICANT — I understand that by signing below and applying to serve on the WCM FAC, I am disclosing my eligibility for the Medi-Cal and CCS program, the fact of which is otherwise protected under state or federal law. I am not agreeing to disclose any other information protected by state or federal law.

FAMILY MEMBER APPLICANT — I understand that by applying to serve on the WCM FAC, my status as a family member of a person eligible for Medi-Cal and CCS benefits is likely to become public. I authorize the disclosing of my family member's (insert name of member: _____) eligibility for the Medi-Cal and CCS program, the fact of which is otherwise protected under state or federal law. I am not agreeing to disclose any other information protected by state or federal law.

Medi-Cal/CCS Member (Printed Name): _____

Applicant Printed Name: _____

Applicant Signature: _____ Date: _____

**AUTHORIZATION FOR USE AND DISCLOSURE OF
PROTECTED HEALTH INFORMATION (PHI)**

The federal HIPAA Privacy Regulations requires that you complete this form to authorize CalOptima to use or disclose your Protected Health Information (PHI) to another person or organization. Please complete, sign, and return the form to CalOptima.

Date of Request: _____ Telephone Number: _____
Member Name: _____ Member CIN: _____

AUTHORIZATION:

I, _____, hereby authorize CalOptima, to use or disclose my health information as described below.

Describe the health information that will be used or disclosed under this authorization (please be specific): Information related to the identity, program administrative activities and/or services provided to {me} {my child} which is disclosed in response to my own disclosures and/or questions related to same.

Person or organization authorized to receive the health information: General public

Describe each purpose of the requested use or disclosure (please be specific): To allow CalOptima staff to respond to questions or issues raised by me that may require reference to my health information that is protected from disclosure by law during public meetings of the CalOptima Whole-Child Model Family Advisory Committee

EXPIRATION DATE:

This authorization shall become effective immediately and shall expire on: The end of the term of the position applied for

Right to Revoke: I understand that I have the right to revoke this authorization in writing at any time. To revoke this authorization, I understand that I must make my request in writing and clearly state that I am revoking this specific authorization. In addition, I must sign my request and then mail or deliver my request to:

CalOptima
Customer Service Department
505 City Parkway West
Orange, CA 92868

1 I understand that a revocation will not affect the ability of CalOptima or any health care provider to use
2 or disclose the health information to the extent that it has acted in reliance on this authorization.

3 **RESTRICTIONS:**

4
5 I understand that anything that occurs in the context of a public meeting, including the meetings of the
6 Whole Child Model Family Advisory Committee, is a matter of public record that is required to be
7 disclosed upon request under the California Public Records Act. Information related to, or relevant to,
8 information disclosed pursuant to this authorization that is not disclosed at the public meeting remains
9 protected from disclosure under the Health Insurance Portability and Accountability Act (HIPAA), and
10 will not be disclosed by CalOptima without separate authorization, unless disclosure is permitted by
11 HIPAA without authorization, or is required by law.

12 **MEMBER RIGHTS:**

- 13 • I understand that I must receive a copy of this authorization.
- 14 • I understand that I may receive additional copies of the authorization.
- 15 • I understand that I may refuse to sign this authorization.
- 16 • I understand that I may withdraw this authorization at any time.
- 17 • I understand that neither treatment nor payment will be dependent upon my refusing or agreeing
18 to sign this authorization.
- 19

20 **ADDITIONAL COPIES:**

21
22 Did you receive additional copies? Yes No

23 **SIGNATURE:**

24
25 By signing below, I acknowledge receiving a copy of this authorization.

26 Member Signature: _____ Date: _____

27 Signature of Parent or Legal Guardian: _____ Date: _____

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29
30 ***If Authorized Representative:***

31 Name of Personal Representative: _____

32 Legal Relationship to Member: _____

33 Signature of Personal Representative: _____ Date: _____

34
35 ***Basis for legal authority to sign this Authorization by a Personal Representative***

36 (If a personal representative has signed this form on behalf of the member, a copy of the Health Care
37 Power of Attorney, a court order (such as appointment as a conservator, or as the executor or

- 1 administrator of a deceased member's estate), or other legal documentation demonstrating the authority
- 2 of the personal representative to act on the individual's behalf must be attached to this form.)



Applicant Name: _____

WCM Family Advisory Committee
Applicant Evaluation Tool (use one per applicant)

WCM FAC Seat: _____

Please rate questions 1 through 5 below based on how well the applicant satisfies the following statements where

5 is Excellent 4 is Very good 3 is Average 2 is Fair 1 is Poor

<u>Criteria for Nomination Consideration and Point Scale</u>	<u>Possible Points</u>	<u>Awarded Points</u>
1. Consumer advocacy experience or Medi-Cal member experience	1-5	_____
2. Good representative for diverse cultural and/or special needs of children and/or families of children in CCS	1-5	_____
Include relevant experience with these populations	1-5	_____
3. Knowledge or experience with California Children’s Services	1-5	_____
4. Explanation why applicant wishes to serve on the WCM FAC	1-5	_____
5. Explanation why applicant is a qualified representative for WCM FAC	1-5	_____
6. Ability to speak one of the threshold languages (other than English)	Yes/No	_____
7. Availability and willingness to attend meetings	Yes/No	_____
8. Supportive references	Yes/No	_____
	Total Possible Points	30

 Name of Evaluator

 Total Points Awarded

Whole-Child Model Family Advisory Committee (WCM FAC) Community Application

**Instructions: Please answer all questions. You may handwrite or type your answers.
Attach an additional page if needed.
If you have any questions regarding the application, call 1-714-246-8635.**

Name: _____ Work Phone: _____
Address: _____ Mobile Phone: _____
City, State ZIP: _____ Fax Number: _____
Date: _____ Email: _____

Please see the eligibility criteria below:

Two (2) to four (4) seats will represent the interests of children receiving California Children’s Services (CCS), including:

- Community-based organizations
- Consumer advocates

Except for two designated seats appointed for the initial year of the Committee, all appointments are for a two-year period, subject to continued eligibility to hold a Community representative seat.

Current position and/or relation to a community-based organization or consumer advocate(s) (e.g., organization title, student, volunteer, etc.):

1. Please provide a brief description of your direct or indirect experience working with the CalOptima population receiving CCS services and/or the constituency you wish to represent on the WCM FAC. Include any relevant community experience:

2. What is your understanding of and familiarity with the diverse cultural and/or special needs of children receiving CCS services in Orange County and/or their families? Include any relevant experience working with such populations:

3. What is your understanding of and experience with California Children's Services, managed care systems and/or CalOptima?

4. Please explain why you wish to serve on the WCM FAC:

5. Describe why you would be a qualified representative for service on the WCM FAC:

6. Other than English, do you speak or read any of CalOptima's threshold languages, such as Spanish, Vietnamese, Korean, Farsi, Chinese or Arabic? If so, which one(s)?

7. If selected, are you able to commit to attending WCM FAC meetings, as well as serving on at least one subcommittee? Yes No

8. Please supply two references (professional, community or personal):

Name: _____	Name: _____
Relationship: _____	Relationship: _____
Address: _____	Address: _____
City, State ZIP: _____	City, State ZIP: _____
Phone: _____	Phone: _____
Email: _____	Email: _____

Submit with a **biography or résumé** to:

CalOptima, 505 City Parkway West, Orange, CA 92868

Attn: Becki Melli

Email: bmelli@caloptima.org

For questions, call **1-714-246-8635**

Applications must be received by March 30, 2018.

Public Records Act Notice

Under California law, this form, the information it contains, and any further information submitted with it, such as biographical summaries and résumés, are public records, with the exception of your address, email address, and telephone numbers, and the same information of any references provided. These documents may be presented to the Board of Directors for their consideration at a public meeting, at which time they will be published, with the contact information removed, as part of the Board Materials that are available on CalOptima’s website, and even if not presented to the Board, will be available on request to members of the public.

Signature

Date

Print Name



Applicant Name: _____

WCM Family Advisory Committee
Applicant Evaluation Tool (use one per applicant)

WCM FAC Seat: _____

Please rate questions 1 through 5 below based on how well the applicant satisfies the following statements where
 5 is Excellent 4 is Very good 3 is Average 2 is Fair 1 is Poor

<u>Criteria for Nomination Consideration and Point Scale</u>	<u>Possible Points</u>	<u>Awarded Points</u>
1. Direct or indirect experience working with members the applicant wishes to represent	1-5	_____
Include relevant community involvement	1-5	_____
2. Understanding of and familiarity with the diverse cultural and/or special needs populations in Orange County	1-5	_____
Include relevant experience with diverse populations	1-5	_____
3. Knowledge of managed care systems and/or CalOptima programs	1-5	_____
4. Expressed desire to serve on the WCM FAC	1-5	_____
5. Explanation why applicant is a qualified representative	1-5	_____
6. Ability to speak one of the threshold languages (other than English)	Yes/No	_____
7. Availability and willingness to attend meetings	Yes/No	_____
8. Supportive references	Yes/No	_____
	Total Possible Points	_____ 35
_____ Name of Evaluator	Back to Agenda	Total Points Awarded _____

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 4, 2009 Regular Meeting of the CalOptima Board of Directors

Report Item

VI. E. Approve Health Network Contract Rate Methodology

Contact

Michael Engelhard, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve the modification methodology of Health Network capitation rates for October 1, 2009.

Background

Health Network capitation is the payment method that CalOptima uses to reimburse PHCs and shared risk groups for the provision of health care services to members enrolled in CalOptima Medi-Cal and CalOptima Kids. In order to ensure that reimbursement to such capitated providers reflects up-to-date information, CalOptima periodically contracts with its actuarial consultants to recalculate or “rebase” these payment rates.

The purpose of this year’s rebasing is to:

- Establish actuarially sound facility and professional capitation rates;
- Account for changes in CalOptima’s delivery model;
- Incorporate changes in the Division of Financial Responsibility (DOFR); and
- Perform separate analyses for Medi-Cal and CalOptima Kids.

The overall methodology for this year’s rebasing approach includes:

- CalOptima eligibility data;
- Encounter and CalOptima Direct (COD) claim data analysis
- Reimbursement analysis;
- PCP capitation analysis;
- Maternity “kick” payment analysis;
- State benefit carve-out analysis;
- Reinsurance analysis;
- Administrative load analysis;
- Budget neutrality established

Discussion

CalOptima uses capitation as one way to reimburse certain contracted health care providers for services rendered. A Capitation payment is made to the provider during the month and is based solely on the number of contracted members assigned to that provider

at the beginning of each month. The provider is then responsible for utilizing those dollars in exchange for all services provided during that month or period.

To ensure that capitated payment rates reflect the current structure and responsibilities between CalOptima and its delegated providers, capitation rates need to be periodically reset or rebased.

CalOptima last performed a comprehensive rate rebasing in July 2007, for rates effective January 1, 2008, for CalOptima Medi-Cal only. Much has changed since that time including the establishment of shared risk groups; the movement of certain high-acuity members out of the Health Networks and into COD; changes in the DOFR between hospitals, physicians and CalOptima; shifts in member mix between the Health Networks; and changes in utilization of services by members.

Therefore, CalOptima opted to perform another comprehensive rebasing analysis prior to the FY2009-10 year in order to fully reflect the above-mentioned changes.

Fiscal Impact

CalOptima projects no fiscal impact as a result of the rebasing. Rebasing is designed to be budget neutral to overall CalOptima medical expenses even though there will likely be changes to specific capitation rates paid to Health Network providers.

Rationale for Recommendation

Staff recommends approval of this action to provide proper reimbursement levels to CalOptima's capitated health networks participating in CalOptima Medi-Cal and CalOptima Kids.

Concurrence

Procopio, Cory, Hargreaves & Savitch LLP

Attachments

None

/s/ Richard Chambers
Authorized Signature

5/27/2009
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action to Be Taken December 17, 2003 **Special Meeting of the CalOptima Board of Directors**

Report Item

VI. A. Approve Modifications to the CalOptima Health Network Capitation
Methodology and Rate Allocations

Contact

Amy Park, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve modifications to the CalOptima health network capitation methodology and rate allocations between Physician and Hospital financial responsibilities effective March 2004.

Background

CalOptima pays its health networks (HMOs and PHCs) according to the same schedule of capitation rates, which are adjusted by Medi-Cal aid category, gender and age. The actuarial cost model, upon which these rates are based, was developed by Milliman USA utilizing pre-CalOptima Orange County fee-for-service (FFS) experience as the baseline. This model then took into account utilization targets that were actuarially-appropriate for major categories of services and competitive reimbursement levels to ensure sufficient funds to provide all medically necessary services under a managed care model.

Since development of the model in 1999, CalOptima has negotiated capitation rate increases from the State for managed care rate “pass throughs” as a result of provider rate increases implemented in the Medi-Cal FFS program. In turn, CalOptima passed on these additional revenues to the health networks by increasing capitation payments, establishing carve-outs (e.g., transplants), or offering additional financial support, such as funding for enhanced subspecialty coverage and improving reinsurance coverage.

It has now been over four years since CalOptima commissioned a complete review of the actuarial cost model. As noted, CalOptima has only adjusted the underlying pricing in the actuarial cost model over the years to pass on increases in capitation rates to the health networks.

In light of State fiscal challenges and impending potential Medi-Cal funding and benefit reductions, CalOptima must examine the actuarial soundness of the existing cost model and update the utilization assumptions to ensure that CalOptima’s health network capitation rate methodology continues to allocate fiscal resources commensurate with the level of medical needs of the population served. This process will also provide

CalOptima with a renewed starting point from which to make informed decisions as we face yet another round of State budget uncertainties and declining resources.

Discussion

General Process. With the updated model, Milliman's rebasing process takes into account the 7+ years of health network managed care experience, rather than the historical pre-CalOptima Orange County FFS experience, as a base for capitation rates. Milliman examined the utilization statistics as indicated by the health network encounter data and evaluated the utilization for completeness by comparing against health network reported utilization and financial trends, health network primary care physician capitation and other capitation rates, health network hospital risk pool settlements, and other benchmarks as available. Further adjustments were made to account for changes in contractual requirements in the 2003-2005 health network contracts.

Utilization Assumptions. Consistent with changes in the State rate methodology, the updated health network capitation model combines the Family, Poverty and Child aid categories into a single Family aid category, with updated age/gender factors. The new model also recommends the creation of a supplemental capitation rate for members with end stage renal disease (ESRD). Furthermore, the actuarial model identifies actuarially-appropriate utilization targets for all major categories of services. These targets are set at levels that ensure that health networks have sufficient funds to provide all medically necessary services.

Pricing Assumptions. The new actuarial cost model includes reimbursement assumptions that are applied to the utilization targets to determine capitation rates. Effective October 2003, the State reduced CalOptima's capitation rates, effectively passing through the 5% cutback in physician and other provider rates as enacted in the 2003-04 State Budget Act. Notwithstanding this reduction, it is CalOptima's goal to maintain physician reimbursement levels to ensure members' continued access to care. Hence, CalOptima's health network minimum provider reimbursement policy and capitation funding will be maintained at its current levels. In other words, health networks will continue to be required to reimburse specialty physicians at rates that are no less than 150% of the Medi-Cal Fee Schedule and physician services in the actuarial model will continue to be priced at 147% of the August 1999 Medi-Cal Fee Schedule (as adjusted to primarily reflect market primary care physician capitation rates).

The actuarial cost model also provides sufficient funds to reimburse inpatient hospital reimbursement services at rates that are comparable to the average Southern California per diem rates and payment trends as published by California Medical Assistance Commission (CMAC) and to reimburse hospital outpatient services, commensurate with physician services, at 147% of the August 1999 Medi-Cal Fee Schedule.

In addition, the actuarial cost model provides sufficient funds for health network administrative expenses and an allowance for surplus. The table below summarizes the adjusted allocation of health network capitation rates to reflect the new actuarial cost model:

Aid Category	Proposed Hospital	Proposed Physician	Proposed Combined
Family/Poverty/Child	-4.6%	2.1%	-0.7%
Adult	-19.4%	-3.1%	-12.0%
Aged	18.9%	19.1%	19.0%
Disabled	10.9%	-4.4%	3.3%
Composite	1.7%	0.7%	1.2%

**Percentage changes are calculated from current capitation rates which have been adjusted to reflect the establishment of a separate ESRD supplemental capitation.*

Fiscal Impact

In summary, the proposed modifications will increase capitation payments made to physicians by 0.7%, while capitation payments to hospitals will increase by approximately 1.7%, for an overall weighted average increase in health network capitation rate payments of 1.2%, or \$3.1 million on an annualized basis.

This additional increase will be funded by the Medi-Cal capitation rate increases received by CalOptima related to the State’s settlement of the *Orthopaedic v. Belshe* lawsuit concerning Medi-Cal payment rates for hospital outpatient services.

As the Board will recall, the additional monies received by CalOptima related to this hospital outpatient settlement were passed through to hospitals in a lump-sum payment as approved by the Board in April 2003 for Fiscal 2001-02. That Board action also included approval for a second distribution scheduled for January 2004 to be made to hospitals for Fiscal 2002-03 related monies. Therefore, the proposed increases in hospital capitation rates contained in this action referral will facilitate the ongoing distributions of these dollars to CalOptima’s participating hospitals. *See also related Board action referral to approve modifications to CalOptima Direct hospital reimbursement rates.*

Rationale for Recommendation

The proposed modifications to the rate methodology and related allocation of funds are consistent with the extensive, independent analysis performed by Milliman USA to update CalOptima’s health network capitation methodology to reflect the 7+ years of health network managed care experience, rather than the historical pre-CalOptima Orange County FFS experience, as a base for capitation rates. The updated actuarial model also provides CalOptima with a renewed starting point from which to make informed

decisions as we face yet another round of State budget uncertainties and declining resources.

Concurrence

CalOptima Board of Directors' Finance Committee

Attachments

None

/s/ Mary K. Dewane
Authorized Signature

12/9/2003
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 Regular Meeting of the CalOptima Board of Directors

Report Item

10. Consider Authorizing Amendments to the CalOptima Medi-Cal Shared Risk (SRG) Health Network Physician Contracts for AltaMed Health Services, Arta Western Health Network, Noble Mid-Orange County, Talbert Medical Group, and United Care Medical Network

Contact

Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400
Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Actions

Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to enter into contract amendments of the CalOptima Medi-Cal Shared Risk (SRG) Health Network Physician Contracts for AltaMed Health Services, Arta Western Health Network, Noble Mid-Orange County, Talbert Medical Group, and United Care Medical Network to:

1. Modify the rebased capitation rates for the Medi-Cal Classic population, effective January 1, 2019, as authorized in a separate Board action;
2. Modify capitation rates effective January 1, 2019, to include rates associated with the Whole-Child Model program to the extent authorized by the Board of Directors in a separate Board action;
3. Amend the contract terms to reflect applicable regulatory changes and other requirements associated with the Whole-Child Model (WCM); and
4. Extend contracts through June 30, 2019.

Background

CalOptima pays its health networks according to the same schedule of capitation rates, which are adjusted by Medi-Cal aid category, gender and age. The actuarial cost model, upon which the rates are based, was developed by Milliman Inc. utilizing encounter and claims data. CalOptima periodically increases or decreases the capitation rates to account for increases or decreases in capitation rates from the Department of Health Care Services (DHCS) or to account for additional services to be provided by the health networks. An example of this is the recent capitation rate change to account for the transition of the payment of Child Health Disability Program (CHDP) services from CalOptima to the health networks.

It is incumbent on CalOptima to periodically review the actuarial cost model to ensure that the rate methodology, and the resulting capitation rates, continue to allocate fiscal resources commensurate with the level of medical needs of the populations served. This review and adjustment of capitation rates is referred to as rebasing. Staff has worked with Milliman Inc. to develop a standardized rebasing methodology that was previously adopted and approved by CalOptima and the provider community.

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown signed

Senate Bill 586 into law, which authorizes DHCS to incorporate CCS services into Medi-Cal Managed Care Plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the Whole-Child Model (WCM). WCM's goals include improving coordination and integration of services to meet the needs of the whole child; retaining CCS program standards; supporting active family participation; and maintaining member-provider relationships where possible.

DHCS is implementing WCM on a phased basis; Orange County's implementation will be no sooner than January 1, 2019. Based on this schedule, CalOptima will assume responsibility for authorization and payment of CCS-eligible medical services including service authorization activities, claims (with some exceptions), case management, and quality oversight. At the June 7, 2018 Board meeting, Staff received authority to proceed with several actions related to the WCM program including carving CCS services into the health network contract.

At the June 7, 2018 Board meeting, the Board of Directors authorized the extension of the health network contracts through December 31, 2018. The six-month extension, as opposed to the normal one-year extension, was made to allow staff to review, adjust and vet capitation rates and requirements associated with the transition of the CCS program from the State and County to CalOptima; and complete the capitation rate rebasing initiative. Both of these program changes are effective January 1, 2019.

Discussion

Rebasing: CalOptima last performed a comprehensive rate rebasing in 2009. The goal of rebasing is to develop actuarially sound capitation rates that properly aligns capitation payments to a provider's delegated risks. To ensure that providers are accurately and sufficiently compensated, rebasing should be performed on a periodic basis to account for any material changes to medical costs and utilization patterns. To that end, staff has been working with Milliman Inc. to analyze claims utilization data and establish updated capitation rates that reflect more current experience. As proposed, only professional and hospital capitation rates for the Medi-Cal Classic population are being updated through this rebasing effort. Staff requests authority to amend the health network contracts to reflect the new rebased capitation rates effective January 1, 2019.

WCM: To ensure adequate revenue is provided to support the WCM program, CalOptima will develop actuarially sound capitation rates that are consistent with the projected risks that will be delegated to capitated health networks and hospitals. CalOptima also recognizes that medical costs for CCS members can be highly variable and volatile, possibly resulting in material cost differences between different periods and among different providers. To mitigate these financial risks and ensure that networks will receive sufficient and timely compensation, management proposes that CalOptima implement two retrospective reimbursement mechanisms: (1) Interim reimbursement for catastrophic cases; and (2) Retrospective risk corridor.

WCM incorporates requirements from SB 586 and CCS into the Medi-Cal managed care. Many of these WCM requirements will include new requirements for the health networks. Included is the requirement that the health networks will be required to use CCS paneled providers and facilities to treat children and youth for their CCS condition. Continuity of care provisions and minimum provider

rate requirements (unless the provider has agreed to different rates with health network) are also among the health network requirements.

Staff requests authority to incorporate the WCM rates and requirements into the health network contracts.

Extension of the Contract Term. Staff requests authority to amend the Medi-Cal contracts to extend the contracts through June 30, 2019.

Fiscal Impact

The recommended action to modify capitation rates, effective January 1, 2019, associated with rebasing is projected to be budget neutral to CalOptima. The rebased capitation rates are not projected to materially change CalOptima's aggregate capitation expenses. Management has included expenses associated with rebased capitation rates in the CalOptima FY 2018-19 Operating Budget, approved by the Board on June 7, 2018.

The recommended action to amend health network contracts, effective January 1, 2019, to include rates associated with the WCM program is a budgeted item. Management has included projected revenues and expenses associated with the WCM program in the CalOptima FY 2018-19 Operating Budget approved by the Board on June 7, 2018. Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual WCM program costs at approximately \$274 million. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict and likely to be highly volatile. CalOptima will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Rationale for Recommendation

CalOptima staff recommends these actions to: reflect changes in rates and responsibilities in accordance with the CalOptima delegated model; to maintain and continue the contractual relationship with the provider network; and to fulfill regulatory requirements.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Contracted Entities Covered by this Recommended Board Action
2. Board Action dated June 7, 2018, Consider Actions Related to CalOptima's Whole-Child Model Program
3. Board Action dated June 4, 2009, Approve Health Network Contract Rate Methodology
4. Board Action dated December 17, 2003, Approve Modifications to the CalOptima Health Network Capitation Methodology and Rate Allocations

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

*Attachment to August 2, 2018 Board of Directors Meeting –
Agenda Item 10*

CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
AltaMed Health Services Corporation	2040 Camfield Avenue	Los Angeles	CA	90040
DaVita Medical Group ARTA Western California, Inc.	1665 Scenic Avenue, Suite 100	Costa Mesa	CA	92626
Orange County Physicians IPA Medical Group, Inc., dba Noble Community Medical Associates, Inc. of Mid-Orange County	5785 Corporate Avenue	Cypress	CA	90630
DaVita Medical Group Talbert California, P.C.	1665 Scenic Avenue, Suite 100	Costa Mesa	CA	92626
United Care Medical Group, Inc.	600 City Parkway West, Suite 400	Orange	CA	92868

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 7, 2018 Regular Meeting of the CalOptima Board of Directors

Report Item

45. Consider Actions Related to CalOptima's Whole-Child Model Program

Contact

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

Recommended Actions

1. Authorize CalOptima staff to develop an implementation plan to integrate California Children's Services into its Medi-Cal program in accordance with the Whole Child Model (WCM), and return to the Board for approval after developing draft policies, and completing additional analysis and modeling prior to implementation;
2. Authorize and direct the Chief Executive Officer (CEO), with assistance of Legal Counsel, to execute a Memorandum of Understanding (MOU) with Orange County Health Care Agency (OC HCA) for coordination of care, information sharing and other actions to support WCM activities; and
3. In connection with development of the Whole Child Model Family Advisory Committee:
 - a. Direct the CEO to adopt new Medi-Cal policy AA.1271: Whole Child Model Family Advisory Committee; and,
 - b. Appoint the following eleven individuals to the Whole-Child Model Family Advisory Committee (WCM FAC) for one or two-year terms as indicated or until a successor is appointed, beginning July 1, 2018:
 - i. Family Member Representatives:
 - a) Maura Byron for a two-year term ending June 30, 2020;
 - b) Melissa Hardaway for a one-year term ending June 30, 2019;
 - c) Grace Leroy-Loge for a two-year term ending June 30, 2020;
 - d) Pam Patterson for a one-year term ending June 30, 2019;
 - e) Kristin Rogers for a two-year term ending June 30, 2020; and
 - f) Malissa Watson for a one-year term ending June 30, 2019.
 - ii. ~~Community Representatives:~~
 - a) ~~Michael Arnot for a two year term ending June 30, 2020;~~
 - b) ~~Sandra Cortez Schultz for a one year term ending June 30, 2019;~~
 - c) ~~Gabriela Huerta for a two year term ending June 30, 2020; and~~
 - d) ~~Diane Key for a one year term ending June 30, 2019.~~

Rev.
6/7/2018

6/7/2018:
Continued
to future
Board
meeting.

Background

The California Children's Services (CCS) Program is a statewide program providing medical care, case management, physical/occupational therapy, and financial assistance for children (to age 21) meeting financial and health condition eligibility criteria. On September 25, 2016, Governor Brown signed Senate Bill 586 into law, which authorizes DHCS to incorporate CCS services into Medi-Cal managed care plan (MCP) contracts for county organized health systems (COHS). This transition is referred to as the Whole-Child Model (WCM). WCM's goals include improving coordination and

integration of services to meet the needs of the whole child; retaining CCS program standards; supporting active family participation; and, maintaining member-provider relationships, where possible.

DHCS is implementing WCM on a phased basis; Orange County's implementation will be no sooner than January 1, 2019. Based on this schedule, CalOptima will assume financial responsibility for authorization and payment of CCS-eligible medical services including service authorization activities, claims (with some exceptions), case management, and quality oversight. DHCS will retain responsibility for program oversight, CCS provider paneling, and claims payment for CCS eligible Neonatal Intensive Care Unit (NICU) services. OC HCA will remain responsible for CCS eligibility determination for all children and for CCS services for non-Medi-Cal members (e.g., those who exceed the Medi-Cal income thresholds and undocumented children who transition out of MCP when they turn 18). OC HCA will also remain responsible for Medical Therapy Program (MTP) services and the Pediatric Palliative Care Waiver.

WCM will incorporate requirements from SB 586 and CCS into the Medi-Cal managed care plans. New requirements under WCM will include, but not be limited to:

- Using CCS paneled providers and facilities to treat children and youth for their CCS condition, including network adequacy certification;
- Offering continuity of care (e.g., durable medical equipment, CCS paneled providers) to transitioning members;
- Paying CCS or Medi-Cal rates, whichever is higher, unless provider has agreed to a different contractual arrangement;
- Offering CCS services including out-of-network, out-of-area, and out-of-state, including Maintenance & Transportation (travel, food and lodging) to access CCS services;
- Executing Memorandum of Understanding with OC HCA to support coordination of services;
- Permitting selection of a CCS paneled specialist to serve as a CCS member's Primary Care Provider (PCP);
- Establishing Pediatric Health Risk Assessment (P-HRA), associated risk stratification, and individual care planning process;
- Establishing WCM clinical and member/family advisory committees; and,
- Reporting in accordance with WCM specific requirements.

For the requirements, CalOptima will rely on SB 586 and DHCS guidance provided through All Plan Letters (APL) and current and future CCS requirements published in the CCS Numbered Letters. Additional information will be provided in DHCS contact amendments, readiness requirements, and other regulatory releases.

On November 2, 2017, the CalOptima Board of Directors authorized establishment of the WCM FAC. The WCM FAC is comprised of eleven (11) voting seats.

1. Seven (7) to nine (9) seats shall be seats for family representatives, with a priority to family representatives (i.e., if qualifying family candidates are available, all nine (9) seats will be filled by family members). Family representatives will be in the following categories:
 - a. Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - b. CalOptima members age 18 - 21 who are current recipients of CCS services; or

- c. Current CalOptima members age of 21 and over who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS including
 - a. Community-based organizations; or
 - b. Consumer advocates.

While two (2) of the WCM-FAC’s eleven (11) seats are designated for community-based organizations or consumer advocates, WCM-FAC candidates representing these two groups may be considered for up to two additional WCM-FAC seats in the event that there are not sufficient family representative candidates to fill the family seats.

Except for the initial appointments, WCM FAC members will serve two-year terms, with no limits on the number of terms a representative may serve, provided they meet applicable criteria. The initial appointment will be divided between one- and two-year terms to stagger reappointments. In the first year, five (5) committee member seats will be appointed for a one-year term and six (6) committee members seats will be appointed for two-year terms.

Discussion

Throughout the years, CalOptima staff has monitored regulatory and industry discussions on the possible transition of CCS services to the managed care plans, including participation in DHCS CCS stakeholder meetings. In 2013, the Health Plan of San Mateo, in partnership with the San Mateo County Health System, became the first CCS demonstration project under California’s 1115 “Bridge to Reform” Waiver. In 2014, DHCS formally launched its stakeholder process for *CCS Redesign*, which later became known as the *Whole Child Model*.

CalOptima began meeting with OC HCA in early 2016 to learn about CCS and, more broadly, to share information about CalOptima programs supporting our mutual members. CalOptima conducted its first broad-based stakeholder meeting in March 2016 and launched its WCM stakeholder webpage in 2016. Since that time, CalOptima has shared WCM information and vetted its WCM implementation strategy with stakeholders at events and meetings hosted by CalOptima and others. In January 2018, CalOptima hosted a WCM event for local stakeholders that included presentations by DHCS and CalOptima leadership. Six (6) family-focused stakeholder meetings were held throughout the county in February 2018. CalOptima health networks and providers have also been engaged through Provider Advisory Committee meetings, Provider Associations, Health Network Joint Operations Meetings, and Health Network Forum Meetings. CalOptima has scheduled WCM-specific meetings with health networks to support the implementation and provide a venue for them to raise questions and concerns.

Implementation Plan Elements

Delivery Model

As CCS has been carved-out of CalOptima’s Medi-Cal managed care plan contract with DHCS, it has similarly been carved-out of CalOptima’s health network contracts. CalOptima considered several options for WCM service delivery including: 1) requiring all CCS participants to be enrolled in CalOptima’s direct network (rather than a delegated health network); 2) retaining the current health network carve-out for CCS services, while allowing members to remain enrolled in a delegated health network; or, 3) carving CCS services into the health network division of financial responsibility (DOFR) consistent with their current contract model.

Requiring enrollment in CalOptima Direct could potentially break relationships with existing health network contracted providers and disrupt services for non-CCS conditions. Carving CCS services out of health network responsibility, while allowing members to remain assigned to a health network, would continue the siloed service delivery CCS children currently receive and, therefore, not maximize achievement of the "whole-child" goal. Carving the CCS services into the health networks according to the current health network contract models is most consistent with the WCM goals and existing delivery model structure. For purposes of this action, the CalOptima Community Network (CCN) would be considered a health network.

Health Network Financial Model

CalOptima has worked closely with the DHCS to ensure adequate Medi-Cal revenue to support the WCM and actuarially sound provider and health network rates. For the WCM, DHCS will establish capitation that will include CCS and non-CCS services. However, only limited historical CCS claims payment detail is available. In order to mitigate health network financial risk due to potentially costly outliers, CalOptima staff is considering, with the exception of Kaiser, to:

- Expand current policy that transitions clinical management and financial risk of CalOptima medical members diagnosed with hemophilia, in treatment for end stage renal disease (ESRD), or receiving an organ transplant from the health network to CCN to include Medi-Cal members under 21;
- Establish an estimated capitation rate, similar to the DHCS methodology, that includes CCS and non-CCS services and develop a medical loss ratio (MLR) risk corridor; and
- Modify existing or establish new policies related to payment of services for members enrolled in a shared risk group, reinsurance, health-based risk adjusted capitation payment, shared risk pool, and special payments for high-cost exclusions and out-of-state CCS services.

The estimated capitation rate for the health networks, excluding Kaiser, will be established based on known methodologies and data provided by DHCS. Capitation will include services based on the current health network structure and division of responsibility. Also built into the rates will be the requirement that at a minimum, the Medi-Cal or CCS fee-for-service rate, whichever is higher, will be utilized, unless an alternate payment methodology or rate is mutually agreed to by the CCS provider and the health network. CalOptima staff will review the capitation rate structure with the health networks once final rates are received from DHCS and analyzed by CalOptima staff. In the interim, CalOptima staff will develop, with input from the health networks, the upper and lower limits of the MLR risk corridor and reconciliation process. Current policy regarding high-cost medical exclusions will also be discussed. Separate discussions will occur with Kaiser, as its capitation rate structure is different than the other health networks. CalOptima staff will return to the Board with future recommendations, as required.

Clinical Operations

CalOptima will be responsible for providing CCS-specific case management, care coordination, provider referral, and service authorization to children with a CCS condition. CalOptima will conduct risk stratification, health risk assessment and care planning. For transitioning members, CalOptima will also be responsible for ensuring continuity of services, for example, CCS professional services, durable medical equipment and pharmacy.

While many services currently provided to children enrolled in CCS are covered by CalOptima for non-CCS conditions, the transition to WCM will incorporate new responsibilities to CalOptima including authorizing High-Risk Infant Follow-Up (HRIF), and NICU, and new benefits such as Cochlear implants Maintenance and Transportation services when applicable, to the child and/or family. Maintenance and Transportation services include meals, lodging, transportation, and other necessary costs (i.e. parking, tolls, etc.).

CalOptima will also be responsible for facilitating the transition of care between the County and CalOptima case management and following State requirements issued to the County, in the form of Numbered Letters, in regard to CCS administration and implementation. An example of this would be implementing the County's process for transitioning out of the program children currently enrolled in CCS but who will not be eligible once they turn twenty-one (21).

CalOptima may modify existing or establish new policies to implement WCM. These may include policies related to, for example, CCS comprehensive case management, risk stratification, health risk assessment, continuity of care, authorization for durable medical equipment (including wheelchairs) and pharmacy. CalOptima staff will return to the Board with future recommendations as required.

Provider Impact and Network Adequacy

The State requires plans, and their delegates, to have an adequate network of CCS-paneled and approved providers to serve to children enrolled in CCS. During the timeframe given for readiness and as an ongoing process, CalOptima will attempt to contract with as many CCS providers on the State-provided list and located in Orange County as possible. CalOptima is attempting to contract with all CCS providers in Orange County and specialized providers outside Orange County currently providing services to CalOptima members. Historically, CalOptima has paid, and expects to continue to pay, contracted CCS specialists an augmented rate to support participation and coordination of CalOptima and CCS services. This process is based on previous Board Action and reflected in Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct or a Member Enrolled in a Shared Risk Group.

CalOptima may modify existing or establish new policies to implement WCM. These may include policies related to, for example, access and availability standards, credentialing, primary care provider assignment, CalOptima staff will return to the Board with future recommendations as required.

Memorandum of Understanding (MOU)

Leveraging the DHCS WCM MOU template, CalOptima and OC HCA staff have worked in partnership to develop a new WCM MOU to reflect shared needs and to serve as the primary vehicle for ensuring collaboration between CalOptima and OC HCA in serving our joint CCS members. The MOU identifies each party's responsibilities and obligations based on their respective scope of responsibilities as they relate to CCS eligibility and enrollment, case management, continuity of care, advisory committees, data sharing, dispute management, NICU and quality assurance.

Whole Child Model Family Advisory Committee (WCM FAC)

In connection with the November 2, 2017 Board Action described above, CalOptima staff developed new Medi-Cal policy AA.1271: Whole Child Model Family Advisory Committee to establish policies and procedures related to development and on-going operations of the WCM FAC, Staff recommends Board approval of AA.1271: Whole Child Model Family Advisory Committee.

To identify nominees for the WCM FAC for Board consideration, CalOptima conducted recruitment to ensure that there would be a diverse applicant pool from which to choose candidates. The recruitment included several notification methods, sending outreach flyers to community-based organizations (CBOs) and OC HCA CCS staff for distribution to CCS members and their families, targeting outreach at six (6) CalOptima hosted WCM family events and at community meetings, and posting information on the WCM Stakeholder Information and WCM Family Advisory Committee pages on CalOptima's website. A total of sixteen (16) applications (eight (8) in each category) were received from fifteen (15) individuals (one (1) individual applied for a seat in both categories).

As the WCM FAC is in development, CalOptima requested members of CalOptima's Member Advisory Committee (MAC) to serve as the Nomination Ad Hoc Subcommittee (Subcommittee). Prior to the MAC Nominations Ad Hoc meeting on April 19, 2018, Subcommittee members evaluated each application. The Subcommittee, including Connie Gonzalez, Jaime Munoz and Christine Tolbert, selected a candidate for each of the seats. All eligible applicants for a Family Representative seat were recommended. (One (1) of the eight (8) applicants was not eligible as she did not have family or personal experience in CCS.) At the May 10, 2018 meeting, the MAC considered and accepted the recommended slate of candidates, as proposed by the Subcommittee.

Candidates for the open positions are as follows:

Family Representatives

1. Maura Byron for a two-year term ending June 30, 2020;
2. Melissa Hardaway for a one-year term ending June 30, 2019;
3. Grace Leroy-Loge for a two-year term ending June 30, 2020;
4. Pam Patterson for a one-year term ending June 30, 2019;
5. Kristin Rogers for a two-year term ending June 30, 2020; and
6. Malissa Watson for a one-year term ending June 30, 2019.

Maureen Byron is the mother of a young adult who is a current CCS client. Ms. Byron became involved in the CCS Parent Advisory Committee resulting in her being hired by Family Support Network (FSN). At FSN, she is a parent mentor assisting families of children with complex health care needs to maneuver in the system and secure services. In addition, she responds to families' questions and provides peer and emotional support.

Melissa Hardaway is the mother of a special needs child who receives CCS services. Ms. Hardaway is familiar with the health care industry as a health care professional and a broker. She believes her understanding of managed care and her advocacy experience for her child will benefit her to assist families of children in CCS.

Grace Leroy-Loge is the mother of an adolescent receiving CCS services. Ms. Leroy-Loge works as the Family Support Liaison at CHOC Children's Hospital NICU where she assists families of children with medically complex needs to advocate for their children. She has served in the community on several committees, such as the parent council of CCS, Make-a-Wish Medical Advisory Committee and Orange County Children's Collaborative.

Pam Patterson is the mother of a special needs adolescent receiving CCS. Ms. Patterson is a special needs attorney and a constitutional law attorney. She has many years of experience advocating for her child with CCS and the Regional Center of Orange County. Ms. Patterson is also very active in the community.

Kristin Rogers is the mother of a young teenager who receives CCS services. Ms. Rogers explained that because she encountered difficulties obtaining the correct health care coverage for her child, she wants to educate others with similar situations on how to obtain appropriate coverage. Ms. Rogers is an active volunteer at CHOC.

Malissa Watson is the mother of a child that receives CCS services. Ms. Watson's desire is to help families navigate CCS and CalOptima. Ms. Watson is active in the community, serving on the CHOC Hospital Parent Advisory Committee and mentoring other parents.

CBO/Advocate Representatives

1. ~~Michael Arnot for a two year term ending June 30, 2020;~~
2. ~~Sandra Cortez Schultz for a one year term ending June 30, 2019;~~
3. ~~Gabriela Huerta for a two year term ending June 30, 2020; and~~
4. ~~Diane Key for a one year term ending June 30, 2019.~~

~~Michael Arnot is the Executive Director for Children's Cause Orange County, an organization that provides evidence based therapeutic intervention for children with traumatic stress, such as trauma from medical procedures from co-occurring health conditions covered under CCS. Mr. Arnot has extensive experience working with children in varying capacities.~~

~~Sandra Cortez Schultz is the Customer Service Manager at CHOC Children's Hospital. Ms. Cortez Schultz is responsible for ensuring that the families of medically complex children receive the appropriate care and treatment they require. She is also the Chair of CHOC's Family Advisory Council. Ms. Cortez Schultz has over 25 years of experience working directly and indirectly at varying levels with the CCS program.~~

~~Gabriela Huerta is a Lead Case Manager, California Children's Services/Regional Center for Molina Healthcare, Inc. Ms. Huerta is responsible for health care management and coordination of services for CCS members, including assessments, intervention, planning and development of member centric plans and coordination of care. She has expertise in CCS as a carve out benefit as well as a managed care benefit.~~

~~Diane Key is the Director of Women's and Children's Services for UCI Medical Center. Ms. Key has over 30 years of experience working in women and children's services in clinical nursing and leadership oversight positions. She has knowledge of CCS standards, eligibility criteria and facility requirements. In addition, she understands the physical, psycho-social and developmental needs of CCS children.~~

Staff recommends Board approval of the proposed nominees for the WCM FAC.

6/7/2018:
Continued
to future
Board
meeting.

Fiscal Impact

The recommended action to approve the implementation plan for the WCM program carries significant financial risks. Based on draft capitation rates received from DHCS on April 27, 2018, staff estimates the total annual program costs for WCM at \$274 million. Management has included projected revenues and expenses associated with the WCM program in the proposed CalOptima FY 2018-19 Operating Budget pending Board approval. However, given the high acuity and medical utilization associated with a relatively small CCS population, costs for the program are difficult to predict and likely to be volatile. CalOptima will continue to work closely with DHCS to ensure that Medi-Cal revenue will be sufficient to support the WCM program.

Rationale for Recommendation

The recommended actions will enable CalOptima to operationally prepare for the anticipated January 1, 2019, transition of California Children's Services to Whole-Child Model.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. PowerPoint Presentation: Whole-Child Model Implementation Plan
2. Board Action dated November 2, 2017, Consider Adopting Resolution Establishing a Family Advisory Committee for the Whole-Child Model Medi-Cal Program
3. Policy AA.1271: Whole Child Model Family Advisory Committee (redline and clean copies)

/s/ Michael Schrader
Authorized Signature

5/30/2018
Date



CalOptima
Better. Together.

Whole-Child Model (WCM) Implementation Plan

**Board of Directors Meeting
June 7, 2018**

**Candice Gomez, Executive Director
Program Implementation**



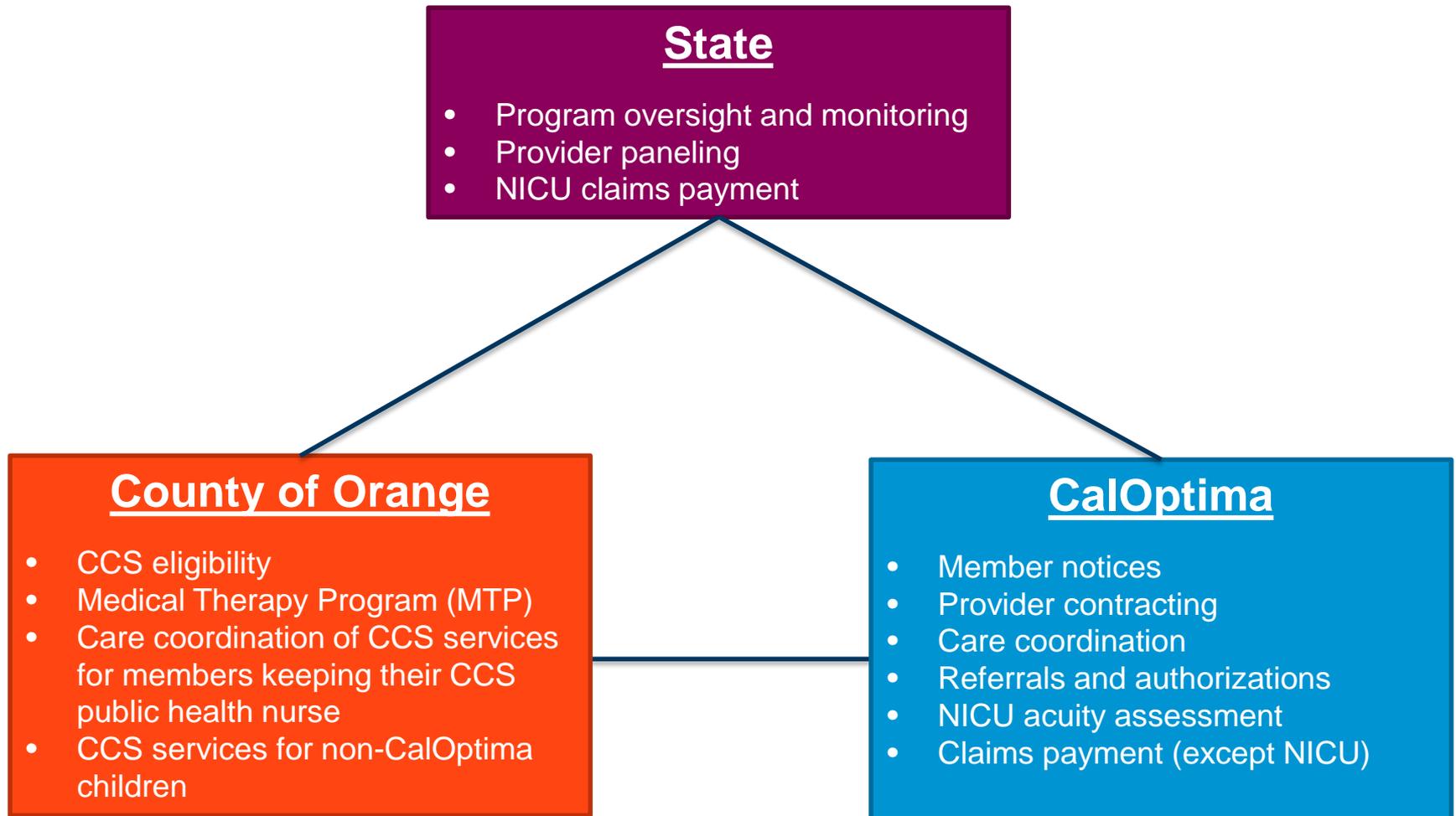
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Background

Whole-Child Model (WCM) Overview

- California Children's Services (CCS) is a statewide program providing medical care and case management for children under 21 with certain medical conditions
 - Locally administered by Orange County Health Care Agency
- The Department of Health Care Services (DHCS) is implementing WCM to integrate the CCS services into select Medi-Cal plans
 - CalOptima will implement WCM effective January 1, 2019

Division of WCM Responsibilities



WCM Transition Goals

- Improve coordination and integration of services to meet the needs of the whole child
- Retain CCS program standards
- Support active family participation
- Establish specialized programs to manage and coordinate care
- Ensure care is provided in the most appropriate, least restrictive setting
- Maintain existing patient-provider relationships when possible

CCS Demographics

- About 13,000 Orange County children are receiving CCS services
 - 90 percent are CalOptima members

Languages

- Spanish = 48 percent
- English = 44 percent
- Vietnamese = 4 percent
- Other/unknown = 4 percent

City of Residence (Top 5)

- Santa Ana = 23 percent
- Anaheim = 18 percent
- Garden Grove = 8 percent
- Orange = 6 percent
- Fullerton = 4 percent

WCM Requirements

- Required use of CCS paneled providers and facilities, including network adequacy certification
- Memorandum of Understanding with OC HCA to support coordination of services
- Maintenance & Transportation (travel, food and lodging) to access CCS services
- WCM specific reporting requirements
- Permit selection of a CCS paneled specialist to serve as a CCS member's Primary Care Provider (PCP)
- Establish WCM clinical and member/family advisory committees

2018 Stakeholder Engagement to Date

- January 25– General stakeholder event (93 attendees)
- February 26 -28 – Six family events (87 attendees)
- Provider focused presentations and meetings:
 - Hospital Association of Southern California
 - Safety Net Summit - Coalition of Orange County Community Health Centers
 - Pediatrician focused events hosted by Orange County Medical Association Pediatric Committee and Health Care Partners
 - Health Network convenings including Health Network Forum, Joint Operations Meetings and on-going workgroups
- Speakers Bureau and community meetings



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Implementation Plan Elements

Proposed Delivery Model

- Leverage existing delivery model using health networks, subject to Board approval
 - Reflects the spirit of the law to bring together CCS services and non-CCS services into a single delivery system
- Using existing model creates several advantages
 - Maintains relationships between CCS-eligible children, their chosen health network and primary care provider
 - Improves clinical outcomes and health care experience for members and their families
 - Decreases inappropriate medical and administrative costs
 - Reduces administrative burden for providers

Financial Approach

- DHCS will establish a single capitation rate that includes CCS and non-CCS services
- Limited historical CCS claims payment detail available
- CalOptima Direct and CalOptima Community Network
 - Follow current fee-for-service methodology and policy
 - CCS paneled physicians are reimbursed at 140% Medi-Cal
- Health Network
 - Keep health network risk and payment structure similar to current methodologies in place
 - Develop risk corridors to mitigate risk

Clinical Operations

- Providing CCS-specific case management, care coordination, provider referral and authorizations
- Supporting new services such as High-Risk Infant Follow-Up authorization, Maintenance and Transportation (lodging, meals and other travel related services)
- Facilitating transitions of care
 - Risk stratification, health risk assessment and care planning for children and youth transitioning to WCM
 - Between CalOptima, OC HCA and other counties
 - Age-out planning for members who will become ineligible for CCS when they turn 21 years of age

Provider Impact and Network Adequacy

- CalOptima and delegated networks must have adequate network of CCS paneled and approved providers
 - CCS panel status will be part of credentialing process
 - CCS members will be able to select their CCS specialists as primary care provider
 - CalOptima is in process of contracting with CCS providers in Orange County and specialized providers outside of county providing services to existing members
 - Documentation of network adequacy will be submitted to DHCS by September 28, 2018

Memorandum of Understanding (MOU)

- DHCS requires CalOptima and Orange County Health Care Agency to develop WCM MOU to support collaboration and information sharing
 - Leverage DHCS template
 - Outlines responsibilities related:
 - CCS eligibility and enrollment
 - Case management
 - Continuity of care
 - Advisory committees
 - Data sharing
 - Dispute management
 - NICU
 - Quality assurance

WCM Family Advisory Committee

- CalOptima must establish a WCM Family Advisory Committee per Welfare & Institutions Code § 14094.17
- November 2, 2017 Board authorized development of committee
 - Eleven voting seats
 - Seven to nine family representative seats
 - Two to four community-based organizations or consumer advocates
 - Priority to family representatives
 - Two-year terms, with no term limits
 - Staggered terms
 - In first year, five seats for one-year term and six seats for two-year term
 - Approval requested for AA.1271: Whole Child Model Family Advisory Committee

WCM Family Advisory Committee (cont.)

- Sixteen applications (eight in each category)
- April 19, 2018 Member Advisory Committee (MAC) Nominations ad hoc committee selected candidates
 - All eligible applicants in family category were selected
 - One applicant was ineligible as she has no prior CCS experience
 - Four applicants in community category were selected
- May 10, 2018 MAC considered and accepted MAC Ad Hoc's recommended nominations for Board consideration

Recommended Nominees

Family Seats	Community Seats
Maura Byron	Michael Arnot Executive Director Children's Cause Orange County
Melissa Hardaway	
Grace Leroy-Loge	Sandra Cortez – Schultz Customer Service Manager CHOC Children's Hospital
Pam Patterson	
Kristin Rogers	Gabriela Huerta Lead Case Manager, California Children's Services/Regional Center Molina Healthcare, Inc.
Malissa Watson	
	Diane Key Director of Women's and Children's Services UCI Medical Center

Next Steps

- Review WCM capitation and risk corridor approach with Health Networks
- Planned stakeholder engagement
 - Community-based organization focus groups in June
 - General event in July
 - Family events in Fall
- Future Board actions
 - Update policies and procedures
 - Health network contracts

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken November 2, 2017 Regular Meeting of the CalOptima Board of Directors

Report Item

18. Consider Adopting Resolution Establishing a Family Advisory Committee for the Whole-Child Model Medi-Cal Program

Contact

Sesha Mudunuri, Executive Director, Operations, (714) 246-8400

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

Recommended Actions

1. Adopt Resolution No. 17-1102-01, establishing the CalOptima Whole-Child Model family advisory committee to provide advice and recommendations to the CalOptima Board of Directors on issues concerning California Children's Services (CCS) and the Whole-Child Model program; and
2. Subject to approval of the California Department of Health Care Services (DHCS), authorize a stipend of up to \$50 per committee meeting attended for each family representative appointed to the Whole-Child Model Family Advisory Committee (WCM-FAC).

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Background

On September 25, 2016, SB 586 (Hernandez): Children's Services was signed into law. SB 586 authorizes the establishment of the Whole-Child Model that incorporates CCS-covered services for Medi-Cal eligible children and youth into specified county-organized health plans, including CalOptima. A provision of the Whole-Child Model requires each participating health plan to establish a family advisory committee. Accordingly, DHCS is requiring the establishment of a Whole-Child Model family advisory committee to report and provide input and recommendations to CalOptima relative to the Whole-Child Model program. The proposed stipend, subject to DHCS approval, is intended to enable in-person participation by members and family member representatives. It is also anticipated that a representative from the family advisory committees of each Medi-Cal plan will be invited to serve on a statewide stakeholder advisory group.

Since CalOptima's inception, the CalOptima Board of Directors has benefited from stakeholder involvement in the form of standing advisory committees. Under the authority of County of Orange Codified Ordinances, Section 4-11-15, and Article VII of the CalOptima Bylaws, the CalOptima Board of Directors may create committees or advisory boards that may be necessary or beneficial to accomplishing CalOptima's tasks. The advisory committees function solely in an advisory capacity providing input and recommendations concerning the CalOptima programs. CalOptima Whole-Child Model program would also benefit from the advice of a standing family advisory committee.

Discussion

While specific to Whole-Child Model program, the charge of the WCM-FAC would be similar to that of the other CalOptima Board advisory committees, including:

- Provide advice and recommendations to the Board and staff on issues concerning CalOptima Whole-Child Model program as directed by the Board and as permitted under applicable law;

- Engage in study, research and analysis of issues assigned by the Board or generated by staff or the family advisory committee;
- Serve as liaison between interested parties and the Board and assist the Board and staff in obtaining public opinion on issues relating to CalOptima Whole-Child Model program; and
- Initiate recommendations on issues for study to the CalOptima Board for its approval and consideration, and facilitate community outreach for CalOptima Whole-Child Model program and the Board.

While SB 586 requires plans to establish family advisory committees, committee composition is not explicitly defined. Based on current advisory committee experience, staff recommends including eleven (11) voting members on CalOptima's WCM-FAC, representing CCS family members who reflect the diversity of the CCS families served by the plan, as well as consumer advocates representing CCS families. If necessary, CalOptima will provide an in-person interpreter at the meetings. For the first nomination process to fill the seats, it is proposed that CalOptima's current Member Advisory Committee will be asked to participate in the Family Advisory Committee nominating ad hoc committee. The proposed candidates will then be submitted to the Board for consideration. It is anticipated that subsequent nominations for seats will be reviewed by a WCM-FAC nominating ad hoc committee and will be submitted first to the WCM-FAC, then to the full Board for consideration of the WCM-FAC's recommendations.

CalOptima staff recommends that the WCM-FAC be comprised of eleven (11) voting seats:

1. Seven (7) to ~~N~~nine (9) of the seats shall be family representatives in one of the following categories, with a priority to family representatives (i.e., if qualifying family representative candidates are available, all nine (9) seats will be filled by family representatives):
 - i. Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - ii. CalOptima members age 18 -21 who are current recipients of CCS services; or
 - iii. Current CalOptima members over the age of 21 who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS services, including:
 - i. Community-based organizations; or
 - ii. Consumer advocates.

While two (2) of the WCM-FAC's eleven seats are designated for community-based organizations or consumer advocates, WCM-FAC candidates representing these two groups may be considered for up to two additional WCM-FAC seats in the event that there are not sufficient family representative candidates to fill these seats.

Except for initial appointments, CalOptima WCM-FAC members will serve two (2) year terms, with no limits on the number of terms a representative may serve provided they continue to meet the above-referenced eligibility criteria. The initial appointments of WCM-FAC members will be divided between one and two-year terms to stagger reappointments. In the first year, five (5) committee member seats will be appointed for a one-year term and six (6) committee member seats will be appointed for a two-year term.

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The WCM-FAC Chair and Vice Chair for the first year will be nominated at the second WCM-FAC meeting by committee members. The WCM-FAC's recommendations for these positions will subsequently be submitted to the Board for consideration. After the first year, the Chair and Vice Chair of the WCM-FAC will be appointed by the Board annually from the appointed voting members and may serve two consecutive one-year terms in a particular committee officer position.

The WCM-FAC will develop, review annually and recommend to the Board any revisions to the committee's Mission or Goals and Objectives. The Goals and Objectives will be consistent with those of the CalOptima Whole-Child Model.

The WCM-FAC will meet at least quarterly and will determine the appropriate meeting frequency to provide timely, meaningful input to the Board. At its second meeting, the WCM-FAC will adopt a meeting schedule for the remainder of the fiscal year. Thereafter, a yearly meeting schedule will be adopted prior to the first regularly scheduled meeting of each year. All meetings must be conducted in accordance with CalOptima's Bylaws. Attendance of a simple majority of WCM-FAC seats will constitute a quorum. A quorum must be present for any action to be taken. Members are allowed excused absences from meetings. Notification of absence must be received by CalOptima staff prior to scheduled WCM-FAC meetings.

The CalOptima Chief Executive Officer (CEO) will prepare, or cause to be prepared, an agenda for all WCM-FAC meetings prior to posting. Posting procedures must be consistent with the requirements of the Ralph M. Brown Act (California Government Code section 54950 *et seq.*). In addition, minutes of each WCM-FAC meeting will be taken, which will be filed with the Board. The Chair will report verbally or in writing to the Board at least twice annually. The Chair will also report to the Board, as requested, on issues specified by the Board. CalOptima management will provide staff support to the WCM-FAC to assist and facilitate the operations of the committee.

In order to enable in-person participation, SB 586 provides plans the option to pay a reasonable per diem payment to family representatives serving on the Family Advisory Committee. Similar to another Medi-Cal Managed Care Plan with an already established family-based advisory committee, and subject to DHCS approval, CalOptima staff recommends that the Board authorize a stipend of up to \$50 per meeting for family representatives participating on the WCM-FAC. Only one stipend will be provided per qualifying WCM-FAC member per regularly scheduled meeting. In addition, stipend payments are restricted to family representatives only. Representatives of community-based organizations and consumer advocates are not eligible for stipends. As indicated, payment of the stipends is contingent upon approval by DHCS.

As it is the policy of CalOptima's Board to encourage maximum member and provider involvement in the CalOptima program, it is anticipated that the CalOptima Whole-Child Model will benefit from the establishment of a Family Advisory Committee. This WCM-FAC will report to the Board and will serve solely in an advisory capacity to the Board and CalOptima staff with respect to CalOptima Whole-Child Model. Establishing the WCM-FAC is intended to help to ensure that members' values and needs are integrated into the design, implementation, operation and evaluation of the CalOptima Whole-Child Model.

Fiscal Impact

The fiscal impact of the recommended action to establish the CalOptima WCM-FAC is an unbudgeted item. The projected total cost, including stipends, for meetings from April through June 2018, is \$3,575. Unspent budgeted funds approved in the CalOptima Fiscal Year (FY) 2017-18 Operating Budget on June 1, 2017, will fund the cost through June 30, 2018. The estimated annual cost is \$13,665. At this time, it is unknown whether additional staff will be necessary to support the advisory committee's work. Management plans to include expenses related to the WCM-FAC in future operating budgets.

Rationale for Recommendation

SB 586 requires that, for implementation of the Whole-Child Model program, a family advisory committee must be established. As proposed, the WCM-FAC will advise CalOptima's Board and staff on operations of the CalOptima Whole-Child Model.

Concurrence

Gary Crockett, Chief Counsel

Attachment

Resolution No. 17-1102-01

Rev.
11/2/17

/s/ Michael Schrader
Authorized Signature

10/23/2017
Date

RESOLUTION NUMBER 17-1102-01

RESOLUTION OF THE BOARD OF DIRECTORS ORANGE COUNTY HEALTH AUTHORITY, DBA CALOPTIMA ESTABLISHING POLICY AND PROCEDURES FOR CALOPTIMA WHOLE-CHILD MODEL MEMBER ADVISORY COMMITTEE

WHEREAS, the CalOptima Board of Directors (hereinafter “the Board”) would benefit from the advice of broad-based standing advisory committee specifically focusing on the CalOptima Whole-Child Model Plan hereafter “CalOptima Whole-Child Model Family Advisory Committee”; and

WHEREAS, the State of California, Department of Health Care Services (DHCS) has established requirements for implementation of the CalOptima Whole-Child Model program, including a requirement for the establishment of an advisory committee focusing on the Whole-Child Model; and

WHEREAS, the CalOptima Whole-Child Model Family Advisory Committee will serve solely in an advisory capacity to the Board and staff, and will be convened no later than the effective date of the CalOptima Whole-Child Model;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Committee Established. The CalOptima Whole-Child Model Family Advisory Committee (hereinafter “WCM-FAC”) is hereby established to:

- Report directly to the Board;
- Provide advice and recommendations to the Board and staff on issues concerning the CalOptima Whole-Child Model program as directed by the Board and as permitted under the law;
- Engage in study, research and analysis of issues assigned by the Board or generated by the WCM-FAC;
- Serve as liaison between interested parties and the Board and assist the Board and staff in obtaining public opinion on issues relating to CalOptima Whole-Child Model or California Children Services (CCS);
- Initiates recommendations on issues for study to the Board for approval and consideration; and
- Facilitates community outreach for CalOptima and the Board.

Section 2. Committee Membership. The WCM-FAC shall be comprised of Eleven (11) voting members, representing or representing the interests of CCS families. In making appointments and re-appointments, the Board shall consider the ethnic and cultural diversity and special needs of the CalOptima Whole-Child Model population. Nomination and input from interested groups and community-based organizations will be given due consideration. Except as noted below, members are appointed for a term of two (2) full years, with no limits on the number of terms. All voting member appointments (and reappointments) will be made by the Board. During the first year, five (5) WCM-FAC members will serve a one -year term

and six (6) will serve a two-year term, resulting in staggered appointments being selected in subsequent years.

The WCM-FAC shall be composed of eleven (11) voting seats:

1. Seven (7) to nine (9) of the seats shall be family representatives in the following categories:
 - Authorized representatives, including parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
 - CalOptima members age 18-21 who are current recipients of CCS services; or
 - Current CalOptima members over the age of 21 who transitioned from CCS services.
2. Two (2) to four (4) of the seats shall represent the interests of children with CCS, including:
 - Community-based organizations (CBOs); or
 - Consumer advocates.

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If nine or more qualified candidates initially apply for family representative seats, nine of the eleven committee seats will be filled with family representatives. Initially, and on an on-going basis, only in circumstances when there are insufficient applicants to fill all of the designated family representative seats with qualifying family representatives, up to two of the nine seats designated for family members may be filled with representatives of CBOs or consumer advocates.

It is anticipated that a representative from the CalOptima WCM-FAC may be invited to serve on a statewide stakeholder advisory group.

Section 3. Chair and Vice Chair. The Chair and Vice Chair for the WCM-FAC will be appointed by the Board annually from the appointed members. The Chair, or in the Chair's absence, the Vice Chair, shall preside over WCM-FAC meetings. The Chair and Vice Chair may each serve up to two consecutive terms in a particular WCM-FAC officer position, or until their successor is appointed by the Board.

Section 4. Committee Mission, Goals and Objectives. The WCM-FAC will develop, review annually, and make recommendations to the Board on any revisions to the committee's Mission or Goals and Objectives.

Section 5. Meetings. The WCM-FAC will meet at least quarterly. A yearly meeting schedule will be adopted at the second regularly scheduled meeting for the remainder of the fiscal year. Thereafter, a yearly meeting schedule will be adopted prior to the first regularly scheduled meeting of each year. All meetings must be conducted in accordance with CalOptima's Bylaws.

Attendance by the occupants of a simple majority of WCM-FAC seats shall constitute a quorum. A quorum must be present in order for any action to be taken by the WCM-FAC. Committee members are allowed excused absences from meetings. Notification of absence must be received by CalOptima staff prior to the scheduled WCM-FAC meeting.

The CalOptima Chief Executive Officer (CEO) shall prepare, or cause to be prepared, and post, or cause to be posted, an agenda for all WCM-FAC meetings. Agenda contents and posting procedures must be consistent with the requirements of the Ralph M. Brown Act (Government Code section 54950 *et seq.*).

WCM-FAC minutes will be taken at each meeting and filed with the Board.

Section 6. Reporting. The Chair is required to report verbally or in writing to the Board at least twice annually. The Chair will also report to the Board, as requested, on issues specified by the Board.

Section 7. Staffing. CalOptima will provide staff support to the WCM-FAC to assist and facilitate the operations of the committee.

Section 8. Ad Hoc Committees. Ad hoc committees may be established by the WCM-FAC Chair from time to time to formulate recommendations to the full WCM-FAC on specific issues. The scope and purpose of each such ad hoc will be defined by the Chair and disclosed at WCM-FAC meetings. Each ad hoc committee will terminate when the specific task for which it was created is complete. An ad hoc committee must include fewer than a majority of the voting committee members.

Section 9. Stipend. Subject to DHCS approval, family representatives participating on the WCM-FAC are eligible to receive a stipend for their attendance at regularly scheduled and ad hoc WCM-FAC meetings. Only one stipend is available per qualifying WCM-FAC member per regularly scheduled meeting. WCM-FAC members representing community-based organizations and consumer advocates are not eligible for WCM-FAC stipends.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 2nd day of November, 2017.

AYES:

NOES:

ABSENT:

ABSTAIN:

/s/ _____

Title: Chair, Board of Directors

Printed Name and Title: Paul Yost M.D., Chair, CalOptima Board of Directors

Attest:

/s/ _____

Suzanne Turf, Clerk of the Board



Policy #: AA.1271PP
Title: **Whole Child Model Family Advisory Committee**
Department: General Administration
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 06/07/18
Last Review Date: Not Applicable
Last Revised Date: Not Applicable

1 **I. PURPOSE**

2
3 This policy describes the composition and role of the Family Advisory Committee for Whole Child
4 Model (WCM) and establishes a process for recruiting, evaluating, and selecting prospective candidates
5 to the Whole Child Model Family Advisory Committee (WCM FAC).
6

7 **II. POLICY**

- 8
9 A. As directed by CalOptima’s Board of Directors (Board), the WCM FAC shall report to the
10 CalOptima Board and shall provide advice and recommendations to the CalOptima Board and
11 CalOptima staff in regards to California Children’s Services (CCS) provided by CalOptima Medi-
12 Cal's implementation of the WCM.
13
14 B. CalOptima’s Board encourages Member and community involvement in CalOptima programs.
15
16 C. WCM FAC members shall recuse themselves from voting or from decisions where a conflict of
17 interest may exist and shall abide by CalOptima’s conflict of interest code and, in accordance with
18 CalOptima Policy AA.1204: Gifts, Honoraria, and Travel Payments.
19
20 D. CalOptima shall provide timely reporting of information pertaining to the WCM FAC as requested
21 by the Department of Health Care Services (DHCS).
22
23 E. The composition of the WCM FAC shall reflect the cultural diversity and special needs of the health
24 care consumers within the Whole-Child Model population. WCM FAC members shall have direct
25 or indirect contact with CalOptima Members.
26
27 F. In accordance with CalOptima Board Resolution No. 17-1102-01, the WCM FAC shall be
28 comprised of eleven (11) voting members representing CCS family members, as well as consumer
29 advocates representing CCS families. Except as noted below, each voting member shall serve a two
30 (2) year term with no limits on the number of terms a representative may serve. The initial
31 appointments of WCM FAC members will be divided between one (1) and two (2)-year terms to
32 stagger reappointments. In the first year, five (5) committee member seats shall be appointed for a
33 one (1)-year term and six (6) committee member seats shall be appointed for a two (2)-year term.
34 The WCM FAC members serving a one (1) year term in the first year shall, if reappointed, serve
35 two (2) year terms thereafter.
36
37

- 1 1. Seven (7) to nine (9) of the seats shall be family representatives in one (1) of the following
2 categories, with a priority to family representatives (i.e., if qualifying family representative
3 candidates are available, all nine (9) seats will be filled by family representatives):
4
 - 5 a. Authorized representatives, including parents, foster parents, and caregivers, of a
6 CalOptima Member who is a current recipient of CCS services;
7
 - 8 b. CalOptima Members eighteen (18)-twenty-one (21) years of age who are current recipients
9 of CCS services; or
 - 10 c. Current CalOptima members over the age of twenty-one (21) who transitioned from CCS
11 services.
- 12 2. Two (2) to four (4) of the seats shall represent the interests of children receiving CCS services,
13 including:
 - 14 a. Community-based organizations; or
 - 15 b. Consumer advocates.
- 16 3. While two (2) of the WCM FAC's eleven (11) seats are designated for community-based
17 organizations or consumer advocates, an additional two (2) WCM FAC candidates representing
18 these groups may be considered for these seats in the event that there are not sufficient family
19 representative candidates to fill the family member seats.
- 20 4. Interpretive services shall be provided at committee meetings upon request from a WCM FAC
21 member or family member representative.
- 22 5. A family representative, in accordance with Section II.G.1 of this Policy, may be invited to
23 serve on a statewide stakeholder advisory group.

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32 G. Stipends

- 33 1. Subject to approval by the CalOptima Board, CalOptima may provide a reasonable per diem
34 payment to a member or family representative serving on the WCM FAC. CalOptima shall
35 maintain a log of each payment provided to the member or family representative, including type
36 and value, and shall provide such log to DHCS upon request.
37
 - 38 a. Representatives of community-based organizations and consumer advocates are not eligible
39 for stipends.
40

41
42 H. The WCM FAC shall conduct a nomination process to recruit potential candidates for expiring
43 seats, in accordance with this Policy.

44
45 I. WCM FAC Vacancies

- 46 1. If a seat is vacated within two (2) months from the start of the nomination process, the vacated
47 seat shall be filled during the annual recruitment and nomination process.
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- 2. If a seat is vacated after the annual nomination process is complete, the WCM FAC nomination ad hoc subcommittee shall review the applicants from the recent recruitment to see if there is a viable candidate.
 - a. If there is no viable candidate among the applicants, CalOptima shall conduct recruitment, per section III.B.2.
 - 3. A new WCM FAC member appointed to fill a mid-term vacancy, shall serve the remainder of the resigning member’s term, which may be less than a full two (2) year term.
- J. On an annual basis, WCM FAC shall select a chair and vice chair from its membership to coincide with the annual recruitment and nomination process. Candidate recruitment and selection of the chair and vice chair shall be conducted in accordance with Sections III.B-D of this Policy.
- 1. The WCM FAC chair and vice chair may serve two (2) consecutive one (1) year terms.
 - 2. The WCM FAC chair and/or vice chair may be removed by a majority vote of CalOptima’s Board.
- K. The WCM FAC chair, or vice chair, shall ask for three (3) to four (4) members from the WCM FAC to serve on a nomination ad hoc subcommittee. WCM FAC members who are being considered for reappointment cannot participate in the nomination ad hoc subcommittee.
- 1. The WCM FAC nomination ad hoc subcommittee shall:
 - a. Review, evaluate and select a prospective chair, vice chair and a candidate for each of the open seats, in accordance with Section III.C-D of this Policy; and
 - b. Forward the prospective chair, vice chair, and slate of candidate(s) to the WCM FAC for review and approval.
 - 2. Following approval from the WCM FAC, the recommended chair, vice chair, and slate of candidate(s) shall be forwarded to CalOptima’s Board for review and approval.
- L. CalOptima’s Board shall approve all appointments, reappointments, and chair and vice chair appointments to the WCM FAC.
- M. Upon appointment to WCM FAC and annually thereafter, WCM FAC members shall be required to complete all mandatory annual Compliance Training by the given deadline to maintain eligibility standing on the WCM FAC.
- N. WCM FAC members shall attend all regularly scheduled meetings, unless they have an excused absence. An absence shall be considered excused if a WCM FAC member provides notification of an absence to CalOptima staff prior to the meeting. CalOptima staff shall maintain an attendance log of the WCM FAC members’ attendance at WCM FAC meetings. As the attendance log is a public record, any request from a member of the public, the WCM FAC chair, the vice chair, the Chief Executive Officer, or the CalOptima Board, CalOptima staff shall provide a copy of the attendance log to the requester. In addition, the WCM FAC chair, or vice chair, shall contact any committee member who has three (3) consecutive unexcused absences.

- 1 1. WCM FAC members' attendance shall be considered as a criterion upon reapplication.
2

3 **III. PROCEDURE**
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5 A. WCM FAC meeting frequency
6

- 7 1. WCM FAC shall meet at least quarterly.
8
9 2. WCM FAC shall adopt a yearly meeting schedule at the first regularly scheduled meeting in or
10 after January of each year.
11
12 3. Attendance by a simple majority of appointed members shall constitute a quorum, and a quorum
13 must be present for any votes to be valid.
14

15 B. WCM FAC recruitment process
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- 17 1. CalOptima shall begin recruitment of potential candidates in March of each year. In the
18 recruitment of potential candidates, the ethnic and cultural diversity and special needs of
19 children and/or families of children in CCS which are or are expected to transition to
20 CalOptima's Whole-Child Model population shall be considered. Nominations and input from
21 interest groups and agencies shall be given due consideration.
22
23 2. CalOptima shall recruit for potential candidates using one or more notification methods, which
24 may include, but are not limited to, the following:
25
26 a. Outreach to family representatives and community advocates that represent children
27 receiving CCS;
28
29 b. Placement of vacancy notices on the CalOptima website; and/or
30
31 c. Advertisement of vacancies in local newspapers in Threshold Languages.
32
33 3. Prospective candidates must submit a WCM Family Advisory Committee application, including
34 resume and signed consent forms. Candidates shall be notified at the time of recruitment
35 regarding the deadline to submit their application to CalOptima.
36
37 4. Except for the initial recruitment, the WCM FAC chair or vice chair shall inquire of its
38 membership whether there are interested candidates who wish to be considered as a chair or
39 vice chair for the upcoming fiscal year.
40
41 a. CalOptima shall inquire at the first WCM FAC meeting whether there are interested
42 candidates who wish to be considered as a chair for the first year.
43

44 C. WCM FAC nomination evaluation process
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- 46 1. The WCM FAC chair or vice chair shall request three (3) to four (4) members, who are not
47 being considered for reappointment, to serve on the nominations ad hoc subcommittee. For the
48 first nomination process, Member Advisory Committee (MAC) members shall serve on the
49 nominations ad hoc subcommittee to review candidates for WCM FAC.
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- a. At the discretion of the nomination ad hoc subcommittee, a subject matter expert (SME), may be included on the subcommittee to provide consultation and advice.
- 2. Prior to WCM FAC nomination ad hoc subcommittee meeting (including the initial WCM FAC nomination ad hoc subcommittee).
 - a. Ad hoc subcommittee members shall individually evaluate and score the application for each of the prospective candidates using the applicant evaluation tool.
 - b. Ad hoc subcommittee members shall individually evaluate and select a chair and vice chair from among the interested candidates.
 - c. At the discretion of the ad hoc subcommittee, subcommittee members may contact a prospective candidate’s references for additional information and background validation.
- 3. The ad hoc subcommittee shall convene to discuss and select a chair, vice chair and a candidate for each of the expiring seats by using the findings from the applicant evaluation tool, the attendance record if relevant and the prospective candidate’s references.
- D. WCM FAC selection and approval process for prospective chair, vice chair, and WCM FAC candidates:
 - 1. The nomination ad hoc subcommittee shall forward its recommendation for a chair, vice chair, and a slate of candidates to WCM FAC (or in the first year, the MAC) for review and approval. Following WCM FAC’s approval (or in the first year, the MAC), the proposed chair, vice chair and slate of candidates shall be submitted to CalOptima’s Board for approval.
 - 2. The WCM FAC members’ terms shall be effective upon approval by the CalOptima Board.
 - a. In the case of a selected candidate filling a seat that was vacated mid-term, the new candidate shall attend the immediately following WCM FAC meeting.
 - 3. WCM FAC members shall attend a new advisory committee member orientation.

IV. ATTACHMENTS

- A. Whole-Child Model Member Advisory Committee Application
- B. Whole-Child Model Member Advisory Committee Applicant Evaluation Tool
- C. Whole-Child Model Community Advisory Committee Application
- D. Whole-Child Model Community Advisory Committee Applicant Evaluation Tool

V. REFERENCES

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Board Resolution 17-1102-01
- C. CalOptima Policy AA.1204: Gifts, Honoraria, and Travel Payments
- D. Welfare and Institutions Code §14094.17(b)

VI. REGULATORY AGENCY APPROVALS

Policy #: AA.1271

Title: Whole Child Model Family Advisory Committee

Effective Date: 06/07/18

1 None to Date

2

3

VII. BOARD ACTIONS

4

A. 11/02/17: Regular Meeting of the CalOptima Board of Directors

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VIII. REVIEW/REVISION HISTORY

8

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	06/07/2018	AA.1271PP	Whole Child Model Family Advisory Committee	Medi-Cal

9

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IX. GLOSSARY

Term	Definition
California Children’s Services Program	The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible children under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9.
Member	For purposes of this policy, an enrollee-beneficiary of the CalOptima Medi-Cal Program receiving California Children's Services through the Whole Child Model program.
Member Advisory Committee (MAC)	A committee comprised of community advocates and Members, each of whom represents a constituency served by CalOptima, which was established by CalOptima to advise its Board of Directors on issues impacting Members.
Threshold Languages	Those languages identified based upon State requirements and/or findings of the Group Needs Assessment (GNA).
Whole Child Model	An organized delivery system that will ensure comprehensive, coordinated services through enhanced partnerships among Medi-Cal managed care plans, children’s hospitals and specialty care providers.

4

DRAFT

Whole-Child Model Family Advisory Committee (WCM FAC) Member Application

Instructions: Please type or print clearly. This application is for current California Children's Services (CCS) members and their family members. Please attach a résumé or bio outlining your qualifications and include signed authorization forms. For questions, please call **1-714-246-8635**.

Name: _____ Primary Phone: _____
 Address: _____ Secondary Phone: _____
 City, State, ZIP: _____ Fax: _____
 Date: _____ Email: _____

Please see the eligibility criteria below:*

Seven (7) to nine (9) seats shall be family representatives in one of the following categories. Please indicate:

- Authorized representatives, which includes parents, foster parents, and caregivers, of a CalOptima member who is a current recipient of CCS services;
- CalOptima members age 18–21 who are current recipients of CCS services; or
- Current CalOptima members over the age of 21 who transitioned from CCS services

Four (4) seats will be appointed for a one-year term and five (5) seats will be appointed for a two-year term.

CalOptima Medi-Cal/CCS status (e.g., member, family member, foster parent, caregiver, etc.):

If you are a family member/foster parent/caregiver, please tell us who the member is and what your relationship is to the member:

Member Name: _____ Relationship: _____

Please tell us whether you have been a CalOptima member (i.e., Medi-Cal) or have any consumer advocacy experience: _____

Please explain why you would be a good representative for diverse cultural and/or special needs of children and/or the families of children in CCS. Include any relevant experience working with these populations: _____

Please provide a brief description of your knowledge or experience with California Children's Services: _____

Please explain why you wish to serve on the WCM FAC: _____

Describe why you would be a qualified representative for service on the WCM FAC: _____

Other than English, do you speak or read any of CalOptima's threshold languages for the Whole-Child Model (i.e. Spanish, Vietnamese, Korean, Farsi, Chinese or Arabic)? If so, which one(s)?

If selected, are you able to commit to attending quarterly (at least) WCM FAC meetings, as well as serving on at least one subcommittee? Yes No

Please supply two references (professional, community or personal):

Name: _____

Name: _____

Relationship: _____

Relationship: _____

Address: _____

Address: _____

City, State, ZIP: _____

City, State, ZIP: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

* Interested candidates for the WCM FAC member or family member seats must reside in Orange County and maintain enrollment in CalOptima Medi-Cal and/or California Children Services/Whole-Child Model or must be a family member of an enrolled CalOptima Medi-Cal and California Children Services/Whole-Child Model member.

This information is available for free in other languages. Please call our Customer Service Department toll-free at **1-888-587-8808**. TDD/TTY users can call toll-free at **1-800-735-2929**.

[Back to Agenda](#)

Please sign the **Public Records Act Notice** below and **Limited Privacy Waiver** on the next page. You also need to sign the attached **Authorization for Use or Disclosure of Protected Health Information** form to enable CalOptima to verify current member status.

PUBLIC RECORDS ACT NOTICE

Under California law, this form, the information it contains, and any further information submitted with it, such as biographical summaries and résumés, are public records, with the exception of your address, email address, and telephone numbers, and the same information of any references provided. These documents may be presented to the Board of Directors for their consideration at a public meeting, at which time they will be published, with the contact information removed, as part of the Board Materials that are available on CalOptima’s website, and even if not presented to the Board, will be available on request to members of the public.

Signature: _____

Date: _____

Print Name: _____

LIMITED PRIVACY WAIVER

Under state and federal law, the fact that a person is eligible for Medi-Cal and California Children's Services (CCS) is a private matter that may only be disclosed by CalOptima as necessary to administer the Medi-Cal and CCS program, unless other disclosures are authorized by the eligible member. Because the position of Member Representative on Whole Child Model Family Advisory Committee (WCM FAC) requires that the person appointed must be a member or a family member of a member receiving CCS, the member's Medi-Cal and CCS eligibility will be disclosed to the general public. The member or their representative (e.g. parent, foster parent, guardian, etc.) should check the appropriate box below and sign this waiver to allow his or her, or his or her family member or caregiver's name to be nominated for the advisory committee.

MEMBER APPLICANT — I understand that by signing below and applying to serve on the WCM FAC, I am disclosing my eligibility for the Medi-Cal and CCS program, the fact of which is otherwise protected under state or federal law. I am not agreeing to disclose any other information protected by state or federal law.

FAMILY MEMBER APPLICANT — I understand that by applying to serve on the WCM FAC, my status as a family member of a person eligible for Medi-Cal and CCS benefits is likely to become public. I authorize the disclosing of my family member's (insert name of member: _____) eligibility for the Medi-Cal and CCS program, the fact of which is otherwise protected under state or federal law. I am not agreeing to disclose any other information protected by state or federal law.

Medi-Cal/CCS Member (Printed Name): _____

Applicant Printed Name: _____

Applicant Signature: _____ Date: _____

**AUTHORIZATION FOR USE AND DISCLOSURE OF
PROTECTED HEALTH INFORMATION (PHI)**

The federal HIPAA Privacy Regulations requires that you complete this form to authorize CalOptima to use or disclose your Protected Health Information (PHI) to another person or organization. Please complete, sign, and return the form to CalOptima.

Date of Request: _____ Telephone Number: _____
Member Name: _____ Member CIN: _____

AUTHORIZATION:

I, _____, hereby authorize CalOptima, to use or disclose my health information as described below.

Describe the health information that will be used or disclosed under this authorization (please be specific): Information related to the identity, program administrative activities and/or services provided to {me} {my child} which is disclosed in response to my own disclosures and/or questions related to same.

Person or organization authorized to receive the health information: General public

Describe each purpose of the requested use or disclosure (please be specific): To allow CalOptima staff to respond to questions or issues raised by me that may require reference to my health information that is protected from disclosure by law during public meetings of the CalOptima Whole-Child Model Family Advisory Committee

EXPIRATION DATE:

This authorization shall become effective immediately and shall expire on: The end of the term of the position applied for

Right to Revoke: I understand that I have the right to revoke this authorization in writing at any time. To revoke this authorization, I understand that I must make my request in writing and clearly state that I am revoking this specific authorization. In addition, I must sign my request and then mail or deliver my request to:

CalOptima
Customer Service Department
505 City Parkway West
Orange, CA 92868

1 I understand that a revocation will not affect the ability of CalOptima or any health care provider to use
2 or disclose the health information to the extent that it has acted in reliance on this authorization.

3 **RESTRICTIONS:**

4
5 I understand that anything that occurs in the context of a public meeting, including the meetings of the
6 Whole Child Model Family Advisory Committee, is a matter of public record that is required to be
7 disclosed upon request under the California Public Records Act. Information related to, or relevant to,
8 information disclosed pursuant to this authorization that is not disclosed at the public meeting remains
9 protected from disclosure under the Health Insurance Portability and Accountability Act (HIPAA), and
10 will not be disclosed by CalOptima without separate authorization, unless disclosure is permitted by
11 HIPAA without authorization, or is required by law.

12 **MEMBER RIGHTS:**

- 13 • I understand that I must receive a copy of this authorization.
- 14 • I understand that I may receive additional copies of the authorization.
- 15 • I understand that I may refuse to sign this authorization.
- 16 • I understand that I may withdraw this authorization at any time.
- 17 • I understand that neither treatment nor payment will be dependent upon my refusing or agreeing
18 to sign this authorization.
- 19

20 **ADDITIONAL COPIES:**

21
22 Did you receive additional copies? Yes No

23 **SIGNATURE:**

24
25 By signing below, I acknowledge receiving a copy of this authorization.

26 Member Signature: _____ Date: _____

27 Signature of Parent or Legal Guardian: _____ Date: _____

28
29
30 ***If Authorized Representative:***

31 Name of Personal Representative: _____

32 Legal Relationship to Member: _____

33 Signature of Personal Representative: _____ Date: _____

34
35 ***Basis for legal authority to sign this Authorization by a Personal Representative***

36 (If a personal representative has signed this form on behalf of the member, a copy of the Health Care
37 Power of Attorney, a court order (such as appointment as a conservator, or as the executor or

- 1 administrator of a deceased member's estate), or other legal documentation demonstrating the authority
- 2 of the personal representative to act on the individual's behalf must be attached to this form.)



Applicant Name: _____

WCM Family Advisory Committee
Applicant Evaluation Tool (use one per applicant)

WCM FAC Seat: _____

Please rate questions 1 through 5 below based on how well the applicant satisfies the following statements where

5 is Excellent 4 is Very good 3 is Average 2 is Fair 1 is Poor

<u>Criteria for Nomination Consideration and Point Scale</u>	<u>Possible Points</u>	<u>Awarded Points</u>
1. Consumer advocacy experience or Medi-Cal member experience	1-5	_____
2. Good representative for diverse cultural and/or special needs of children and/or families of children in CCS	1-5	_____
Include relevant experience with these populations	1-5	_____
3. Knowledge or experience with California Children’s Services	1-5	_____
4. Explanation why applicant wishes to serve on the WCM FAC	1-5	_____
5. Explanation why applicant is a qualified representative for WCM FAC	1-5	_____
6. Ability to speak one of the threshold languages (other than English)	Yes/No	_____
7. Availability and willingness to attend meetings	Yes/No	_____
8. Supportive references	Yes/No	_____
	Total Possible Points	30

 Name of Evaluator

 Total Points Awarded

Whole-Child Model Family Advisory Committee (WCM FAC) Community Application

**Instructions: Please answer all questions. You may handwrite or type your answers.
Attach an additional page if needed.
If you have any questions regarding the application, call 1-714-246-8635.**

Name: _____ Work Phone: _____
Address: _____ Mobile Phone: _____
City, State ZIP: _____ Fax Number: _____
Date: _____ Email: _____

Please see the eligibility criteria below:

Two (2) to four (4) seats will represent the interests of children receiving California Children’s Services (CCS), including:

- Community-based organizations
- Consumer advocates

Except for two designated seats appointed for the initial year of the Committee, all appointments are for a two-year period, subject to continued eligibility to hold a Community representative seat.

Current position and/or relation to a community-based organization or consumer advocate(s) (e.g., organization title, student, volunteer, etc.):

1. Please provide a brief description of your direct or indirect experience working with the CalOptima population receiving CCS services and/or the constituency you wish to represent on the WCM FAC. Include any relevant community experience:

2. What is your understanding of and familiarity with the diverse cultural and/or special needs of children receiving CCS services in Orange County and/or their families? Include any relevant experience working with such populations:

3. What is your understanding of and experience with California Children's Services, managed care systems and/or CalOptima?

4. Please explain why you wish to serve on the WCM FAC:

5. Describe why you would be a qualified representative for service on the WCM FAC:

6. Other than English, do you speak or read any of CalOptima's threshold languages, such as Spanish, Vietnamese, Korean, Farsi, Chinese or Arabic? If so, which one(s)?

7. If selected, are you able to commit to attending WCM FAC meetings, as well as serving on at least one subcommittee? Yes No

8. Please supply two references (professional, community or personal):

Name: _____	Name: _____
Relationship: _____	Relationship: _____
Address: _____	Address: _____
City, State ZIP: _____	City, State ZIP: _____
Phone: _____	Phone: _____
Email: _____	Email: _____

Submit with a **biography or résumé** to:

CalOptima, 505 City Parkway West, Orange, CA 92868

Attn: Becki Melli

Email: bmelli@caloptima.org

For questions, call **1-714-246-8635**

Applications must be received by March 30, 2018.

Public Records Act Notice

Under California law, this form, the information it contains, and any further information submitted with it, such as biographical summaries and résumés, are public records, with the exception of your address, email address, and telephone numbers, and the same information of any references provided. These documents may be presented to the Board of Directors for their consideration at a public meeting, at which time they will be published, with the contact information removed, as part of the Board Materials that are available on CalOptima’s website, and even if not presented to the Board, will be available on request to members of the public.

Signature

Date

Print Name



Applicant Name: _____

WCM Family Advisory Committee
Applicant Evaluation Tool (use one per applicant)

WCM FAC Seat: _____

Please rate questions 1 through 5 below based on how well the applicant satisfies the following statements where
 5 is Excellent 4 is Very good 3 is Average 2 is Fair 1 is Poor

<u>Criteria for Nomination Consideration and Point Scale</u>	<u>Possible Points</u>	<u>Awarded Points</u>
1. Direct or indirect experience working with members the applicant wishes to represent	1-5	_____
Include relevant community involvement	1-5	_____
2. Understanding of and familiarity with the diverse cultural and/or special needs populations in Orange County	1-5	_____
Include relevant experience with diverse populations	1-5	_____
3. Knowledge of managed care systems and/or CalOptima programs	1-5	_____
4. Expressed desire to serve on the WCM FAC	1-5	_____
5. Explanation why applicant is a qualified representative	1-5	_____
6. Ability to speak one of the threshold languages (other than English)	Yes/No	_____
7. Availability and willingness to attend meetings	Yes/No	_____
8. Supportive references	Yes/No	_____
	Total Possible Points	_____ 35
_____ Name of Evaluator	Back to Agenda	Total Points Awarded _____

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 4, 2009 Regular Meeting of the CalOptima Board of Directors

Report Item

VI. E. Approve Health Network Contract Rate Methodology

Contact

Michael Engelhard, Chief Financial Officer, (714) 246-8400

Recommended Action

Approve the modification methodology of Health Network capitation rates for October 1, 2009.

Background

Health Network capitation is the payment method that CalOptima uses to reimburse PHCs and shared risk groups for the provision of health care services to members enrolled in CalOptima Medi-Cal and CalOptima Kids. In order to ensure that reimbursement to such capitated providers reflects up-to-date information, CalOptima periodically contracts with its actuarial consultants to recalculate or “rebase” these payment rates.

The purpose of this year’s rebasing is to:

- Establish actuarially sound facility and professional capitation rates;
- Account for changes in CalOptima’s delivery model;
- Incorporate changes in the Division of Financial Responsibility (DOFR); and
- Perform separate analyses for Medi-Cal and CalOptima Kids.

The overall methodology for this year’s rebasing approach includes:

- CalOptima eligibility data;
- Encounter and CalOptima Direct (COD) claim data analysis
- Reimbursement analysis;
- PCP capitation analysis;
- Maternity “kick” payment analysis;
- State benefit carve-out analysis;
- Reinsurance analysis;
- Administrative load analysis;
- Budget neutrality established

Discussion

CalOptima uses capitation as one way to reimburse certain contracted health care providers for services rendered. A Capitation payment is made to the provider during the month and is based solely on the number of contracted members assigned to that provider

at the beginning of each month. The provider is then responsible for utilizing those dollars in exchange for all services provided during that month or period.

To ensure that capitated payment rates reflect the current structure and responsibilities between CalOptima and its delegated providers, capitation rates need to be periodically reset or rebased.

CalOptima last performed a comprehensive rate rebasing in July 2007, for rates effective January 1, 2008, for CalOptima Medi-Cal only. Much has changed since that time including the establishment of shared risk groups; the movement of certain high-acuity members out of the Health Networks and into COD; changes in the DOFR between hospitals, physicians and CalOptima; shifts in member mix between the Health Networks; and changes in utilization of services by members.

Therefore, CalOptima opted to perform another comprehensive rebasing analysis prior to the FY2009-10 year in order to fully reflect the above-mentioned changes.

Fiscal Impact

CalOptima projects no fiscal impact as a result of the rebasing. Rebasing is designed to be budget neutral to overall CalOptima medical expenses even though there will likely be changes to specific capitation rates paid to Health Network providers.

Rationale for Recommendation

Staff recommends approval of this action to provide proper reimbursement levels to CalOptima's capitated health networks participating in CalOptima Medi-Cal and CalOptima Kids.

Concurrence

Procopio, Cory, Hargreaves & Savitch LLP

Attachments

None

/s/ Richard Chambers
Authorized Signature

5/27/2009
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

11. Consider Authorizing Contract with a Non-Medical Transportation (NMT) Vendor Effective January 1, 2019

Contact

Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400

Recommended Action

Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to enter into agreement with Veyo LLC to serve as CalOptima's Non-Medical Transportation Vendor for OneCare Connect, OneCare and Medi-Cal members, except those enrolled in Kaiser. Contract to be effective January 1, 2019 for a three (3) year term with two (2) additional one-year extension options, each exercisable at CalOptima's sole discretion.

Background

CalOptima has provided NMT services to Medicare beneficiaries through American Logistics Corporation (ALC) since 2008. This service was provided as a supplemental benefit to members of CalOptima's OneCare program, and upon its inception, to OneCare Connect members. On July 1, 2016, NMT benefits were extended to children accessing Early and Periodic Screening Diagnostic and Treatment (EPSDT) services through the Medi-Cal program. The contract with ALC was amended to include the additional benefit coverage.

On June 29, 2017, the California Department of Health care Services (DHCS) released All Plan Letter (APL) 17-010 providing Managed Care Plans (MCP) including CalOptima with guidance for Non-Emergency Medical Transportation and NMT services. The APL specified that, effective July 1, 2017, MCPs were expected to provide NMT services for all Medi-Cal members. These services include round trip transportation for medically necessary covered and carved-out Medi-Cal services. NMT services may be provided by passenger car, taxi cab, or any other form of public or private conveyance as well as gas mileage reimbursement under certain conditions.

On August 3, 2017, the CalOptima Board of Directors ratified an amendment to the ALC contract to provide the expanded benefit and authorized the CEO to issue a Request for Proposal (RFP) to solicit bids from vendors to provide NMT services for CalOptima members effective April 1, 2018.

On December 7, 2017, the Board authorized staff to extend the existing ALC contract through December 31, 2018. This extension allowed staff additional time to clarify operational concerns which was essential to drafting a comprehensive Scope of Work for the RFP and to assess the RFP responses to identify the provider for this service.

Discussion

The RFP was issued by CalOptima in December 2017 and included a Scope of Work and the CalOptima contract. Three qualified vendors participated and their responses to the RFP were

reviewed by CalOptima’s evaluation team, which consisted of representatives from the following departments: Customer Service, Medical Management, Contracting, Finance, Claims Administration, Regulatory Affair and Compliance, and Information Services. The selected vendor will be obligated to coordinate the NMT transportation needs of all members. As such, the RFP responders were evaluated based on services provided, ability to manage administrative services which included eligibility verification, reporting, technical capabilities, interpreter services, claims administration and adequacy of vehicles. In addition, the three vendors underwent an interview process conducted by the evaluation team and were assessed based on their presentations and qualification.

The evaluation team’s final weighted scoring for the RFP is as follows:

Vendor	Score
Veyo LLC	85.91
American Logistics Company, LLC	79.09
Access2Care, LLC	71.36

The RFP evaluation team identified Veyo LLC as the vendor that best meets CalOptima’s need for a safe, reliable, regulatorily compliant, technologically advanced, and cost-effective transportation vendor. Accordingly, staff recommends contracting with Veyo, LLC for an initial three (3) year term with option to extend the contract for two (2) additional one-year terms.

Fiscal Impact

The CalOptima Fiscal Year (FY) 2018-19 Operating Budget approved by the Board on June 7, 2018, includes approximately \$7.03 million for Medi-Cal, OneCare Connect, and OneCare non-medical transportation expenses. Based on projected utilization trends, the budgeted amount is expected to be sufficient to cover the costs of providing NMT services in FY 2018-19, under the proposed reimbursement terms with Veyo, LLC. Therefore, the recommended action to enter into agreement with Veyo, effective January 1, 2019, is a budgeted item with no expected additional fiscal impact.

Rationale for Recommendation

Based on the review of the possible vendors, Staff recommends contracting with Veyo, LLC to maintain compliance with NMT requirements and to ensure members receive safe, reliable transportation to covered services.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Board Action dated December 7, 2017, Consider Authorizing Extension of Contract with American Logistics for Non-Medical Transportation Services
 - a. Board Action dated September 3, 2015, Authorize Extension of OneCare/OneCare Connect Taxi Services Contracts, Implementation of Taxi Services Benefit for Qualifying Medi-Cal Children to Meet Early and Periodic Screening, Diagnostic
 - b. Board Action dated April 7, 2016, Consider Selection of Taxi Vendor and Authorize Contract for Taxi Services Effective July 1, 2016

- c. Board Action dated August 3, 2017, Consider Ratification of Amendment to Contract with American Logistics; Consider Actions Related to Implementing Medi-Cal Non-Medical Transportation Benefit
- d. July 17, 2017 DHCS ALL Plan Letter 17-010 (Revised) Non-Emergency Medical and Non-Medical Transportation Services

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken December 7, 2017 **Regular Meeting of the CalOptima Board of Directors**

Report Item

16. Consider Authorizing Extension of Contract with American Logistics for Non-Medical Transportation Services

Contact

Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400

Recommended Action

Authorize the CEO, with the assistance of legal counsel, to amend CalOptima's contract with American Logistics for non-medical transportation (NMT) for CalOptima Medi-Cal members to extend this agreement through December 31, 2018. All other terms and conditions will remain the same.

Background/Discussion

Medi-Cal managed care plan (MCP) benefits include emergency transportation, non-emergency medical transportation (NEMT) and, prior to July 1, 2017, non-medical transportation (NMT) only for children accessing Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services. However, AB 2394 (Garcia, 2016) amends the covered outpatient services delineated in Welfare & Institutions Code section 14312 to expressly include NMT for all Medi-Cal members, including adults, effective July 1, 2017, "subject to utilization controls and permissible time and distance standards, for a beneficiary to obtain covered Medi-Cal services."

Prior to July 1, 2017, CalOptima contracted with American Logistics to provide taxi services for OneCare and OneCare Connect members, as well as Medi-Cal members receiving EPSDT services. The agreement with American Logistics covering transportation to and from EPSDT services was authorized by the CalOptima Board on September 3, 2015, with the contract covering Medicare services authorized by the Board on April 7, 2016 and executed on July 1, 2016. Considering the short lead time between the DHCS's issuance of APL 17-010 on June 29, 2017 and the required implementation date (the following day), CalOptima staff amended the American Logistics contract through March 31, 2018 to broaden the scope of work to include the Medi-Cal NMT benefit to ensure that the benefit was available to members while a longer term solution was being developed. This action was ratified by the Board at the August 3, 2017 meeting.

Also on August 3, 2017, the Board of Directors authorized staff to issue a RFP to solicit bids from vendors to provide NMT services for CalOptima Medi-Cal members with an effective date of April 1, 2018.

Staff is in the process of issuing a RFP. However, staff has determined that more time is needed to issue, assess and identify successful provider(s) to supply NMT services and to implement the services with providers. The Department of Health Care Services (DHCS) has indicated that a Dual Plan Letter will be issued to provide additional guidance regarding NMT services for Cal

MediConnect plans which has not been released yet. Additional information to address operational concerns has also been provided by DHCS, most recently on November 13, 2017. The enhanced information provided by the State has been instrumental in crafting a statement of work for the RFP. Consequently, to allow sufficient time for the RFP process while all the updates from DHCS is being incorporated and ensure that there is no disruption to member access to this important transportation benefit, staff is requesteng Board authority to extend the American Logistics contract through December 31, 2018. It is anticipated that contract(s) with the vendor(s) selected through the RFP process will take effect on January 1, 2019.

Fiscal Impact

Because the NMT benefit was added by a DHCS APL 17-010 on June 29, 2017 and took effect the following day, funding for this mandated benefit was not included in the CalOptima Fiscal Year (FY) 2017-18 Operating Budget. Based on draft capitation rates received from DHCS, projected costs for the NMT benefit are approximately \$4.83 million for FY 2017-18. Staff anticipates that funding for NMT services will be sufficient to fully cover the costs of the benefit. Management plans to include expenses related to NMT services for the period July 1, 2018, through December 31, 2018, in the FY 2018-19 Operating Budget.

Rationale for Recommendation

CalOptima staff recommends extension of the current contract with American Logistics through December 2018 for NMT services to ensure that CalOptima Medi-Cal beneficiaries have access to this important benefit while the RFP process is being completed.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Board Action dated September 3, 2015, Authorize Extension of OneCare/OneCare Connect Taxi Services Contracts, Implementation of Taxi Services Benefit for Qualifying Medi-Cal Children to Meet Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Guidelines, Conduct a Request for Proposal Process for Taxi Services, and Contract with Selected Vendor(s)
2. Board Action dated April 7, 2016, Consider Selection of Taxi Vendor and Authorize Contract for Taxi Services Effective July 1, 2016
3. Board Action dated August 3, 2017, Consider Ratification of Amendment to Contract with American Logistics; Consider Actions Related to Implementing Medi-Cal Non-Medical Transportation Benefit
 - a. July 17, 2017 DHCS All Plan Letter 17-010 (Revised) Non-Emergency Medical and Non-Medical Transportation Services

/s/ Michael Schrader
Authorized Signature

11/30/2017
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 3, 2015 **Regular Meeting of the CalOptima Board of Directors**

Report Item

VIII. F. Authorize Extension of OneCare/OneCare Connect Taxi Services Contracts, Implementation of Taxi Services Benefit for Qualifying Medi-Cal Children to Meet Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Guidelines, Conduct a Request for Proposal Process for Taxi Services, and Contract with Selected Vendor(s)

Contact

Javier Sanchez, Chief Network Officer, (714) 246-8400

Recommended Actions

Authorize the Chief Executive Officer (CEO), with the assistance of legal counsel, to:

1. Extend current OneCare/OneCare Connect taxi services contract for an additional six months from January 1, 2016 through June 30, 2016;
2. Amend budget based on Department of Health Care Services (DHCS) requirements for taxi services for qualifying Medi-Cal children and their caregiver and/or guardian per 2015 EPSDT guidelines for the 2015-2016 fiscal year;
3. Amend contracts with existing taxi services providers to include the Medi-Cal program EPSDT benefit; and
4. Issue a Request for Proposal (RFP) for taxi services for the OneCare, OneCare Connect and Medi-Cal lines of business, and authorize the CEO to contract with vendor(s) selected through this process, with contracts to be effective July 1, 2016 for a two-year term, with three additional one-year extension options, each exercisable at CalOptima's sole discretion.

Background and Discussion

Taxi transportation is a supplemental benefit for OneCare (OC) and a required benefit for OneCare Connect (OCC) members. CalOptima has contracted with American Logistics since January 1, 2008 for services to OneCare members, as a result of an RFP process was conducted in 2007. At its November 6, 2008 meeting, the Board authorized CalOptima's OC Taxi Transportation supplemental benefit, including extension of CalOptima's contract with American Logistics. At its January 2013 meeting, the Board authorized staff to leverage the OC provider network as the basis for the Duals Delivery system, and OCC was added to the current OC contract. The current contract expires December 31, 2015, based on the previous contract extensions.

Currently, the OC and OCC benefits allow for thirty (30) one-way trips per calendar year for each Member. To access this benefit, Members call American Logistics directly and schedule their taxi pick-up in order to receive one-way transportation to their appointment. This is an important benefit for dual eligible beneficiaries, for many of whom availability of transportation may determine whether they are able to obtain appropriate medical services.

The Department of Health Care Services (DHCS), through the EPSDT guidance, requires that non-medical transportation via taxi be made available to qualifying children in the Medi-Cal program. Based on projected membership and expected cost per member per month (PMPM) for Fiscal Year (FY) 2015-16, a budget of \$200,000 is requested to meet this requirement, and CalOptima's current

contract with the taxi provider for OneCare and OneCare Connect are to be amended to include Medi-Cal for the qualifying EPSDT children.

As mentioned above, American Logistics has been the sole taxi provider contracted January 1, 2008 as a result of an RFQ released in 2007. In accordance with vendor management best practices, it is appropriate to complete a new RFP process, with the targeted effective date of new contract(s) of July 1, 2016.

CalOptima's Medical Management and Customer Service staff have reviewed the utilization performance of this provider, evaluated the access needs of CalOptima members, and determined that American Logistics adequately meets CalOptima's requirements for the extended contract period. The extension is requested to allow for an appropriate time frame to complete an RFP process and review all candidates. Therefore, staff recommends extending the current contract for an additional six months, through June 30, 2015.

Fiscal Impact

Based on forecasted OneCare and OneCare Connect enrollment for FY 2015-2016, the fiscal impact of the recommended action to extend the existing OneCare/OneCare Connect taxi services contract for an additional six months from January 1, 2016, through June 30, 2016, is approximately \$2,709,863. The recommended action is a budgeted item under the CalOptima FY 2015-16 Operating Budget approved by the Board on June 4, 2015.

Based on projected membership and expected cost PMPM for qualifying Medi-Cal children enrollment for FY 2015-16, the fiscal impact of the recommended action is expected to be approximately \$200,000. This is an unbudgeted item. Funding for this recommended action is expected to be available from anticipated increase in net assets in the current fiscal year.

Rationale for Recommendation

CalOptima staff recommends authorizing an extension to the contract with American Logistics for six months to ensure that OneCare and OneCare Connect members continue to have access to covered services, authorize budget and contract amendment as soon as possible for EPSDT requirement per DHCS, and issuing an RFP for a taxi services effective July 1, 2016 to ensure that members have access to taxi services prospectively.

Concurrence

Gary Crockett, Chief Counsel

Attachments

None

/s/ Michael Schrader
Authorized Signature

8/28/2015
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 7, 2016 Regular Meeting of the CalOptima Board of Directors

Report Item

10. Consider Selection of Taxi Vendor and Authorize Contract for Taxi Services Effective July 1, 2016

Contact

Javier Sanchez, Chief Network Officer (714) 246-8400

Recommended Action

Authorize the Chief Executive Officer, with the assistance of legal counsel, to enter into an agreement with American Logistics to serve as CalOptima's Taxi Vendor for OneCare Connect, OneCare, and Medi-Cal EPSDT members effective July 1, 2016, for a two (2) year term with three (3) additional one-year extension options, each exercisable at CalOptima's sole discretion.

Background

The current taxi services contract for CalOptima's Medicare programs has been in place since January 1, 2008. It was awarded to American Logistics through a competitive procurement process. The agreement expires on June 30, 2016.

On September 3, 2015, the CalOptima Board of Directors authorized CalOptima staff to issue a Request for Proposal (RFP) for Taxi services for the contract period commencing July 1, 2016.

Following CalOptima's standard RFP process, an RFP was issued and a total of three responses were received.

Discussion

The responses to the RFP were reviewed by CalOptima's evaluation team consisting of the Senior Program Manager for Medicare, Customer Service Director, Customer Service Manager, Executive Director Medical Operations, Contracts Manager, and representatives from the following departments: Finance, Compliance, and Information Services. All vendors were provided a Scope of Work document and the CalOptima base contract at the time of the RFP.

The evaluation team's final weighted scoring for the RFP is as follows:

Vendor	Score
American Logistics	3.96
Access2Care	3.66
Veyo	3.19

Based upon the weighted scores each vendor received, American Logistics finished with the highest score at 3.96 out of a possible 5.0 of the evaluation. Access2Care finished second with a score of 3.66.

American Logistics was the only bidder who proved to have an established transportation network in the Orange County service area.

Fiscal Impact

Under the terms of the proposed contract, consolidated taxi expenses are projected to decrease 4.9% in the next fiscal year. Management will include expenses associated with the proposed contract in the CalOptima FY 2016-17 operating budgets.

Rationale for Recommendation

CalOptima staff believes that contracting with the highest scoring taxi vendor, American Logistics, will meet the goal of continuing to ensure that CalOptima members receive safe, reliable transportation services in a cost-effective manner. CalOptima staff reviewed qualified taxi vendor responses and identified the candidate believed to best meet CalOptima's needs for safe, reliable, regulatory compliance, technological advances, administrative simplification, as well as overall cost savings. Accordingly, staff recommends that the Board authorize the CEO to contract with the existing taxi vendor as a result of completion of the RFP process authorized by the Board in September, 2015.

Concurrence

Gary Crockett, Chief Counsel

Attachments

None

/s/ Michael Schrader
Authorized Signature

04/01/2016
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 3, 2017 Regular Meeting of the CalOptima Board of Directors

Report Item

3. Consider Ratification of Amendment to Contract with American Logistics; Consider Actions Related to Implementing Medi-Cal Non-Medical Transportation Benefit

Contact

Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400

Recommended Actions

1. Ratify amendment to contract with American Logistics expanding the scope of work to include the Medi-Cal covered taxi services benefit, excluding services provided for members assigned to Kaiser Permanente, for nine months beginning July 1, 2017;
2. Authorize the Chief Executive Officer (CEO), with the assistance of legal counsel, to amend other existing contracts through no later than March 31, 2018 as necessary to ensure that qualifying Medi-Cal members have access to covered non-medical transportation services; and
3. Authorize the CEO to conduct a Request for Proposal (RFP) process to solicit bids from vendors providing non-medical transportation for CalOptima Medi-Cal, effective April 1, 2018.

Background

Medi-Cal managed care plan (MCP) benefits include emergency transportation, non-emergency medical transportation (NEMT) and, prior to July 1, 2017, non-medical transportation (NMT) only for children accessing Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services. However, AB 2394 (Garcia, 2016) amends the covered outpatient services delineated in Welfare & Institutions Code section 14312 to expressly include NMT for all Medi-Cal members, including adults, effective July 1, 2017, "subject to utilization controls and permissible time and distance standards, for a beneficiary to obtain covered Medi-Cal services."

On June 29, 2017, the California Department of Health Care Services (DHCS) released All Plan Letter (APL) 17-010 providing MCPs with guidance for NEMT and NMT. Per the APL, beginning July 1, 2017, MCPs were expected to update their NEMT policy and procedures and begin providing NMT for all Medi-Cal members. NMT services include round trip transportation for medically necessary covered and carved-out Medi-Cal services. MCPs are required to provide NMT by passenger car, taxicab, or any other form of public or private conveyance (including private vehicle), as well as gas mileage reimbursement under certain conditions.

Transportation must be physically and geographically accessible and consistent with disability rights laws. One attendant, such as a parent, spouse or guardian may accompany the member. Additionally, a minor can travel without a parent for services which do not require parental consent and otherwise with parental consent.

Prior authorization may, at the discretion of the MCP, be required and reauthorized every 12 months when necessary. When applicable, the MCP is responsible for ensuring that parental consent is obtained in advance of arranging transportation. For NMT requests by private conveyance (e.g.,

family members, friends, neighbors, etc.), members must attest, in person, by phone, or electronically, that no other methods of transportation are reasonably available and alternatives have been reasonably exhausted. The attestation may include confirmation that the member:

- Has no valid driver's license;
- No working vehicle available in the household;
- Is unable to travel or wait for medical or dental services alone; or
- Has a physical, cognitive, mental, or developmental limitation.

Reimbursement for private conveyance includes only mileage at the Internal Revenue Service (IRS) standard mileage rates for medical purposes (the 2017 reimbursement rate is \$0.17 per mile) and can be made only for drivers compliant with California driving requirements, which includes a valid driver's license, vehicle registration and vehicle insurance. Neither the legislation nor the APL establish any additional specific requirements or criteria for driver eligibility.

Prior to July 1, 2017, CalOptima contracted with American Logistics to provide taxi services for OneCare and OneCare Connect members, as well as Medi-Cal members receiving EPSDT services. The agreement with American Logistics covering transportation to and from EPSDT services was authorized by the CalOptima Board on September 3, 2015, with the contract covering Medicare services authorized by the Board on April 7, 2016 and executed on July 1, 2016. Considering the short lead time between the DHCS's issuance of APL 17-010 on June 29, 2017 and the required implementation date (the following day), CalOptima staff amended the American Logistics contract on a short term basis to broaden the scope of work to include the Medi-Cal NMT benefit to ensure that the benefit was available to members while a longer term solution was being developed.

Discussion

CalOptima staff leveraged an existing transportation contract to ensure that the effective date for the new NMT requirement was met. On July 1, 2017, CalOptima began providing the expanded NMT services including the amended contract with American Logistics, as well as via taxi, bus, and private conveyance arranged by members. This benefit is separate from other existing transportation benefits, and members can continue to access emergency and NEMT services in accordance with existing processes. To access NMT services, members can contact CalOptima's Customer Service Department to discuss and coordinate transportation.

Should all other reasonable transportation options be exhausted and private conveyance be required, CalOptima's Customer Service Department will issue a reference number, and members can arrange for their own transportation, with their private drivers submitting gas mileage receipts for reimbursement to CalOptima. In order to receive reimbursement, private drivers will also be required to submit proof that they meet California driving requirements which include valid driver's license, vehicle registration, and evidence of vehicle insurance.

In order to ensure that qualifying Medi-Cal members have access to public conveyance options, bus and taxi services are being offered. CalOptima will continue to procure passes from the Orange County Transit Authority (OCTA) for both bus and OC ACCESS, for members who are unable to use regular bus service due to functional limitations caused by a disability. For taxi services, the

scope of work of the current contract with American Logistics (CalOptima's contracted provider for OneCare and OneCare Connect) has been amended through March 31, 2018 as a short term measure to ensure that this transportation benefit is available to Medi-Cal members.

During this nine month period, CalOptima staff will consider longer term options for providing the NMT benefit and conduct an RFP to identify potential vendors and return to the Board with the RFP results and recommendations. In addition, staff is in the process of developing a comprehensive transportation program, and will be returning to the Board with recommendations and policy updates.

Fiscal Impact

The recommended action to ratify the amendment to the American Logistics contract, amend contracts with existing providers, and conduct an RFP process is expected to result in an increase in both claims and administration expense for CalOptima. However, because non-medical transportation is a newly-mandated benefit and since no projected utilization data has been provided by DHCS, the fiscal impact of this benefit is not currently known. CalOptima staff will continue to work with DHCS to ensure that funding for non-medical transportation will be appropriate and sufficient to fully cover the costs of the benefit. On a prospective basis, staff will update the Board as appropriate on the expenses associated with providing this benefit. Long term, staff anticipates that the program will be budget neutral to CalOptima.

Rationale for Recommendation

CalOptima staff recommends the above actions in order to be compliant with the NMT requirements.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Board Action dated September 3, 2015, Authorize Extension of OneCare/OneCare Connect Taxi Services Contracts, Implementation of Taxi Services Benefit for Qualifying Medi-Cal Children to Meet Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Guidelines, Conduct a Request for Proposal Process for Taxi Services, and Contract with Selected Vendor(s)
2. Board Action dated April 7, 2016, Consider Selection of Taxi Vendor and Authorize Contract for Taxi Services Effective July 1, 2016
3. July 17, 2017 DHCS All Plan Letter 17-010 (Revised) Non-Emergency Medical and Non-Medical Transportation Services

/s/ Michael Schrader
Authorized Signature

7/27/2017
Date



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

DATE: July 17, 2017

ALL PLAN LETTER 17-010 (*REVISED*)

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: NON-EMERGENCY MEDICAL AND NON-MEDICAL TRANSPORTATION SERVICES

PURPOSE:

This All Plan Letter (APL) provides Medi-Cal managed care health plans (MCPs) with guidance regarding Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT) services. With the passage of Assembly Bill (AB) 2394 (Chapter 615, Statutes of 2016), which amended Section 14132 of the Welfare and Institutions Code (WIC), the Department of Health Care Services (DHCS) is clarifying MCPs' obligations to provide and coordinate NEMT and NMT services. In addition, this APL provides guidance on the application of NEMT and NMT services due to the Medicaid Mental Health Parity Final Rule (CMS-2333-F)¹. *Revised text is found in italics.*

BACKGROUND:

DHCS administers the Medi-Cal Program, which provides comprehensive health care services to millions of low-income families and individuals through contracts with MCPs. Pursuant to Social Security Act (SSA) Section 1905(a)(29) and Title 42 of the Code of Federal Regulations (CFR) Sections 440.170, 441.62, and 431.53, MCPs are required to establish procedures for the provision of Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services for qualifying members to receive medically necessary transportation services. NEMT services are authorized under SSA Section 1902 (a)(70), 42 CFR Section 440.170, and Title 22 of the California Code of Regulations (CCR) Sections 51323, 51231.1, and 51231.2.

AB 2394 amended WIC Section 14132(ad)(1) to provide that, effective July 1, 2017, NMT is covered, subject to utilization controls and permissible time and distance standards, for MCP members to obtain covered Medi-Cal medical, dental, mental health, and substance use disorder services. Beginning on July 1, 2017, MCPs must provide NMT for MCP members to obtain medically necessary MCP-covered services and must make their best effort to refer for and coordinate NMT for all Medi-Cal services

¹ [CMS-2333-F](#)

not covered under the MCP contract. Effective October 1, 2017, in part to comply with CMS-2333-F and to have a uniform delivery system, MCPs must also provide NMT for Medi-Cal services that are not covered under the MCP contract. Services that are not covered under the MCP contract include, but are not limited to, specialty mental health, substance use disorder, dental, and any other services delivered through the Medi-Cal fee-for-service (FFS) delivery system.

REQUIREMENTS:

Non-Emergency Medical Transportation

NEMT services are a covered Medi-Cal benefit when a member needs to obtain medically necessary covered services and when prescribed in writing by a physician, dentist, podiatrist, or mental health or substance use disorder provider. NEMT services are subject to a prior authorization, except when a member is transferred from an acute care hospital, immediately following an inpatient stay at the acute level of care, to a skilled nursing facility or an intermediate care facility licensed pursuant to Health and Safety Code (HSC) Section 1250².

MCPs must ensure that the medical professional's decisions regarding NEMT are unhindered by fiscal and administrative management, in accordance with their contract with DHCS³. MCPs are also required to authorize, at a minimum, the lowest cost type of NEMT transportation (see modalities below) that is adequate for the member's medical needs. For Medi-Cal services that are not covered by the MCP's contract, the MCP must make its best effort to refer for and coordinate NEMT. MCPs must ensure that there are no limits to receiving NEMT as long as the member's medical services are medically necessary and the NEMT has prior authorization.

MCPs are required to provide medically appropriate NEMT services when the member's medical and physical condition is such that transport by ordinary means of public or private conveyance is medically contraindicated and transportation is required for obtaining medically necessary services⁴. MCPs are required to provide NEMT for members who cannot reasonably ambulate or are unable to stand or walk without assistance, including those using a walker or crutches⁵. MCPs shall also ensure door-to-door assistance for all members receiving NEMT services.

Unless otherwise provided by law, MCPs must provide transportation for a parent or a guardian when the member is a minor. With the written consent of a parent or guardian, MCPs may arrange NEMT for a minor who is unaccompanied by a parent or a guardian.

² 22 CCR Section 51323 (b)(2)(C)

³ Exhibit A, Attachment 1 (Organization and Administration of the Plan)

⁴ 22 CCR Section 51323 (a)

⁵ [Manual of Criteria for Medi-Cal Authorization, Chapter 12.1 Criteria for Medical Transportation and Related Services](#)

MCPs must provide transportation services for unaccompanied minors when applicable State or federal law does not require parental consent for the minor's service. The MCP is responsible to ensure all necessary written consent forms are received prior to arranging transportation for an unaccompanied minor.

MCPs must provide the following four available modalities of NEMT transportation in accordance with the Medi-Cal Provider Manual⁶ and the CCR⁷ when the member's medical and physical condition is such that transport by ordinary means of public or private conveyance is medically contraindicated and transportation is required for the purpose of obtaining needed medical care:

1. MCPs must provide **NEMT ambulance services** for⁸:
 - Transfers between facilities for members who require continuous intravenous medication, medical monitoring or observation.
 - Transfers from an acute care facility to another acute care facility.
 - Transport for members who have recently been placed on oxygen (does not apply to members with chronic emphysema who carry their own oxygen for continuous use).
 - Transport for members with chronic conditions who require oxygen if monitoring is required.

2. MCPs must provide **litter van services** when the member's medical and physical condition does not meet the need for NEMT ambulance services, but meets both of the following:
 - Requires that the member be transported in a prone or supine position, because the member is incapable of sitting for the period of time needed to transport⁹.
 - Requires specialized safety equipment over and above that normally available in passenger cars, taxicabs or other forms of public conveyance¹⁰.

3. MCPs must provide **wheelchair van services** when the member's medical and physical condition does not meet the need for litter van services, but meets any of the following:
 - Renders the member incapable of sitting in a private vehicle, taxi or other form of public transportation for the period of time needed to transport¹¹.

⁶ [Medi-Cal Provider Manual: Medical Transportation – Ground](#)

⁷ 22 CCR Section 51323(a) and (c)

⁸ [Medi-Cal Provider Manual: Medical Transportation – Ground, page 9, Ambulance: Qualified Recipients](#)

⁹ 22 CCR Section 51323 (2)(A)(1)

¹⁰ 22 CCR Section 51323 (2)(B)

¹¹ 22 CCR Section 51323 (3)(A)

- Requires that the member be transported in a wheelchair or assisted to and from a residence, vehicle and place of treatment because of a disabling physical or mental limitation¹².
- Requires specialized safety equipment over and above that normally available in passenger cars, taxicabs or other forms of public conveyance¹³.

Members with the following conditions may qualify for wheelchair van transport when their providers submit a signed Physician Certification Statement (PCS) form (as described below)¹⁴:

- Members who suffer from severe mental confusion.
 - Members with paraplegia.
 - Dialysis recipients.
 - Members with chronic conditions who require oxygen but do not require monitoring.
4. MCPs must provide **NEMT by air** only under the following conditions¹⁵:
- When transportation by air is necessary because of the member's medical condition or because practical considerations render ground transportation not feasible. The necessity for transportation by air shall be substantiated in a written order of a physician, dentist, podiatrist, or mental health or substance use disorder provider.

NEMT Physician Certification Statement Forms

MCPs and transportation brokers must use a DHCS approved PCS form to determine the appropriate level of service for Medi-Cal members. Once the member's treating physician prescribes the form of transportation, the MCP cannot modify the authorization. In order to ensure consistency amongst all MCPs, all NEMT PCS forms must include, at a minimum, the components listed below:

- **Function Limitations Justification:** For NEMT, the physician is required to document the member's limitations and provide specific physical and medical limitations that preclude the member's ability to reasonably ambulate *without* assistance or be transported by public or private vehicles.
- **Dates of Service Needed:** Provide start and end dates for NEMT services; authorizations may be for a maximum of 12 months.
- **Mode of Transportation Needed:** List the mode of transportation that is to be used when receiving these services (ambulance/gurney van, litter van, wheelchair van or air transport).

¹² 22 CCR Section 51323 (3)(B)

¹³ 22 CCR Section 51323 (3)(C)

¹⁴ [Medi-Cal Provider Manual: Medical Transportation – Ground, page 11, Wheelchair Van](#)

¹⁵ 22 CCR Section 51323 (c)(2)

- Certification Statement: Prescribing physician's statement certifying that medical necessity was used to determine the type of transportation being requested.

Each MCP must have a mechanism to capture and submit data from the PCS form to DHCS. Members can request a PCS form from their physician by telephone, electronically, in person, or by another method established by the MCP.

Non-Medical Transportation

NMT has been a covered benefit when provided as an EPSDT service¹⁶. Beginning on July 1, 2017, MCPs must provide NMT for MCP members to obtain medically necessary MCP-covered services. For all Medi-Cal services not covered under the MCP contract, MCPs must make their best effort to refer for and coordinate NMT.

Effective October 1, 2017, MCPs must provide NMT for all Medi-Cal services, including those not covered by the MCP contract. Services that are not covered under the MCP contract include, but are not limited to, specialty mental health, substance use disorder, dental, and any other benefits delivered through the Medi-Cal FFS delivery system.

NMT does not include transportation of the sick, injured, invalid, convalescent, infirm, or otherwise incapacitated members who need to be transported by ambulances, litter vans, or wheelchair vans licensed, operated, and equipped in accordance with state and local statutes, ordinances, or regulations. Physicians may authorize NMT for members if they are currently using a wheelchair but the limitation is such that the member is able to ambulate without assistance from the driver. The NMT requested must be the least costly method of transportation that meets the member's needs.

MCPs are contractually required to provide members with a Member Services Guide that includes information on the procedures for obtaining NMT transportation services¹⁷. The Member Services Guide must include a description of NMT services and the conditions under which NMT is available.

At a minimum, MCPs must provide the following NMT services¹⁸:

- Round trip transportation for a member by passenger car, taxicab, or any other form of public or private conveyance (private vehicle)¹⁹, as well as mileage reimbursement for medical purposes²⁰ when conveyance is in a private vehicle arranged by the member and not through a transportation broker, bus passes, taxi vouchers or train tickets.

¹⁶ WIC 14132 (ad)(7)

¹⁷ Exhibit A, Attachment 13 (Member Services), Written Member Information

¹⁸ WIC Section 14132(ad)

¹⁹ Vehicle Code (VEH) Section 465

²⁰ [IRS Standard Mileage Rate for Business and Medical Purposes](#)

- Round trip NMT is available for the following:
 - Medically necessary covered services.
 - Members picking up drug prescriptions that cannot be mailed directly to the member.
 - Members picking up medical supplies, prosthetics, orthotics and other equipment.
- MCPs must provide NMT in a form and manner that is accessible, in terms of physical and geographic accessibility, for the member and consistent with applicable state and federal disability rights laws.

Conditions for Non-Medical Transportation Services:

- MCP may use prior authorization processes for approving NMT services and re-authorize services every 12 months when necessary.
- NMT coverage includes transportation costs for the member and one attendant, such as a parent, guardian, or spouse, to accompany the member in a vehicle or on public transportation, subject to prior authorization at time of initial NMT authorization request.
- With the written consent of a parent or guardian, MCPs may arrange for NMT for a minor who is unaccompanied by a parent or a guardian. MCPs must provide transportation services for unaccompanied minors when state or federal law does not require parental consent for the minor's service. The MCP is responsible to ensure all necessary written consent forms are received prior to arranging transportation for an unaccompanied minor.
- NMT does not cover trips to a non-medical location or for appointments that are not medically necessary.
- For private conveyance, the member must attest to the MCP in person, electronically, or over the phone that other transportation resources have been reasonably exhausted. The attestation may include confirmation that the member:
 - Has no valid driver's license.
 - Has no working vehicle available in the household.
 - Is unable to travel or wait for medical or dental services alone.
 - Has a physical, cognitive, mental, or developmental limitation.

Non-Medical Transportation Private Vehicle Authorization Requirements

The MCPs must authorize the use of private conveyance (private vehicle)²¹ when no other methods of transportation are reasonably available to the member or provided by the MCP. Prior to receiving approval for use of a private vehicle, the member must exhaust all other reasonable options and provide an attestation to the MCP stating other methods of transportation are not available. The attestation can be made over the

²¹ VEH Section 465

phone, electronically, or in person. In order to receive gas mileage reimbursement for use of a private vehicle, the driver must be compliant with all California driving requirements, which include²²:

- Valid driver's license.
- Valid vehicle registration.
- Valid vehicle insurance.

MCPs are only required to reimburse the driver for gas mileage consistent with the Internal Revenue Service standard mileage rate for medical transportation²³.

Non-Medical Transportation Authorization

MCPs may authorize NMT for each member prior to the member using NMT services. If the MCP requires prior authorization for NMT services, the MCP is responsible for developing a process to ensure that members can request authorization and be approved for NMT in a timely matter. The MCP's prior authorization process must be consistently applied to medical/surgical, mental health and substance use disorder services as required by CMS-2333-F.

Non-Medical Transportation and Non-Emergency Medical Transportation Access Standards

MCPs are contractually required to meet timely access standards²⁴. MCPs that have a Knox-Keene license are also required to meet the timely access standards contained in Title 28 CCR Section 1300.67.2.2. The member's need for NMT and NEMT services do not relieve the MCPs from complying with their timely access standard obligations.

MCPs are responsible for ensuring that their delegated entities and subcontractors comply with all applicable state and federal laws and regulations, contractual requirements, and other requirements set forth in DHCS guidance, including APLs and Dual Plan Letters. MCPs must timely communicate these requirements to all delegated entities and subcontractors in order to ensure compliance.

²² VEH Section 12500, 4000, and 16020

²³ [IRS Standard Mileage Rate for Business and Medical Purposes](#)

²⁴ 28 CCR Section 1300.51(d)(H); Exhibit A, Attachment 9 (Access and Availability)

ALL PLAN LETTER 17-010 (*REVISED*)
Page 8

If you have any questions regarding this APL, contact your Managed Care Operations Division Contract Manager.

Sincerely,

Original Signed by Nathan Nau

Nathan Nau, Chief
Managed Care Quality and Monitoring Division

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018

Regular Meeting of the CalOptima Board of Directors

Report Item

12. Consider Adoption of Resolution Approving Updated Human Resources Policy; Authorize Purchase of Additional Timekeeping Equipment; and Authorize Contract with a Vendor to Support Chief Medical Officer Recruitment Efforts and Related Budget Allocation Changes

Contact

Ladan Khamseh, Chief Operations Officer, (714) 246-8400

Recommended Actions

1. Adopt Resolution approving update to Human Resources Policy GA.8022: Performance and Behavior Standards;
2. Authorize the purchase of additional Touch Clock timekeeping computers;
3. Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to select and contract with a vendor for Chief Medical Officer (CMO) recruitment services consistent with CalOptima's Board-approved Purchasing Policy; and
4. Authorize reallocation of budgeted but unspent funds of up to \$150,000 from Salaries, Wages and Benefits to Purchased Services to fund the CMO recruitment contract.

Background/Discussion

On November 1, 1994, the Board of Directors delegated authority to the CEO to promulgate employee policies and procedures, and to amend these policies from time to time, subject to annual presentation of the policies and procedures, with specific emphasis on any changes thereto, to the Board of Directors or a committee appointed by the Board of Directors for that purpose. On December 6, 1994, the Board adopted CalOptima's Bylaws, which requires, pursuant to section 13.1, that the Board of Directors adopt by resolution, and from time to time amend, procedures, practices and policies for, among other things, hiring employees and managing personnel.

The following table lists the existing Human Resources policy that has been updated and is being presented for review and approval.

	Policy No./Name	Summary of Changes	Reason for Change
1.	GA.8022 Performance and Behavior Standards (Previously Progressive Discipline)	<ul style="list-style-type: none">• Renamed policy to reflect transition from progressive discipline to corrective action process to reflect positive performance improvement efforts, where applicable.• Addition of new options for corrective action process.• Addition of core values to demonstrate behavioral expectations.	<ul style="list-style-type: none">• Transition from perceived punitive progressive discipline process to corrective action, a positive performance improvement process.• Align with current process and philosophy.

		<ul style="list-style-type: none">• Changes to attachments that reflect positive performance improvement and removal of redundant language.	
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In addition, also included as an attachment is a summary of changes to Executive compensation, which is provided as information to the Board consistent with the requirements under the Compensation Administration Guidelines adopted by the Board as part of CalOptima Policy GA. 8057: Compensation Program.

Capital Budget Request: Timekeeping Equipment

At the April 5, 2018 Board Meeting, capital budgeted funds in the amount of \$45,000 were approved for the acquisition of 12 Dayforce Touch Clock computers to be used for employee timekeeping. These have been purchased and installed, and a balance of approximately \$7,700 remains in the account. In an effort to further support timekeeping operations, Staff is requesting approval to use the remaining funds to purchase additional Touch Clocks and/or related hardware, as necessary. This backup equipment will enable Staff to more efficiently resolve any Touch Clock issues as they arise during ongoing operations.

Vendor Contract for CMO Recruitment

On March 1, 2012, the Board of Directors adopted CalOptima Resolution No. 12-0301-01, which includes provisions that delegate authority to the CEO to make budget allocation changes within certain parameters. Pursuant to this resolution, budget allocation changes (i.e., movement of unexpended budgeted dollars from one Board-approved program, item or activity to another within the same expense category) of \$100,000 or more require Board approval.

For the CMO recruitment efforts, staff has utilized internal resources, current contracted vendors and various referral options to reach out to potential candidates. Unfortunately, these efforts have been unsuccessful in fulfilling the CMO recruitment. At this time, Staff is recommending procurement of a nationwide recruitment vendor to assist with broadening the search to ensure the most qualified and compatible candidate is selected for this position. The estimated annual impact of the recruitment vendor contract is \$150,000. Management recommends the Board authorize a reallocation of up to \$150,000 in unspent budgeted dollars from Salaries, Wages and Benefits to Purchased Services to fund the recruitment vendor contract to fill the CMO vacancy. Staff plans to select and contract with a nationwide recruitment vendor consistent with the Board-approved Purchasing Policy.

Fiscal Impact

The fiscal impact for the Executive merit increases is \$101,208. This is a budgeted item included in the CalOptima Fiscal Year 2018-19 Operating Budget approved on June 7, 2018.

The fiscal impact for the recommended action to purchase additional timekeeping equipment is budget neutral. Unspent funds authorized by the Board on April 5, 2018, will be used to purchase the additional equipment.

CalOptima Board Action Agenda Referral
Consider Adoption of Resolution Approving Updated Human Resources
Policy; Authorize Purchase of Additional Timekeeping Equipment; and
Authorize Contract with a Vendor to Support Chief Medical Officer
Recruitment Efforts and Related Budget Allocation Changes
Page 3

The fiscal impact for the recruitment vendor contract is budget neutral. Unspent budgeted funds from Salaries, Wages and Benefits approved in the CalOptima FY 2018-19 Operating Budget on June 7, 2018, will fund up to \$150,000 of the cost for the recommended action.

Rationale for Recommendation

Approval is recommended to the updated Human Resources Policy to ensure that CalOptima meets its ongoing obligation to provide structure and clarity on employment matters, consistent with applicable federal, state, and local laws and regulations.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Resolution No. 18-0802-01, Approve Revised CalOptima Human Resources Policy
2. Revised CalOptima Policy:
 - a. GA.8022 Performance and Behavior Standards (redlined and clean copies) with revised Attachments A - F
3. Summary of Executive Compensation Changes

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

RESOLUTION NO. 18-0802-01

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

APPROVE UPDATED HUMAN RESOURCES POLICY

WHEREAS, section 13.1 of the Bylaws of the Orange County Health Authority, dba CalOptima, provide that the Board of Directors shall adopt by resolution, and may from time to time amend, procedures, practices and policies for, inter alia, hiring employees, and managing personnel; and

WHEREAS, in 1994, the Board of Directors designated the Chief Executive Officer as the Appointing Authority with full power to hire and terminate CalOptima employees at will, to set compensation within the boundaries of the budget limits set by the Board, to promulgate employee policies and procedures, and to amend said policies and procedures from time to time, subject to annual review by the Board of Directors, or a committee appointed by the Board for that purpose; and

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That the Board of Directors hereby approves and adopts the attached updated Human Resources Policy: GA.8022 Performance and Behavior Standards (Previously Progressive Discipline)

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 2nd day of August 2018.

AYES:
NOES:
ABSENT:
ABSTAIN:

/s/ _____
Title: Chair, Board of Directors
Printed Name and Title: Paul Yost M.D., Chair, CalOptima Board of Directors

Attest:
/s/ _____
Suzanne Turf, Clerk of the Board

Policy #: GA.8022
 Title: **Progressive Discipline**
 Department: Human Resources
 Section: Not Applicable

CEO Approval: Michael Schrader
 Effective Date: 1/5/12
 Last Review Date: 8/1/14
 Last Revision Date: 8/7/14

Policy #: GA.8022
 Title: **Performance and Behavior Standards**
 Department: Human Resources
 Section: Not Applicable

CEO Approval: Michael Schrader
 Effective Date: 01/05/12
 Last Review Date: 09/06/18
 Last Revision Date: 09/06/18

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I. PURPOSE

~~To outline~~ This policy outlines an approach that ~~may can~~ be utilized to address employees who fail to ~~meet~~used, at CalOptima’s discretion, depending on the ~~required standards~~nature of the issues that are to be addressed and the extent of such issues, to help correct and/or improve ~~employee performance,~~ display inappropriate conduct, or fail and behavior- through a coaching process when ~~employee performance and/or behavior is/are not meeting expectations, and/or fails~~ to follow CalOptima’s policies and procedures.

~~II. DEFINITIONS~~

~~III. II. POLICY~~

~~A. As a public agency, CalOptima abides by its core values of Collaboration, Accountability, Respect, Excellence, and Stewardship and expects employees to be committed to ethical conduct, excellent service, consistent attendance, positive teamwork, and compliance with CalOptima policies and procedures. Employment with CalOptima is at will. As at will employees, CalOptima employees are not guaranteed a right to progressive discipline prior to termination and can be terminated at any time, with or without cause, and with or without notice.~~

A. Appropriate conduct is expected at all times while employees are on duty and/or on CalOptima property. ~~Any violation of CalOptima policies or any act or incident of improper behavior or conduct may warrant disciplinary action, up to and including termination.~~

B-

1 B. Employment with CalOptima is at will. As at-will employees, CalOptima employees may be
2 terminated at any time, with or without cause, and with or without notice.

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5 C. In cases involving conduct that is a serious violation of policy, performance issue~~s~~(s), or behavioral
6 problem~~s~~(s), or where the conduct cannot be corrected ~~through progressive discipline~~, immediate
7 termination from employment will result.

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9 D. Although~~Prior to issuing formal corrective action, depending on the employment relationship may~~
10 ~~be terminated at will by severity or correctability of the employee or CalOptima at any time, issue,~~
11 ~~in certain circumstances at the discretion of CalOptima's management,~~ CalOptima may, ~~at its sole~~
12 ~~and complete discretion,~~ apply a progressive discipline process to give employees advance notice of
13 ~~problems with their~~ elect to informally discuss and coach employees regarding their conduct or
14 performance in order to provide the employee with an opportunity to correct ~~these problems.~~
15 ~~Progressive discipline does or improve his/her behavior-. Coaching and corrective action do not~~
16 apply to all performance issues or undesirable behaviors and will be employed on a case by case
17 basis. ~~CalOptima may skip one (1) or more steps, repeat certain steps, or skip the entire~~
18 ~~progressive discipline~~ corrective action process altogether.

19 D.

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21 E. CalOptima reserves the right to initiate ~~discipline~~ coaching or corrective action for various reasons,
22 including, but not limited to: ~~poor job performance, inappropriate behavior, or;~~ poor attendance;
23 creating conflict with co-workers, supervisors, Members or visitors; ~~damaging or unauthorized use~~
24 ~~of CalOptima-owned equipment;~~ violation of CalOptima's Code of Conduct; and/or violation of
25 any other CalOptima policy. ~~The severity~~ type of the ~~discipline~~ corrective action will depend on the
26 nature of the offense, taking into consideration an employee's past performance and
27 ~~disciplinary~~ employment record, where applicable, and may range from ~~documented counseling~~
28 ~~memo(s)~~ coaching to immediate termination. ~~Discipline~~ Corrective action should be assessed in a
29 fair and consistent manner.

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31 ~~Employees may be terminated immediately within his or her initial ninety (90) days of employment,~~
32 ~~transfer, or promotion without any notice and without applying progressive discipline.~~

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35 F. Employees are not guaranteed a right to ~~progressive discipline~~ corrective action prior to termination.

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37 G. When used, the ~~progressive discipline~~ corrective action process may in some, but not all, cases
38 include:

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40 1. Coaching discussion;

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42 ~~1.2.~~ 2. Documented Counseling Memo;

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44 ~~2.3.~~ 3. Written Warning;

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46 4. Performance Improvement Plan;

~~3.5. Final Warning with a Written Action Plan;~~ and/or

~~4.6. Termination.~~

- H. Although one (1) or more of these steps may be taken in connection with a particular employee, no formal order or system is necessary. An employee may, of course, resign at any time. CalOptima may also terminate the employment relationship at any time without following any particular series of steps depending on the individual circumstances surrounding the performance or misconduct.
- I. CalOptima may ~~also~~ place an employee on administrative leave with or without pay pending ~~and while -Human Resources (HR) conducts their investigation and/or final determination is pending and/or when there is a risk to CalOptima if the employee is permitted to continue in his or her role. If an employee for any reason represents a danger to themselves or other employees, demonstrates extreme misconduct and/or an egregious act, CalOptima reserves~~ has the right to ~~suspend and remove the employee without pay after an initial HR pending investigation- into the alleged misconduct. This will allow HR to conduct a full, fair investigation while minimizing any risks to the organization and others.~~ -An employee may be required to fully reimburse CalOptima for any salary provided during his or her paid administrative leave, as required, pursuant to California Government Code, section Section 53243.

IV.III. PROCEDURE

Responsible Party	Action
Supervisor	<ol style="list-style-type: none"> 1. Partner with Human Resources (HR) to determine whether discuss the employee should be terminated, or, in the alternative, the appropriate level of discipline using the corresponding form, i.e. Documented Counseling Memo, Written Warning, Final Warning and Termination issue. 2. Partner with HR to properly document performance and/or behavior issue, <u>and</u> if applicable <u>determine corrective action.</u> 3. Discuss issue(s) with employee and make sure the employee signs and dates the <u>appropriate</u> form. 4. <u>Return the signed form to HR to file in employee's personnel record.</u> 5. <u>Participate in and/or direct staff member(s) to participate in, the investigation, where applicable.</u> 4.

Responsible Party	Action
Employee	<p>1. Employees are expected to take personal responsibility to <u>fulfill the duties and responsibilities of their positions, as outlined in their job descriptions and as discussed with their supervisors, and take immediate action to improve their work performance and behavior, and to comply with all of CalOptima's if presented with coaching or a performance improvement plan. Employees are responsible for reviewing, understanding and abiding by CalOptima policies and, procedures, core values, and Code of Conduct.</u></p> <p>2. Employees are required to cooperate and participate in this process, so they have a clear understanding regarding where they need to improve, if applicable. If employee receives any form of progressive discipline, the employee must sign the form and demonstrate a commitment to address any performance issues.</p> <p>If employee receives a Written Warning, the employee must submit a written commitment to improve his/her performance/behavior by the start of his/her shift on the next business day.</p> <p>4. If an employee receives a Final Warning, the employee is required to submit a Written Action Plan on the form provided by CalOptima by the next business day detailing actions he or she will make to correct performance/behavior. The employee may choose to submit a written resignation at this time. Failure to submit a timely and complete Written Action Plan may be grounds for termination.</p> <p>6. <u>Employees acknowledge the applicable corrective action form by signing that the issues were discussed and presented to the employee and that they demonstrate a commitment to adhere to and correct or improve the performance or behavioral issue. The employee may submit a written rebuttal for consideration/reconsideration of the corrective action; however, a written rebuttal does not change the employee's responsibility to acknowledge receipt of the corrective action and demonstration of a commitment to improve, where applicable.</u></p> <p>3. Employees are required to cooperate in a reasonable investigation by CalOptima: <u>(if applicable).</u></p> <p>5.</p>
Human Resources (HR)	<p>1. Partner with Supervisor to help plan coaching <u>Coaching discussion</u> and counseling to address employee's performance/behavior issues.</p> <p>2. Assist Supervisor in properly documenting performance/behavior issues and partner in communicating these issues to the employee, if applicable.</p>

Responsible Party	Action
	3. Assist in completing disciplinary <u>corrective action</u> and/or termination documentation. 4. Securely house and file all disciplinary <u>related</u> forms and written correspondence in employee's personnel record. 4. a. <u>If issued to the employee, copies of Documented Counseling Memos, Written Warnings, Performance Improvement Plans, Final Warnings, and Termination Communication Memos are all held in the employee personnel file.</u>

V.IV. ATTACHMENTS

- A. Coaching Memo Template
- A.B. Documented Counseling Memo Template
- B.C. Written Warning Template
- D. Performance Improvement Plan
- C.E. Final Warning ~~Template with Written Action Plan~~ Template
- D.F. Termination ~~Documentation~~ Communication Memo Template

V.V. REFERENCES

- A. CalOptima's Code of Conduct
- B. CalOptima Employee Handbook
- C. California Government Code, §-53243

VI. REGULATORY AGENCY APPROVALS OR

None to Date

VII. BOARD ACTIONS

- A. 09/06/18: Regular Meeting of the CalOptima Board of Directors
- A.B. ~~1/5/12~~08/07/14: Regular Meeting of the CalOptima Board ~~Meeting of Directors~~
- B.C. ~~8/7/14~~01/05/12: Regular Meeting of the CalOptima Board ~~Meeting of Directors~~

VIII. REVIEW/REVISION HISTORY

Version	Version Date	Policy Number	Policy Title	<u>Line(s) of Business</u>
Effective	1/5/12 01/05/2012	GA.8022	Progressive Discipline	<u>Administrative</u>
Revised	8/7/14 08/07/2014	GA.8022	Progressive Discipline	<u>Administrative</u>
Revised	<u>09/06/2018</u>	<u>GA.8022</u>	<u>Performance and Behavior Standards</u>	<u>Administrative</u>

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IX. DEFINITIONS GLOSSARY

<u>Term</u>	<u>Definition</u>
<u>Coaching Memo</u>	<u>Verbal discussion(s) between supervisor and employee with the purpose of notifying/clarifying substandard employee performance/behavior or policy violation and exploration of possible causes. Goal is to change behavior. An informal written record of the discussion, noting the date and recommended action is completed and held by the supervisor.</u>
<u>Documented Counseling Memo</u>	<u>A Written Counseling Memo issued to an employee to formally document substandard performance/behavior or policy violation specifically identifying areas requiring improvement.</u>
<u>Written Warning</u>	<u>A Written Warning issued to an employee documenting substandard employee performance/behavior or policy violation.</u>
<u>Performance Improvement Plan</u>	<u>A developmental coaching tool used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.</u>
<u>Final Warning</u>	<u>Notification to an employee that his/her performance/behavior or violation(s) of CalOptima policy is at a very critical stage in their employment and that continued lack of improvement may result in termination.</u>
<u>Member</u>	<u>An enrollee-beneficiary of a CalOptima program.</u>
<u>Termination</u>	<u>The end of the employment relationship.</u>
<u>Termination Communication Memo</u>	<u>Documentation of a decision to end the employment relationship.</u>

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Policy #: GA.8022
Title: **Performance and Behavior Standards**
Department: Human Resources
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 01/05/12
Last Review Date: 09/06/18
Last Revision Date: 09/06/18

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I. PURPOSE

This policy outlines an approach that can be used, at CalOptima’s discretion, depending on the nature of the issues that are to be addressed and the extent of such issues, to help correct and/or improve employee performance and behavior through a coaching process when employee performance and/or behavior is/are not meeting expectations, and/or fails to follow CalOptima’s policies and procedures.

II. POLICY

- A. As a public agency, CalOptima abides by its core values of Collaboration, Accountability, Respect, Excellence, and Stewardship and expects employees to be committed to ethical conduct, excellent service, consistent attendance, positive teamwork, and compliance with CalOptima policies and procedures. Appropriate conduct is expected at all times while employees are on duty and/or on CalOptima property.
- B. Employment with CalOptima is at will. As at-will employees, CalOptima employees may be terminated at any time, with or without cause, and with or without notice.
- C. In cases involving conduct that is a serious violation of policy, performance issue(s), or behavioral problem(s), or where the conduct cannot be corrected, immediate termination from employment will result.
- D. Prior to issuing formal corrective action, depending on the severity or correctability of the issue, in certain circumstances at the discretion of CalOptima’s management, CalOptima may elect to informally discuss and coach employees regarding their conduct or performance in order to provide the employee with an opportunity to correct or improve his/her behavior. Coaching and corrective action do not apply to all performance issues or undesirable behaviors and will be employed on a case by case basis. CalOptima may skip one (1) or more steps, repeat certain steps, or skip the entire corrective action process altogether.
- E. CalOptima reserves the right to initiate coaching or corrective action for various reasons, including, but not limited to: poor job performance; poor attendance; creating conflict with co-workers, supervisors, Members or visitors; damaging or unauthorized use of CalOptima-owned equipment; violation of CalOptima’s Code of Conduct; and/or violation of any other CalOptima policy. The type of the corrective action will depend on the nature of the offense, taking into consideration an employee’s past performance and employment record, where applicable, and may range from coaching to immediate termination. Corrective action should be assessed in a fair and consistent manner.

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- F. Employees are not guaranteed a right to corrective action prior to termination.
- G. When used, the corrective action process may in some, but not all, cases include:
 - 1. Coaching discussion;
 - 2. Documented Counseling Memo;
 - 3. Written Warning;
 - 4. Performance Improvement Plan;
 - 5. Final Warning; and/or
 - 6. Termination.
- H. Although one (1) or more of these steps may be taken in connection with a particular employee, no formal order or system is necessary. An employee may, of course, resign at any time. CalOptima may also terminate the employment relationship at any time without following any particular series of steps depending on the individual circumstances surrounding the performance or misconduct.
- I. CalOptima may place an employee on administrative leave with or without pay while Human Resources (HR) conducts their investigation and/or final determination is pending and/or when there is a risk to CalOptima if the employee is permitted to continue in his or her role. If an employee for any reason represents a danger to themselves or other employees, demonstrates extreme misconduct and/or an egregious act, CalOptima has the right to remove the employee pending investigation into the alleged misconduct. This will allow HR to conduct a full, fair investigation while minimizing any risks to the organization and others. An employee may be required to fully reimburse CalOptima for any salary provided during his or her administrative leave, as required, pursuant to California Government Code, Section 53243.

III. PROCEDURE

Responsible Party	Action
Supervisor	<ul style="list-style-type: none"> 1. Partner with Human Resources (HR) to discuss the employee issue. 2. Partner with HR to properly document performance and/or behavior issue, and if applicable determine corrective action. 3. Discuss issue(s) with employee and make sure the employee signs and dates the appropriate form. 4. Return the signed form to HR to file in employee’s personnel record. 5. Participate in and/or direct staff member(s) to participate in, the investigation, where applicable.

Responsible Party	Action
Employee	<ol style="list-style-type: none"> 1. Employees are expected to take personal responsibility to fulfill the duties and responsibilities of their positions, as outlined in their job descriptions and as discussed with their supervisors, and take immediate action to improve their work performance and behavior if presented with coaching or a performance improvement plan. Employees are responsible for reviewing, understanding and abiding by CalOptima policies, procedures, core values, and Code of Conduct. 2. Employees are required to cooperate and participate in this process, so they have a clear understanding regarding where they need to improve, if applicable. 6. Employees acknowledge the applicable corrective action form by signing that the issues were discussed and presented to the employee and that they demonstrate a commitment to adhere to and correct or improve the performance or behavioral issue. The employee may submit a written rebuttal for consideration/reconsideration of the corrective action; however, a written rebuttal does not change the employee's responsibility to acknowledge receipt of the corrective action and demonstration of a commitment to improve, where applicable. 3. Employees are required to cooperate in a reasonable investigation by CalOptima (if applicable).
Human Resources (HR)	<ol style="list-style-type: none"> 1. Partner with Supervisor to help plan Coaching discussion and counseling to address employee's performance/behavior issues. 2. Assist Supervisor in properly documenting performance/behavior issues and partner in communicating these issues to the employee, if applicable. 3. Assist in completing corrective action and/or termination documentation. 4. Securely house and file all related forms and written correspondence in employee's personnel record. <ol style="list-style-type: none"> a. If issued to the employee, copies of Documented Counseling Memos, Written Warnings, Performance Improvement Plans, Final Warnings, and Termination Communication Memos are all held in the employee personnel file.

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IV. ATTACHMENTS

- A. Coaching Memo Template
- B. Documented Counseling Memo Template
- C. Written Warning Template
- D. Performance Improvement Plan

- E. Final Warning Template
- F. Termination Communication Memo Template

V. REFERENCES

- A. CalOptima’s Code of Conduct
- B. CalOptima Employee Handbook
- C. California Government Code, §53243

VI. REGULATORY AGENCY APPROVALS

None to Date

VII. BOARD ACTIONS

- A. 09/06/18: Regular Meeting of the CalOptima Board of Directors
- B. 08/07/14: Regular Meeting of the CalOptima Board of Directors
- C. 01/05/12: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	01/05/2012	GA.8022	Progressive Discipline	Administrative
Revised	08/07/2014	GA.8022	Progressive Discipline	Administrative
Revised	09/06/2018	GA.8022	Performance and Behavior Standards	Administrative

1 **IX. GLOSSARY**
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Term	Definition
Coaching Memo	Verbal discussion(s) between supervisor and employee with the purpose of notifying/clarifying substandard employee performance/behavior or policy violation and exploration of possible causes. Goal is to change behavior. An informal written record of the discussion, noting the date and recommended action is completed and held by the supervisor.
Documented Counseling Memo	A Written Counseling Memo issued to an employee to formally document substandard performance/behavior or policy violation specifically identifying areas requiring improvement.
Written Warning	A Written Warning issued to an employee documenting substandard employee performance/behavior or policy violation.
Performance Improvement Plan	A developmental coaching tool used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.
Final Warning	Notification to an employee that his/her performance/behavior or violation(s) of CalOptima policy is at a very critical stage in their employment and that continued lack of improvement may result in termination.
Member	An enrollee-beneficiary of a CalOptima program.
Termination	The end of the employment relationship.
Termination Communication Memo	Documentation of a decision to end the employment relationship.

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DOCUMENT COUNSELING COACHING MEMO

DATE:

TO: [Employee]

FROM: [Supervisor]

SUBJECT: ~~Documented Counseling~~

COPY: ~~Coaching Memo Personnel File~~

DISCUSSION SUMMARY: This memo serves as a summary of our meeting on (*date*), regarding your (*i.e. attendance or performance or policy violation*). This is only a summary of what we discussed and it is not a formal corrective action or Written Warning Performance Improvement Plan. During our meeting, I described to you the areas that need improvement, which include: (*Discuss previous conversations with employee performance or behaviors. Discuss the continued problems and issues*)

DESIRED: (Behavior you are looking for in your employee – reference policy if applicable):

ACTUAL: (Actual behavior that needs to be changed):

IMPACT: (How does this affect their job or department?):

~~**CONSEQUENCES:** (If behavior doesn't improve, what will happen next?):~~

As we discussed, you need to show immediate correction and improvement in this/these area(s). CalOptima relies on you to be a contributing member of the team. Please feel free to discuss with me any problems or concerns that may arise.

~~**By signing below, you acknowledge that you understand the intent of this Documented Counseling Memo is to provide you with the opportunity to improve your [performance/behavior], but nothing contained herein alters your at-will employment status, which means either CalOptima or you can terminate your employment at any time, with or without cause, and with or without notice.**~~

~~**This document accurately represents a summary of our discussion and our agreement.**~~

~~Supervisor _____ Date _____ Employee _____ Date _____~~

DOCUMENTED COUNSELING MEMO

DATE:
TO: [Employee]
FROM: [Supervisor]
SUBJECT: Documented Counseling Memo
COPY: Personnel File

DISCUSSION SUMMARY: This memo serves as a summary of our meeting on [date / time / place], regarding your [performance / conduct / violation of policy]. This is only a summary of what we discussed, and it is not a Written Warning. During our meeting, I described to you the areas that need improvement, which include: *(Discuss previous conversations with employee performance or behaviors. Discuss the continued problems and issues.)*

DESIRED: (Behavior you are looking for in your employee – reference policy if applicable):

ACTUAL: (Actual behavior that needs to be changed):

IMPACT: (How does this affect their job or department?):

CONSEQUENCES: (If behavior doesn't improve, what will happen next?):

As we discussed, you need to show improvement in this/these area(s). CalOptima relies on you to be a contributing member of the team. Please feel free to discuss with me any problems or concerns that may arise.

By signing below, you acknowledge that you understand the intent of this Documented Counseling Memo is to provide you with the opportunity to improve your [performance/behavior], but nothing contained herein alters your at-will employment status, which means either CalOptima or you can terminate your employment at any time, with or without cause, and with or without notice.

This document accurately represents a summary of our discussion and our agreement.

Supervisor

Date

Employee

Date

WRITTEN WARNING

DATE:

TO: [Employee]

FROM: [Supervisor]

SUBJECT: Written Warning

COPY: Personnel File

DISCUSSION SUMMARY: You are being given this written warning to notify you of your [substandard performance/behavior or violation of CalOptima policy] and to reinforce the importance of carrying out your assigned duties properly, following guidelines and expectations regarding employee conduct, and/or following all CalOptima policies and procedures.

(Discuss previous conversations with employee performance or behaviors, including date, time, and place. Discuss the continued problems and issues, identifying date, time, and place, if applicable, as well as any other documentation. Identify any specific policies which have been violated, if applicable.)

DESIRED: (Behavior you are looking for in your employee – reference policy if applicable):

ACTUAL: (Actual behavior that needs to be changed):

IMPACT: (How does this affect their job or department?):

CONSEQUENCES: (If behavior doesn't improve, what will happen next?):

You need to show improvement in this/these area(s). CalOptima relies on you to be a contributing member of the team. Please feel free to discuss with me any problems or concerns that may arise.



Performance Improvement Plan (PIP)

The purpose of this Performance Improvement Plan is to notify you that your performance/behavior or violation(s) of CalOptima policy requires immediate improvement and that continued lack of improvement may result in termination. This PIP is provided to map out an improvement strategy to support your improvement and success. After the completion of your improvement plan period a re-assessment will take place to determine if improvement was achieved. (Improvement Plan may range in length up to a maximum of 90 days). Nothing contained herein alters your at-will employment, which means either CalOptima or you can terminate your employment at any time, with or without cause, and with or without notice.

Employee Name:	Title:	Supervisor Name:	(Insert # of Days) Day Plan Start Date:	Hold Telework: Y, N or NA	Hold 9/80: Y, N or NA
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Area of Development/Improvement: <i>Identify area from most recent Performance Review</i>	Developmental Activities and Expectations: <i>Clear, specific and measureable expectations, i.e. what does success look like?</i>	Scheduled Re-Assessment Date:	Results of Re-Assessment
1			<input type="checkbox"/> Improvement Achieved <input type="checkbox"/> Improvement Not Achieved
2			<input type="checkbox"/> Improvement Achieved <input type="checkbox"/> Improvement Not Achieved
3			<input type="checkbox"/> Improvement Achieved <input type="checkbox"/> Improvement Not Achieved

Your progress will be reviewed on each of the above items requiring bi-weekly improvement. We value you as an employee and our intent is to make you successful and fully aware of this situation to assist you in improving your work performance.

I understand that I am required to sustain performance expectations as required by the PIP and my job description. Failure to do so may result in termination of employment.

[Back to Agenda](#)

Employee: _____ Date: _____

Supervisor: _____ Date: _____

Please use this section to document your bi-weekly meetings. Please have the employee initial after each meeting.

	Bi-Weekly Meeting Date	Employee Initial	Comments
1.			
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	Bi-Weekly Meeting Date	Employee Initial	Comments
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16.			

When PIP has been completed, please evaluate the employee on page 1 in the Re-Assessment section, indicating if employee has achieved improvement. Please provide Re- Assessment signatures below.

Re-Assessment Signatures:

Employee: _____ Date: _____

Supervisor: _____ Date: _____

FINAL WARNING

DATE: XX/XX/XXXX
TO: [Employee Name]
FROM: [Supervisor Name]
SUBJECT: Final Warning
COPY: Human Resources

With this notification, you are now in a very serious and critical position relative to your continued employment with CalOptima.

You have had numerous discussions with your supervisor and have received notification that your performance/behavior was not meeting CalOptima standards. The performance/behavior standards at issue are:

As a final effort to assist you in ~~carrying out your assigned duties properly, following guidelines and expectations regarding employee conduct, and/or following all CalOptima policies and procedures~~, we require the following actions on your part:

1. Give serious thought to whether or not you want to continue as a CalOptima employee. You know the standards and expectations. You must decide if you will meet these standards, ~~or if you would rather resign your employment.~~
 - ~~2. If you decide you do not wish to continue as a CalOptima employee, please meet with your supervisor at the beginning of your next scheduled work day and submit your resignation.~~
 - ~~3. If you decide you wish to continue as a CalOptima employee, you must meet with your supervisor at the beginning of your next scheduled shift to discuss your decision. You must also write an action plan by the start of your next scheduled work day. This plan must describe the problem(s) that have existed and the steps you will take to correct each of the problem(s). Once your completed action plan has been submitted to your supervisor, you should develop a formal written action plan and agreement together.~~
- ~~4.2.~~ Please recognize that this ~~Final Warning plan and agreement~~ will require immediate and sustained corrective action on your part so that CalOptima standards are met immediately and in the future.

[Back to Agenda](#)

~~**CONDITION: Should you fail to or choose not to accomplish the steps outlined above, you will be considered to be no longer interested in your job and will be deemed to have voluntarily resigned your employment.**~~

Supervisor

Date

Human Resources

Date

By signing below, you acknowledge that you understand the intent of this Final Warning is to provide you with the opportunity to improve your [performance/behavior], but nothing contained herein alters your at-will employment status, which means that either you or CalOptima may terminate your employment at any time, with or without cause, and with or without notice.

By my signature below, I hereby acknowledge that I received a copy of this Final Warning. My signature does not necessarily indicate agreement with the contents. ~~I understand that my employment will still continue to be at will, and I can be terminated at any time, with or without cause, and with or without notice.~~

Employee

Date



TERMINATION COMMUNICATION MEMO
DOCUMENTATION

DATE: August 1, 2014
TO: [Employee]
FROM: [Supervisor]
SUBJECT: Termination
COPY: Personnel File ^{D t ti C t}

DISCUSSION OF TERMINATION: (Summarize termination discussion with employee. Identify whether or not supervisor notified the employee that he/she was discharged with cause or without cause. If cause is provided, list reasons given by supervisor. Effective date of termination. Identify whether or not the employee was provided a Severance Agreement, and if so, did employee sign and submit the agreement.)

Supervisor

Date

Human Resources

Date

Summary of Executive Compensation Changes

For August 2018 Board Meeting:

Pursuant to the Compensation Administration Guidelines adopted as part of CalOptima Policy GA. 8057: Compensation Program, the Board will be informed of all Chief and Executive Director compensation changes. The below changes were determined as part of the merit process and consistently administered to all employees based on the combination of performance rating and position of pay within the pay range.

Title	Salary Adjustment – Fiscal Impact (% Increase)	Effective Date
Chief Financial Officer	The total impact for the current fiscal year is \$6,540.01 (2.18%)	06/24/2018
Chief Operating Officer	The total impact for the current fiscal year is \$13,315.43 (4.33%)	06/24/2018
Chief Information Officer	The total impact for the current fiscal year is \$11,278.18 (4.12%)	06/24/2018
Chief Medical Officer	The total impact for the current fiscal year is \$14,283.57 (3.88%)	06/24/2018
Deputy Chief Counsel	The total impact for the current fiscal year is \$9,613.44 (4.08%)	06/24/2018
Executive Director Clinical Operations	The total impact for the current fiscal year is \$6,372.93 (3.02%)	06/24/2018
Executive Director Compliance	The total impact for the current fiscal year is \$9,025.39 (4.33%)	06/24/2018
Executive Director Network Operations	The total impact for the current fiscal year is \$6,385.89 (3.03%)	06/24/2018
Executive Director Operations	The total impact for the current fiscal year is \$6,446.72 (3.03%)	06/24/2018
Executive Director Program Implementation	The total impact for the current fiscal year is \$9,255.59 (4.33%)	06/24/2018
Executive Director Public Affairs	The total impact for the current fiscal year is \$8,690.86 (4.38%)	06/24/2018

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action to Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

13. Consider Recommended Appointment to the CalOptima Board of Directors' Member Advisory Committee (MAC)

Contact

Sesha Mudunuri, Executive Director, Operations, (714) 246-8400

Recommended Action

The MAC recommends the following action to become effective upon Board approval:

- Appoint Jacqueline Ruddy to serve as the Consumer Representative on the Member Advisory Committee for the term ending June 30, 2020.

Background

The CalOptima Board of Directors established the Member Advisory Committee (MAC) by resolution on February 14, 1995 to provide input to the Board. The MAC is comprised of fifteen voting members. Pursuant to the resolution, the CalOptima Board appoints each member of the MAC for a two-year term with the exception of the two standing seats, the Orange County Social Services Agency representative and the Orange County Health Care Agency representative, which have an unlimited term. The Board is responsible for the appointment of all MAC members.

Discussion

CalOptima extended the recruitment through May 25, 2018 to recruit Consumer candidates. CalOptima staff received one application from an interested candidate and submitted it to the Nominations Ad Hoc Subcommittee for review prior to the subcommittee meeting. There were no other Consumer candidate applications. Subcommittee Members Suzanne Butler, Sandy Finestone and Mallory Vega met on June 5, 2018 and recommended that the proposed candidate be forwarded to the MAC for consideration at the July 12, 2018 MAC meeting. The MAC voted to accept the recommendation from the Nominations Ad Hoc Subcommittee.

Candidate for the Consumer position is as follows:

Consumer Representative Candidate

Jacqueline Ruddy*

Jacqueline Ruddy is a CalOptima member. Having recently completed her Master of Social Work (MSW), Ms. Ruddy served as an MSW Intern providing psychotherapy to individuals and families. As a breast cancer survivor, she provides resources and guidance to women newly diagnosed with breast cancer to assist them in navigating the treatment process. In addition, she provides support as these women deal with the fear, uncertainty and emotional stresses resulting from their diagnoses.

*Indicates MAC recommendation

Fiscal Impact

The recommended action to appoint a consumer representative to the MAC has no fiscal impact.

Rationale for Recommendation

Pursuant to Resolution No. 021495, the MAC established a Nominations Ad Hoc Subcommittee to review potential candidates for vacancies on the Committee. The MAC concurred with the Ad Hoc's recommendation and forwards the recommended candidate to the Board of Directors for consideration.

Concurrence

Member Advisory Committee Nominations Ad Hoc
Member Advisory Committee
Gary Crockett, Chief Counsel

Attachments

None

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 Regular Meeting of the CalOptima Board of Directors

Report Item

14. Consider Recommended Appointments to the CalOptima Board of Directors' Whole-Child Model Family Advisory Committee as Community Representatives

Contact

Sesha Mudunuri, Executive Director, Operations, (714) 246-8400

Recommended Actions

Appoint the following individuals to the Whole-Child Model Family Advisory Committee (WCM FAC) Community Representatives for one or two-year terms as indicated or until a successor is appointed, beginning Fiscal Year 2018-19:

1. Diane Key for a two-year term ending June 30, 2020; and
2. Sandra Cortez-Schultz for a one-year term ending June 30, 2019
- ~~3. Pamela Austin for a one-year term ending June 30, 2019; and~~
- ~~4. Michael Arnot for a two-year term ending June 30, 2020~~

Revised
8/2/2018

Background

Senate Bill 586 (SB 586) was signed into law on September 25, 2016 and authorized the establishment of the Whole-Child Model incorporating California Children's Services (CCS) covered services for Medi-Cal eligible children and youth into specified county-organized health plans, including CalOptima. A provision of the Whole-Child Model requires each participating health plan to establish a family advisory committee. Accordingly, the CalOptima Board of Directors established the Whole-Child Model Family Advisory Committee (WCM FAC) by resolution on November 2, 2017 to report and provide input and recommendations to CalOptima relative to the Whole-Child Model program.

The WCM FAC will be comprised of eleven voting members, seven to nine of whom will be designated as family representatives and two to four will be designated as community seats representing the interests of children receiving CCS services. While two of the WCM FAC's eleven seats are designated as community seats, WCM FAC candidates representing the community may be considered for up to two additional WCM FAC seats in the event that there are not sufficient family representative candidates to fill these seats. The initial appointments of WCM FAC members will be divided between one and two-year terms to stagger reappointments. In the first year, five seats will be appointed for a one-year term and six seats will be appointed for a two-year term.

For the first nomination process to fill the seats, CalOptima's Member Advisory Committee (MAC) was asked to participate in the WCM Family Advisory Committee nominating ad hoc subcommittee. The candidates were considered by the MAC before being submitted to the Board for consideration. Subsequent nominations for seats will be reviewed by a WCM FAC nominating ad hoc committee and will be submitted first to the WCM FAC, then to the full Board for consideration of the WCM FAC's recommendations.

Discussion

CalOptima conducted outreach to recruit potential candidates. The recruitment included sending notification flyers to Orange County agencies and community organizations representing children, outreaching directly to CCS at the Health Care Agency and organizations that serve CCS children and families and posting recruitment materials on the CalOptima website. Upon receipt of the applications from interested candidates, CalOptima staff submitted them to the MAC Nominations ad hoc subcommittee for review.

Prior to the MAC Nominations ad hoc subcommittee meeting on July 11, 2018, the subcommittee members reevaluated each of the Community applications. The subcommittee, including Connie Gonzalez, Jaime Munoz and Christine Tolbert, selected a candidate for each of the open seats and forwarded the proposed slate of candidates to the MAC for consideration.

At the July 12, 2018 meeting, the MAC voted to accept the recommended slate of candidates as proposed by the Nominations ad hoc.

Candidates for open positions are as follows:

Community Representatives

Michael Arnot
Pamela Austin*
Sandra Cortez-Schultz*
Diane Key*
Grace Leroy-Loge (selected as family member representative)
James Ranslow
Cynthia Rodriguez

Michael Arnot is the Executive Director for Children's Cause Orange County, an organization that provides evidence-based therapeutic intervention for children with traumatic stress, such as trauma from medical procedures from co-occurring health conditions covered under CCS. Mr. Arnot has extensive experience working with children in varying capacities.

Pamela Austin is the CEO/Executive Director of Family Support Network, an agency that provides services and resources that help children with special needs. Ms. Austin has considerable experience working with low-income children and vulnerable populations.

Sandra Cortez-Schultz is the Customer Service Manager at CHOC Children's Hospital. Ms. Cortez-Schultz is responsible for ensuring that the families of medically complex children receive the appropriate care and treatment they require. She serves as the Chair of CHOC's Family Advisory Council. Ms. Cortez-Schultz also has experience working directly and indirectly at varying levels with the CCS program.

Diane Key is the Director of Women's and Children's Services for UCI Medical Center. Ms. Key has experience working in women and children's services in clinical nursing and leadership oversight

*Indicates MAC recommendation

positions. She has knowledge of CCS standards, eligibility criteria and facility requirements. In addition, she understands the physical, psycho-social and developmental needs of CCS children.

Grace Leroy-Loge is the mother of an adolescent receiving CCS services. Ms. Leroy-Loge works as the Family Support Liaison at CHOC Children's Hospital NICU where she assists families of children with medically complex needs to advocate for their children. She has served in the community on several committees, such as the parent council of CCS, Make-a-Wish Medical Advisory Committee and Orange County Children's Collaborative.

James Ranslow is the Community Health Initiatives Manager of the Boys and Girls Clubs of Garden Grove where he oversees community health and early learning programs. He has worked with low-income children and families, some of whom qualify for CCS.

Cynthia Rodriguez is a Program Coordinator for the Community Action Partnership of Orange County where she works with low-income children and families. Ms. Rodriguez is an advocate for families and has assisted families by referring them to CCS.

Fiscal Impact

The recommended action to appoint community representatives to the WCM FAC has no fiscal impact.

Rationale for Recommendation

As stated in policy, the MAC established a Nominations Ad Hoc to review potential candidates for vacancies on the Committee. The MAC met to discuss the recommended slate of candidates and concurred with the Subcommittee's recommendations. The MAC forwards the recommended slate of candidates to the Board of Directors for consideration.

Concurrence

Member Advisory Committee Nominations Ad Hoc
Member Advisory Committee
Gary Crockett, Chief Counsel

Attachment

None

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

15. Consider Adoption of Resolution Approving New and Revised Office of Compliance Policies and Procedures

Contact

Silver Ho, Executive Director, (714) 246-8400

Recommended Actions

Adopt Resolution No. 18-0802-02, Approving New and Revised Office of Compliance Policies and Procedures.

Background

CalOptima is committed to conducting its operations in compliance with ethical standards and all applicable laws, regulations, and rules, including those pertaining to its Federal and State health care program operations. As part of that commitment, on December 7, 2017, the CalOptima Board of Directors reviewed and approved the updated Compliance Plan, which includes the Code of Conduct, and the Fraud, Waste, and Abuse (FWA) Plan, as well as the revised and retired Office of Compliance Policies and Procedures.

In April 2016, the Centers for Medicare & Medicaid Services (CMS) published in the Federal Register the Medicaid and CHIP Managed Care Final Rule [Medicaid Managed Care (CMS-2390-F)] (Final Rule), which aligns key rules with those of other health insurance programs, modernizes how states purchase managed care for beneficiaries, and strengthens the consumer experience and key consumer protections. This Final Rule was the first major update to Medicaid and CHIP managed care regulations in more than a decade. On June 1, 2017, the CalOptima Board of Directors authorized CalOptima to execute an Amendment to the Primary Agreement between the Department of Health Care Services (DHCS) and CalOptima to incorporate language adopting the requirements of the Final Rule that are effective July 1, 2017. Since mid-2017, DHCS has provided Managed Care Plans (MCPs), including CalOptima, with the copies of the draft amendment to bring its contract with MCPs into alignment with the requirements.

Discussion

CalOptima regularly reviews its Compliance Plan and related Policies and Procedures to ensure it is up-to-date and aligned with Federal and State health care program requirements and laws as well as CalOptima operations. CalOptima's Office of Compliance reviewed its Policies and Procedures to ensure consistency with applicable Federal and State health care program laws, regulations, and/or guidance. Based on this review, CalOptima's Office of Compliance revised an existing policy, HH.2005Δ: Corrective Action Plan and developed a new policy, HH.5004Δ: False Claims Act Education.

HH.2005Δ: Corrective Action Plan

The revisions to the policy are as follows:

- Incorporated language that the Compliance Officer or designee may extend the timeframe (beyond 14 calendar days) on a case-by-case basis for a CalOptima internal department or a First Tier, Downstream, and Related (FDR) to respond to a CAP request; and
- Clarified the content of the written notice sent by the Office of Compliance when the internal department or FDR's resolution to an identified deficiency is unacceptable or the entity fails to respond to the corrective action plan (CAP) request, to include an explanation of the possible consequences, the potential escalation process, and the possibility of referral to the Audit & Oversight and Compliance Committees.

HH.5004Δ: False Claims Act Education

As incorporated into the proposed Amendment to CalOptima's Primary Agreement with DHCS, the Final Rule requires that an MCP who makes or receives annual payments under the Agreement of at least \$5,000,000 shall provide written policies and procedures for all of its employees, and for any subcontractor or agent, that provide detailed information about the False Claims Act, federal administrative penalties, state laws pertaining to civil or criminal penalties for false claims and statements, including information about rights of employees to be protected as whistleblowers. While CalOptima's FWA policies do discuss the behavior prohibited by the False Claims Act, and address whistleblower protections, the Office of Compliance elected to develop a separate policy, HH.5004Δ: False Claims Act Education, to provide additional information to ensure compliance with our regulatory and contractual obligations related to the False Claims Act.

Fiscal Impact

There is no anticipated fiscal impact from the adoption of the new and revised Policies and Procedures. To the extent that there is any fiscal impact due to increases in Compliance Program resources, such impact will be addressed in separate Board action(s).

Rationale for Recommendation

To ensure CalOptima's continuing commitment to conducting its operations in compliance with ethical and legal standards and all applicable laws, regulations, and rules, CalOptima staff recommends that the Board approve and adopt CalOptima's new and revised Policies and Procedures.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Resolution No. 18-0802-02, Approving New and Revised Office of Compliance Policies and Procedures.
2. New Policy HH.5004Δ: False Claims Act Education.
3. Revised Policy HH.2005Δ: Corrective Action Plan (redline and clean versions).

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

RESOLUTION NUMBER 18-0802-02

**RESOLUTION OF THE BOARD OF DIRECTORS
OF ORANGE COUNTY HEALTH AUTHORITY
dba CalOptima**

APPROVING CALOPTIMA'S NEW AND UPDATED OFFICE OF COMPLIANCE POLICIES

WHEREAS, Section 4.1 of the Bylaws of the Orange County Health Authority, dba CalOptima, provides that the Board of Directors is the governing body of CalOptima, and except as otherwise provided by the Bylaws or by Ordinance, the powers of CalOptima shall be exercised, its property controlled and its business and affairs conducted by or under the direction of the Board; and

WHEREAS, the Board of Directors has responsibility for approving, implementing, and monitoring a Compliance Program governing CalOptima's operations consistent with all applicable laws, regulations, and guidelines; and

WHEREAS, the Board of Directors supports CalOptima's commitment to compliant, lawful and ethical conduct and values the importance of compliance and ethics in CalOptima's operations; and

WHEREAS, the Board of Directors last reviewed and approved the Compliance Program on December 7, 2017 including the Compliance Plan, Code of Conduct, and Fraud, Waste, and Abuse Plan; and

WHEREAS, the Board of Directors reviews the Compliance Program documents on a periodic basis to ensure the Compliance Program is consistent with and updated to reflect applicable laws, regulations, and guidelines and to demonstrate the Board of Director's commitment to an effective Compliance Program.

NOW THEREFORE, BE IT RESOLVED:

Section 1. The Board of Directors hereby approves and adopts the new and revised Office of Compliance Policies and Procedures.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, dba CalOptima, this 2nd day of August 2018.

AYES:

NOES:

ABSENT:

ABSTAIN:

/s/ _____

Title: Chair, Board of Directors

Printed Name and Title: Paul Yost, M.D., Chair, CalOptima Board of Directors

Attest:

/s/ _____

Suzanne Turf, Clerk of the Board

Policy #: HH.5004Δ
 Title: **False Claims Act Education**
 Department: Office of Compliance
 Section: Fraud, Waste, and Abuse –
 Special Investigations Unit

CEO Approval: Michael Schrader _____

Effective Date: 08/02/18
 Last Review Date: Not Applicable
 Last Revised Date: Not Applicable

Applicable to: Medi-Cal
 OneCare
 OneCare Connect
 PACE

1 **I. PURPOSE**

2
 3 This policy establishes CalOptima’s process to inform CalOptima employees, members of the
 4 Governing Body and First Tier, Downstream, and Related Entities (FDRs) of CalOptima’s
 5 obligations for sharing information regarding compliance with the False Claims Act.
 6

7 **II. POLICY**

- 8
 9 A. CalOptima is responsible for establishing policies and communicating information regarding
 10 Federal and California False Claims Acts and related whistleblower protection laws to all
 11 CalOptima employees, members of the Governing Body and FDRs.
 12
 13 B. This Policy addresses federal and state False Claims Act education requirements under
 14 section 1902 of the Deficit Reduction Act (DRA) and CalOptima’s Medi-Cal Contract with
 15 the Department of Health Care Services (DHCS) and Cal MediConnect (OneCare Connect)
 16 Contract with DHCS and the Centers for Medicare & Medicaid Services (CMS).
 17
 18 C. The Federal False Claims Act, 31 U.S.C. sections 3729 through 3731, addresses penalties for
 19 the submission of False Claims to the federal government and relator whistleblower
 20 protections, as discussed in Addendum A.
 21
 22 D. The Federal Administrative Remedies Act, 31 U.S.C. sections 3801 through 3812, addresses
 23 civil remedies and penalties for certain False Claims that are lower in dollar amount, as
 24 discussed in Addendum A.
 25
 26 E. The California False Claims Act, California Government Code section 12650 *et seq.*,
 27 addresses penalties for the submission of False Claims to the state government and relator or
 28 whistleblower protections, as discussed in Addendum A.
 29
 30 F. False Claims for health care providers can include, but are not limited to:
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 32 1. Billing for services not medically necessary;
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 34 2. Billing for a higher level of service and reimbursement than supported by the medical
 35 records;

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- 3. Billing for items and services furnished by providers excluded from participation in federal health care programs *e.g.*, Medicare and Medi-Cal;
- 4. Double billing;
- 5. Billing for medical items and/or services not provided and/or drugs not administered;
- 6. Billing for brand name drugs when generic drugs are provided;
- 7. The offer, payment, solicitation or receipt of monetary or non-monetary remuneration in exchange for the referral of patients, items or services paid for by Federal and State health care programs that violates the Anti-Kickback Statute;
- 8. The submission of false certifications related to risk adjustment data;
- 9. The submission of false certifications of data and document submissions required by Medicaid managed care regulations;
- 10. The failure to refund known Medicare and/or Medi-Cal overpayments; and
- 11. Submitting multiple billing codes instead of one billing code to increase reimbursement (*e.g.*, unbundling).

- G. CalOptima shall detect, correct, and prevent suspected Fraud, Waste, or Abuse in a CalOptima Program by a Member, Provider, Practitioner, a CalOptima employee, FDR, Billing Intermediary, and CalOptima’s Health Networks, in accordance with CalOptima Policy HH.1105Δ: Fraud, Waste, and Abuse Detection.
- H. CalOptima is committed to compliance with applicable laws, regulations, and policies against intimidation, harassment, discrimination, or any other retaliatory action against individuals who report, or seek guidance related to, suspected or actual non-compliance with such laws and regulations, or unethical conduct in accordance with CalOptima Policy HH.3012Δ: Non-Retaliation for Reporting Violations.
- I. CalOptima Special Investigations Unit shall report to CMS, DHCS and NBI MEDIC all cases of suspected Fraud and/or Abuse including potential violations of the False Claims Act in accordance with CalOptima Policy HH.1107Δ: Fraud, Waste, and Abuse Reporting and Investigation.
- J. CalOptima shall ensure CalOptima employees, members of the Governing Body, and FDRs comply with Fraud, Waste, and Abuse (FWA) education and training requirements, including the False Claims Act, in accordance with CalOptima Policy HH.2023Δ: Compliance Training.

III. PROCEDURE

Not Applicable

1 **IV. ATTACHMENTS**

2
3 A. Addendum A: Deficit Reduction Act

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5 **V. REFERENCES**

- 6
7 A. California Government Code §12650 *et seq.* (California False Claims Act)
8 B. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
9 C. CalOptima Policy HH.1105Δ: Fraud, Waste and Abuse Detection
10 D. CalOptima Policy HH.1107Δ: Fraud, Waste, and Abuse Reporting and Investigation
11 E. CalOptima Policy HH.2023Δ: Compliance Training
12 F. Federal False Claims Act, Title 31 United States Code (U.S.C.), §§ 3729-3733
13 G. Medicare Advantage and Part D Fraud Handbook, Version 2.0 May 2015
14 H. Patient Protection and Affordable Care Act of 2010, 42 U.S.C. § 1320a-7k(d)
15 I. Section 1902 (a) (68) of the Social Security Act (42 U.S.C. §1396a(a)(68))
16 J. Title 31, United States Code, Ch. 38

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18 **VI. REGULATORY AGENCY APPROVALS**

19
20 None to Date

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22 **VII. BOARD ACTIONS**

23
24 A. 08/02/18: Regular Meeting of the CalOptima Board of Directors

25
26 **VIII. REVIEW/REVISION HISTORY**

27

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	08/02/2018	HH.5004Δ	False Claims Act Education	Medi-Cal OneCare OneCare Connect PACE

28
29

1 IX. GLOSSARY
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Term	Definition
Abuse	Actions that may, directly or indirectly, result in: unnecessary costs to a CalOptima program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. Abuse cannot be differentiated categorically from fraud, because the distinction between “fraud” and “abuse” depends on specific facts and circumstances, intent and prior knowledge, and available evidence, among other factors.
CalOptima Program	A managed care program operated by CalOptima that contracts directly with physicians and hospitals and requires a Primary Care Provider (PCP) to manage the care of the Members.
Centers for Medicare & Medicaid Services	The federal agency under the United States Department of Health and Human Services responsible for administering the Medicare and Medicaid programs.
Department of Health Care Services	The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.
Downstream Entity	Any party that enters into an acceptable written arrangement below the level of the arrangement between a Medicare Advantage (MA) organization (and contract applicant) and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of health and/or administrative services.
False Claim	Any request or demand, whether under a contract or otherwise, for money or property which is made to a contractor, grantee, or other recipient if the United States government provides any portion of the money or property which is requested or demanded, or if the government will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.
False Claims Act (FCA)	A federal law that makes it a crime for any person or organization to knowingly make a false record or file a False Claim regarding any federal health care program, which includes any plan or program that provides health benefits, whether directly, through insurance or otherwise, which is funded directly, in whole or in part, by the United States Government or any state healthcare system.
First Tier Entity	Any party that enters into a written arrangement, acceptable to CMS, with a Medicare Advantage Organization (MAO) or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program.

Term	Definition
First Tier, Downstream, and Related Entities (FDRs)	<p>Any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program.</p> <p>Any party that enters into an acceptable written arrangement below the level of the arrangement between a Medicare Advantage (MA) organization (and contract applicant) and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of health and/or administrative services.</p> <p>Any entity that is related to the MAO by common ownership or control and:</p> <ol style="list-style-type: none"> 1. Performs some of the MAO’s management functions under contract or delegation; 2. Furnishes services to Medicare enrollees under an oral or written agreement; or 3. Leases real property or sells materials to the MAO at a cost of more than two-thousand five-hundred dollars (\$2,500) during a contract period.
Governing Body	The Board of Directors of CalOptima.
Health Network	A Physician Hospital Consortium (PHC), physician medical group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.
Related Entity	Any entity that is related to CalOptima by common ownership or control and that: performs some of CalOptima’s management functions under contract or delegation; furnishes services to Members under an oral or written agreement; or leases real property or sells materials to CalOptima at a cost of more than \$2,500 during a contract period.
Waste	Overutilization of services, or other practices that, directly or indirectly, result in unnecessary costs to the CalOptima Program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.

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Policy HH.5004, False Claims Act Education

Addendum A

Introduction

In accordance with Section 6032 of the Federal Deficit Reduction Act, 42 USC §1396a(a)], this Addendum summarizes the Federal False Claims Act, Federal Administrative Remedies Act and California State False Claims Act including liability, anti-retaliation and penalty provisions.

Federal False Claims Act; 31 USC §§ 3729-3733

1. **Description:** Generally, the Federal False Claims Act (“Federal FCA”) applies to fraud involving federal funds and it imposes liability on any person who knowingly presents or causes another to present a false or fraudulent claim to the U.S. Government (“Government”). The term “knowingly” means that a person, with respect to information: (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information. However, a person does not need to have specific intent to defraud the Government. The FCA identifies several actions that constitute violations including, but not limited to:

- (1) knowingly presenting or causing to be presented a false or fraudulent claim for payment or approval to the Government;

- (2) knowingly making, using or causing to be made or used, a false record or statement to material to a false or fraudulent claim to the Government;

- (3) knowingly making, using or causing to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property owed the Government; and

- (4) conspiring to commit a violation of the above.

The Federal FCA broadly defines the term “claim” to mean any request or demand, whether under a contract or otherwise, for money or property made: (a) to an officer, employee, or agent of the United States; or (b) to a contractor, grantee, or other recipient, if the money is to be spent or used on the Government’s behalf or to advance a Government program or interest, provided that the Government provides any of the money or property demanded or will reimburse the contractor, grantee or other recipient.

2. **Qui Tam Actions:** In addition to the Government pursuing Federal FCA violations directly, private persons (sometimes called a *qui tam* plaintiff, relator or whistleblower) can also file a civil action for violations of the FCA for themselves and on behalf of the Government. In such cases, the Government must investigate the alleged violation(s) and determine whether it will join and be responsible to pursue the civil action. The Government may also decide not to join the case or dismiss the case once it does intervene in the case. If the

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Government successfully prosecutes the case (or settles), the *qui tam* plaintiff who originally filed the case may receive between 15 and 25 percent of the total amount recovered (plus reasonable costs and attorneys' fees). If the *qui tam* plaintiff pursues the civil lawsuit on his or her own, the court may award him or her between 25 and 30 percent of the proceeds of the judgment or settlement (plus reasonable costs and attorneys' fees.)

3. **Penalties:** Persons or entities that violate the Federal FCA are potentially subject to civil and criminal penalties. Civil monetary penalties may include \$10,957 to \$21,916 per claim (subject to annual adjustment) plus an additional assessment of three (3) times the amount of damages sustained by the Government for the Federal FCA violations. A court may reduce the assessment to no less than two (2) times the damages sustained if the person committing the violation notifies the Government about the violation within thirty (30) days of discovery and cooperates with any Government investigation. The Office of Inspector General may also exclude individuals or entities that violate the FCA from participation in Federal and State health care programs.
4. **Whistleblower Protections:** The Federal FCA protects employees and contractors who report a violation Act from discrimination, harassment, suspension or termination of employment as a result of the report. Employees, contractors and agents who are retaliated against in their employment (*e.g.* termination, demotion, suspension or other acts of discrimination) for lawful actions related to the filing of Federal FCA actions or other efforts to prevent Federal FCA violations are entitled to all relief necessary to be made whole. This may include an award of two times the person's back pay plus interest, reinstatement at the seniority level they would have had except for the discrimination, and compensation for any costs or damages they have incurred and attorneys' fees and costs.

Federal Administrative Remedies Act; 31 U.S.C. §§3801-3812

1. **Description:** While similar to the Federal FCA, the Federal Administrative Remedies Act (ARA) addresses false claims involving \$150,000 or less that are not prosecuted by the Attorney General. The Attorney General's office must indicate in writing that pursuing the claims administratively will not adversely affect any pending or potential criminal or civil action related to the claim or statement in question. These claims are investigated by the Inspector General of the affected federal department and are heard by an administrative law judge (ALJ).
2. **Penalties:** The ARA imposes liability for false claims and false statements made in writing with respect to a claim or program eligibility. Both false claims and false statements under the ARA are subject to civil penalties of up to \$5,000 for each claim, and false claims are also subject to an assessment of twice the amount of the false claim or portion of a claim found to be in violation of the ARA provisions. In addition, if the official that reviews the investigative report determines there is adequate evidence to believe that a person is liable under the ARA, that person may be referred for separate exclusion or debarment proceedings.

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California False Claims Act; Cal. Gov't Code §§12650-12655.

1. **Description:** Generally, the California False Claims Act (“CFCA”) applies to fraud involving State or political subdivision (city, county or other local government body) funds, including Medicaid/Medi-Cal funds. States that include specific requirements of the Federal False Claims Act in their laws are entitled to certain financial incentives (higher share of Medicaid fraud recoveries). Consequently, the CFCA is similar to the Federal FCA in that it establishes liability for the same types of acts (*e.g.* knowingly presents or causes to be presented a false or fraudulent claim, knowingly makes, uses or causes to be made or used a false record or statement material to a false or fraudulent claim, etc.) The term “knowingly” is defined the same as the Federal FCA and mean that a person, with respect to information: (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information. Again, proof of an intent to defraud the Government is not required.

Additionally, the CFCA provides that a person or entity who is the beneficiary of an inadvertent submission of a false claim, who subsequently discovers the falsity and fails to disclose the false claim to the State or other agency in a reasonable time after the discovery, may be liable for CFCA violations. The CFCA does not apply to one or more false claims submitted by the same person involving an amount less than \$500 in value.

A qui tam plaintiff may file a civil action for violations of the CFCA for themselves and on behalf of the State (or political subdivision). The State Attorney General must investigate the alleged violation(s) and determine whether it will join and be responsible to pursue the civil action (and/or file a civil action itself). The Attorney General may also decide not to join the case or dismiss the case once it does intervene in the case. If the U.S. Government successfully prosecutes the case (or settles), the *qui tam* plaintiff who originally filed the case may receive between 15 and 33 percent of the total amount recovered (plus reasonable costs and attorneys’ fees). If the *qui tam* plaintiff pursues the civil lawsuit on his or her own, the court may decide to award him or her between 25 and 50 percent of the proceeds of the judgment or settlement (plus reasonable costs and attorneys’ fees.) A court can also consider whether and to what extent the *qui tam* plaintiff planned and initiated the CFCA violation and reduce the person’s share of the proceeds.

2. **Penalties:** The CFCA currently contains civil monetary penalties of not less than \$5,500 nor more than \$11,000 for each violation subject to annual adjustment (These amounts will likely be increased to be consistent with the Federal FCA civil penalties (*i.e.*, \$10,957 to \$21,916 per claim) in order for the State to retain financial incentives.) The CFCA also imposes an additional assessment of three (3) times the amount of damages sustained by the Government for the Federal FCA violations. A court may also reduce the assessment to no less than two (2) times the damages sustained if the person committing the violation notifies the Government about the violation within thirty (30) days of discovery and cooperates with any Government investigation.

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- 3. Whistleblower Protections:** The CFCA protects employees and contractors who report a violation of the False Claims Act from discrimination, harassment, suspension or termination of employment as a result of the report. Employees, contractors and agents who are retaliated against in their employment (*e.g.* termination, demotion, suspension or other acts of discrimination) for lawful actions related to the filing of CFCA actions or other efforts to prevent CFCA violations are entitled to all relief necessary to be made whole. This may include an award of two times the person's back pay plus interest, reinstatement at the seniority level they would have had if the discrimination had not occurred and compensation for any costs or damages they have incurred and attorneys' fees and costs.



Policy #: HH.2005Δ
 Title: **Corrective Action Plan**
 Department: Office of Compliance
 Section: Regulatory Affairs & Compliance

CEO Approval: Michael Schrader_____

Effective Date: 11/01/98
 Last Review Date: ~~12/07/17~~08/02/18
 Last Revised Date: ~~12/07/17~~08/02/18

Applicable to: Medi-Cal
 OneCare
 OneCare Connect
 PACE

Board Approved Policy

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I. PURPOSE

This policy defines the requirements for CalOptima and its First Tier, Downstream, and Related Entities (FDRs) for development and submission of an Immediate Corrective Action Plan (ICAP) or Corrective Action Plan (CAP) for areas of non-compliant performance, as identified by CalOptima’s Office of Compliance.

II. POLICY

- A. CalOptima’s Office of Compliance shall conduct Auditing, operational Monitoring, and investigations of internal CalOptima departments and its FDRs to ensure compliance with statutory, regulatory, contractual, CalOptima policy, and other requirements related to CalOptima programs.
- B. CalOptima’s Office of Compliance may require that an internal department or FDR develop an ICAP or CAP response based on the identified area(s) of non-compliance.
- C. CalOptima’s Office of Compliance shall require CalOptima internal departments and FDRs to bring their operations into full compliance with statutory, regulatory, contractual, CalOptima policy, and other requirements, which CalOptima or its regulators have identified as non-compliant, within time frames established by CalOptima’s Office of Compliance.
- D. An internal department or FDR shall develop, submit, and take corrective action under an approved ICAP or CAP response in the time and manner required by CalOptima’s Office of Compliance.
 - 1. Failure by the internal department to respond accurately, timely, and in compliance with statutory, regulatory, contractual, CalOptima policy, or other requirements to CalOptima’s Office of Compliance’s ICAP or CAP request ~~may~~**shall** lead to further action.
 - 2. Failure by an FDR to respond accurately, timely, and in compliance with statutory, regulatory, contractual, CalOptima policy, or other requirements to CalOptima’s Office of Compliance’s ICAP, or CAP, request ~~shall~~**may** lead to further action. CalOptima may impose Sanctions for the underlying non-compliant performance that gave rise to the ICAP or CAP request, or the failure to develop, submit, and meet the requirements of the ICAP or CAP request, in accordance with CalOptima Policy HH.2002Δ: Sanctions.

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III. PROCEDURE

A. Basis for an ICAP or CAP

1. CalOptima’s Office of Compliance shall routinely Monitor performance metrics, conduct routine, or focused, Audits, and conduct ongoing Monitoring and investigations of reported non-compliance for internal departments, or FDRs, through a variety of mechanisms.
 - a. CalOptima's Office of Compliance may issue an ICAP/CAP request as a result of Audits conducted by federal and state regulatory agencies, including, but not limited to the Department of Health Care Services (DHCS), the Centers for Medicare & Medicaid Services (CMS), and the Department of Managed Health Care (DMHC).
 - b. CalOptima's Office of Compliance may issue an ICAP/CAP request as a result of an ICAP/CAP request, or other corrective action, that CalOptima receives from a federal or state regulatory agency that is directly related to the operations of an internal department or FDR.
2. In the event that CalOptima’s Office of Compliance determines an internal department, or FDR, has failed to comply with statutory, regulatory, contractual, CalOptima policy, or other requirements, the Office of Compliance may issue an ICAP, or CAP request, to address the problem. CalOptima’s Office of Compliance shall coordinate its efforts with CalOptima’s Human Resources Department in the event that an ICAP or CAP potentially warrants Employee disciplinary action.

B. ICAP and CAP Issuance and Requirements

1. CalOptima’s Office of Compliance shall utilize a standardized ICAP and CAP request template.
2. Non-compliance with specific requirements that have the potential to cause significant Member harm, or place CalOptima’s accreditation, participation, and/or contractual status with regulatory agencies in jeopardy will require an ICAP response.
 - a. If the finding requires an ICAP request, as determined by CalOptima’s Office of Compliance, the internal department or FDR is required to cease non-compliant activities within two (2) business days of receiving the ICAP request.
 - b. The internal department or FDR shall provide a written response within three (3) business days of receiving an ICAP request, detailing how it will mitigate and prevent further non-compliance. Following the acceptance of the ICAP response, the internal department or FDR is required to resolve the issue in a manner and timeframe deemed appropriate by CalOptima’s Office of Compliance.
3. A CAP request is the result of material non-compliance with specific requirements that does not rise to the level of an ICAP request.
 - a. The internal department or FDR is required to respond to the CAP request within fourteen (14) calendar days. CalOptima’s Compliance Officer or Designee may authorize extensions to this timeline on a case-by-case basis. Following the acceptance of the CAP response, the

1 internal department or FDR is required to resolve the issue in a manner and timeframe
2 deemed appropriate by CalOptima's Office of Compliance.

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4 4. An ICAP, or CAP, response shall include the following elements:

- 5
6 a. A root cause analysis of the deficiency which may include a description of the policies and
7 procedures, staffing, training, and systems that failed;
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9 b. Steps taken to resolve the deficiency;
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11 c. Steps taken to avoid reoccurrence;
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13 d. Method for implementation and completion of ICAP response, or CAP response;
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15 e. Individual(s) responsible for implementation of the ICAP response, or CAP response;
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17 f. An attestation by the internal department, or FDR, conveying a plan to remedy its identified
18 deficiencies; and
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20 g. ICAP response, or CAP response, completion date(s), as applicable.

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22 C. Unacceptable Resolution to an ICAP or CAP

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24 1. If the resolution to the deficiency is unacceptable, or the internal department or FDR fails to
25 respond, CalOptima's Office of Compliance shall issue a written notice to the internal
26 ~~department's Chief, or the FDR's Chief Executive Officer (CEO) or their Designee~~ department
27 or the FDR, which shall include:
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29 a. A summary of previous outreach and required action(s);
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31 b. An explanation of why that the resolution was not acceptable, or why a response was not
32 received;
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34 c. A revised response timeline of two (2) business days for an ICAP;
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36 i. Extensions to this timeline may be authorized on a case-by-case basis by CalOptima's
37 Compliance Officer or Designee.
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39 d. A revised response timeline of five (5) business days for a CAP;
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41 i. Extensions to this timeline may be authorized on a case-by-case basis by CalOptima's
42 Compliance Officer or Designee.
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44 e. ~~Reiteration of~~ Explain the possible consequences, specific to the nature of the issue and
45 degree of completeness in accordance with CalOptima Policy HH.2002Δ: Sanctions; ~~and~~
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47 f. ~~Referral~~ Possibility of escalating to the department's Chief, or the FDR's Chief Executive
48 Officer (CEO) or their Designee; and
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50 ~~f.g.~~ Possibility of referral to the Audit & Oversight Committee (AOC) and the Compliance
51 Committee.

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2 D. Acceptable Resolution with ICAP or CAP Requirements
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- 4 1. A response may be accepted once all requirements outlined in Section III.B.4. of this policy are
5 fulfilled. If an ICAP or CAP response requires Monitoring or a focused Audit, the ICAP or CAP
6 response shall not be closed until the remediation(s) implemented have been validated by the
7 Office of Compliance and demonstrate that the issue will not recur.
8
9 a. A response may be accepted and closed simultaneously if Monitoring or a focused Audit is
10 not required.
11
12 2. If the resolution to the deficiency is deemed acceptable by CalOptima's Compliance Officer, or
13 Designee, CalOptima's Office of Compliance may issue a written notification of acceptance,
14 which shall include:
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16 a. An acknowledgement of acceptance;
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18 b. A description of follow up actions which shall include, but is not limited to:
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20 i. Submission of finalized documentation; and/or
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22 ii. Focused Audit, as described in Section III.E. of this policy; and/or
23
24 iii. Monitoring, as deemed appropriate by CalOptima's Office of Compliance, and as
25 described in Section III.F. of this policy.
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27 3. If the resolution to the deficiency is accepted and deemed sufficient by CalOptima's
28 Compliance Officer, or Designee, CalOptima's Office of Compliance shall issue a written
29 notification of closure, which shall include:
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31 a. An acknowledgement of closure;
32
33 b. The effective date of closure; and
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35 c. Consequences of repeat deficiencies.
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37 E. Focused Audits
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- 39 1. CalOptima's Office of Compliance may conduct a focused Audit of an internal department or
40 FDR to confirm implementation of the accepted ICAP or CAP response.
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42 2. CalOptima's Office of Compliance shall may notify the internal department or FDR of the
43 scope, Audit period, and Audit deliverables that shall be required to complete the focused
44 Audit.
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46 3. CalOptima's Office of Compliance may continue to Monitor and/or Audit an internal
47 department or FDR for performance of issues and/or functions related to the ICAP or CAP
48 request.
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50 F. Monitoring Period
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1. CalOptima’s Office of Compliance may conduct Monitoring of the internal department’s, or FDR’s, resolution to confirm implementation of the accepted ICAP or CAP response.
2. CalOptima’s Office of Compliance shall ~~may~~ Monitor the resolution for a predetermined timeframe, as established by CalOptima’s Office of Compliance.
3. CalOptima’s Office of Compliance shall ~~may~~ notify the internal department, or FDR, of the scope, Monitoring period, and deliverables that shall be required to complete the Monitoring.
4. CalOptima’s Office of Compliance may continue to Monitor and/or Audit an internal department’s, or FDR’s, performance of issues and/or functions related to the ICAP, or CAP, request.

G. Failure to Maintain Adequate Resolution

1. If during the Monitoring period, or the focused Audit, the internal department or FDR fails to maintain the remedies in place, CalOptima’s Office of Compliance shall issue the internal department or FDR an ICAP request.
2. The internal department or FDR shall be required to resolve the issue within two (2) business days from the re-issuance of the finding.
 - a. Extensions to this timeline may be authorized on a case-by-case basis by the Compliance Officer, or Designee.
3. The ICAP request shall require the information as described in Section III.B.4. of this policy.

H. ICAP and CAP Tracking and Reporting

1. CalOptima’s Office of Compliance shall track all CAP and ICAP requests issued utilizing a standardized tool.
2. CalOptima's Office of Compliance shall report the status of all CAP/ICAP requests to the Audit & Oversight Committee (~~AOC~~) and the Compliance Committee.
3. In the event that CalOptima’s Office of Compliance issues an ICAP request with respect to the CalOptima Medi-Cal Program, the Regulatory Affairs & Compliance Department shall report the issue to CalOptima’s DHCS Contract Manager for Medi-Cal within three (3) business days of issuance.
4. If CalOptima’s internal department, or FDR, has repeat deficiencies, the issue(s) shall be reported to the Audit & Oversight Committee (~~AOC~~) and the Compliance Committee by the Office of Compliance for further action.

IV. ATTACHMENTS

- A. ICAP/CAP Request Template

V. REFERENCES

- A. CalOptima Compliance Plan

- 1 B. CalOptima Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare
- 2 Advantage
- 3 C. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- 4 D. CalOptima PACE Program Agreement
- 5 ~~E. CalOptima Policy AA.1000: Glossary of Terms~~
- 6 ~~F. CalOptima Policy HH.2002Δ: Sanctions~~
- 7 ~~G.E. CalOptima Policy MA.1001: Glossary of Terms~~
- 8 ~~H.F. CalOptima Three-Way Contract with the Centers for Medicare & Medicaid Services (CMS) and~~
- 9 ~~the Department of Health Care Services (DHCS) for Cal MediConnect~~
- 10 ~~I.G. Department of Health Care Services (DHCS) All Plan Letter 17-004: Subcontractual Relationships~~
- 11 ~~and Delegation~~
- 12 H. Medicare Managed Care Manual, Chapter 21
- 13 I. Medicare Prescription Drug Benefit Manual, Chapter 9
- 14 J. Title 22, California Code of Regulations (CCR), §51301 et. seq.

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16 **VI. REGULATORY AGENCY APPROVALS**

17 None to Date

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20 **VII. BOARD ACTIONS**

- 21 ~~A. 08/02/18: Regular Meeting of the CalOptima Board of Directors~~
- 22 ~~A.B. 12/07/17: Regular Meeting of the CalOptima Board of Directors~~
- 23 ~~B.C. 12/01/16: Regular Meeting of the CalOptima Board of Directors~~

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26 **VIII. REVIEW/REVISION HISTORY**

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Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	11/01/1998	HH.2005	Health Network Corrective Action Plan	Medi-Cal
Revised	10/01/2002	HH.2005	Health Network Corrective Action Plan	Medi-Cal
Effective	08/01/2005	MA.9104	Corrective Action Plan	OneCare
Revised	06/01/2007	HH.2005	Health Network Corrective Action Plan	Medi-Cal
Revised	08/01/2008	MA.9104	Corrective Action Plan	OneCare
Revised	04/01/2013	HH.2005Δ	Corrective Action Plan	Medi-Cal OneCare
Revised	04/01/2014	MA.9104	Corrective Action Plan	OneCare
Revised	12/01/2014	MA.9104	Corrective Action Plan	Cal MediConnect OneCare PACE
Revised	09/01/2015	HH.2005	Corrective Action Plan	Medi-Cal
Revised	09/01/2015	MA.9104	Corrective Action Plan	OneCare OneCare Connect PACE
Revised	12/01/2016	HH.2005Δ	Corrective Action Plan	Medi-Cal OneCare OneCare Connect PACE

Policy #: -HH.2005Δ
Title: -Corrective Action Plan

Revised Date: ~~12/07/17~~08/02/18
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Version	Date	Policy Number	Policy Title	Line(s) of Business
Retired	12/01/2016	MA.9104	Corrective Action Plan	OneCare OneCare Connect PACE
Revised	12/07/2017	HH.2005Δ	Corrective Action Plan	Medi-Cal OneCare OneCare Connect PACE
<u>Revised</u>	<u>08/02/2018</u>	<u>HH.2005Δ</u>	<u>Corrective Action Plan</u>	<u>Medi-Cal</u> <u>OneCare</u> <u>OneCare Connect</u> <u>PACE</u>

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1 IX. GLOSSARY
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Term	Definition
Audit	A formal, systematic, and disciplined approach designed to review, evaluate, and improve the effectiveness of processes and related controls using a particular set of standards (e.g., policies and procedures, laws and regulations) used as base measures. Auditing is governed by professional standards and completed by individuals independent of the process being audited and normally performed by individuals with one of several acknowledged certifications.
Audit & Oversight Committee	A subcommittee of the Compliance Committee chaired by the Director of Audit and Oversight to oversee CalOptima’s delegated functions. The composition of the AOC includes representatives from CalOptima’s departments as provided for in the AOC charter.
Corrective Action Plan (CAP)	A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the Centers for Medicare & Medicaid Services (CMS), or designated representatives. First Tier Entities and/or CalOptima departments may be required to complete CAPs to ensure compliance with statutory, regulatory, or contractual obligations and any other requirements identified by CalOptima and its regulators.
Designee	A person selected or designated to carry out a duty or role. The assigned designee is required to be in management or hold the appropriate qualifications or certifications related to the duty or role.
Employee	Any and all employees of CalOptima, including all senior management, officers, managers, supervisors and other employed personnel, as well as temporary employees and volunteers.
First Tier Entity	Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with CalOptima to provide administrative services or health care services to a Member under a CalOptima Program.
Immediate Corrective Action Plan (ICAP)	An ICAP is the result of non-compliance with specific requirements that has the potential to cause significant member harm. Significant member harm exists if the non-compliance resulted in the failure to provide medical items, services or prescription drugs, causing financial distress, or posing a threat to member’s health and safety due to non-existent or inadequate policies and procedures, systems, operations or staffing.
Immediate Corrective Action Plan (ICAP) Request	The result of non-compliance with specific requirements that has the potential to cause significant Member harm. Significant Member harm exists if the noncompliance resulted in the failure to provide medical services or prescription drugs, causing financial distress, or posing a threat to Member’s health and safety due to non-existent or inadequate policies and procedures, systems, operations or staffing.
Member	An enrollee-beneficiary of a CalOptima program.
Monitoring	Regular reviews directed by management and performed as part of normal operations to confirm ongoing compliance and to ensure that corrective actions are undertaken and effective
Sanction	An action taken by CalOptima, including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on a First Tier Entity’s or its agent’s failure to comply with statutory, regulatory, contractual, and/or other requirements related to CalOptima Programs.

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Corrective Action Plan (CAP): *Non-Compliance Investigations*

Instructions: The Responsible Party (CalOptima or Delegated Entity) must provide a response to all cells in white, including: (1) a response (in black font) to each of the four questions under CAP Response (2) Identification of the responsible person including all contact information, (3) Implementation date, actual or planned, and (4) CAP Attestation.

CalOptima’s Office of Compliance is responsible for completing all cells in blue.

Responsible Party (CalOptima or Delegated Entity)	Case #	
	CAP Type: Immediate (ICAP) or Standard (CAP)	
Department (if applicable)	Date CAP Sent by CalOptima	
Date of Incident	Date CAP Due to CalOptima	
Investigator Name	CAP Submitted By	
Line of Business	Date CAP Submitted	

CAP #	Background/Deficiency	CAP Response (Responsible Party: Black, CalOptima: Red)	Responsible Person/Contact Information	Implementation Date	CAP Status
1	<p><u>Background:</u></p> <p><u>Applicable References and Standards:</u></p> <p><u>Findings and Actions:</u></p>	<p>1) What is the root cause of the deficiency?</p> <p>2) What step(s) have been taken to resolve the deficiency?</p> <p>3) What control(s) have been implemented to ensure this deficiency does not reoccur?</p>			

Corrective Action Plan (CAP): *Non-Compliance Investigations*

Instructions: The Responsible Party (CalOptima or Delegated Entity) must provide a response to all cells in white, including: (1) a response (in black font) to each of the four questions under CAP Response (2) Identification of the responsible person including all contact information, (3) Implementation date, actual or planned, and (4) CAP Attestation.

CalOptima’s Office of Compliance is responsible for completing all cells in blue.

		4) How will CAP be measured and monitored to close CAP?			
Monitoring Method(s) and Result				Monitoring Status	

CAP #	Background/Deficiency	CAP Response (Responsible Party: Black, CalOptima: Red)	Responsible Person/Contact Information	Implementation Date	CAP Status
2	<p><u>Background:</u></p> <p><u>Applicable References and Standards:</u></p> <p><u>Findings and Actions:</u></p>	<p>1) What is the root cause of the deficiency?</p> <p>2) What step(s) have been taken to resolve the deficiency?</p> <p>3) What control(s) have been implemented to ensure this deficiency does not reoccur?</p>			

Corrective Action Plan (CAP): *Non-Compliance Investigations*

Instructions: The Responsible Party (CalOptima or Delegated Entity) must provide a response to all cells in white, including: (1) a response (in black font) to each of the four questions under CAP Response (2) Identification of the responsible person including all contact information, (3) Implementation date, actual or planned, and (4) CAP Attestation.

CalOptima’s Office of Compliance is responsible for completing all cells in blue.

		4) How will CAP be measured and monitored to close CAP?			
Monitoring Method(s) and Result					Monitoring Status

CAP Attestation:

I, _____ [NAME/TITLE] hereby have the authority to attest that the CAP(s), and subsequent remediation, as stated above, accurately reflect _____ [BUSINESS OWNER/DELEGATE] plan to remediate and execute the above referenced area(s) of non compliance.

Generated by:
(Responsible Party)

Name, Title
Signature
Date

Approved by:
(CalOptima)

Name, Title
Signature
Date



Policy #: HH.2005Δ
Title: **Corrective Action Plan**
Department: Office of Compliance
Section: Regulatory Affairs & Compliance

CEO Approval: Michael Schrader_____

Effective Date: 11/01/98
Last Review Date: 08/02/18
Last Revised Date: 08/02/18

Applicable to: Medi-Cal
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I. PURPOSE

This policy defines the requirements for CalOptima and its First Tier, Downstream, and Related Entities (FDRs) for development and submission of an Immediate Corrective Action Plan (ICAP) or Corrective Action Plan (CAP) for areas of non-compliant performance, as identified by CalOptima’s Office of Compliance.

II. POLICY

- A. CalOptima’s Office of Compliance shall conduct Auditing, operational Monitoring, and investigations of internal CalOptima departments and its FDRs to ensure compliance with statutory, regulatory, contractual, CalOptima policy, and other requirements related to CalOptima programs.
- B. CalOptima’s Office of Compliance may require that an internal department or FDR develop an ICAP or CAP response based on the identified area(s) of non-compliance.
- C. CalOptima’s Office of Compliance shall require CalOptima internal departments and FDRs to bring their operations into full compliance with statutory, regulatory, contractual, CalOptima policy, and other requirements, which CalOptima or its regulators have identified as non-compliant, within time frames established by CalOptima’s Office of Compliance.
- D. An internal department or FDR shall develop, submit, and take corrective action under an approved ICAP or CAP response in the time and manner required by CalOptima’s Office of Compliance.
 - 1. Failure by the internal department to respond accurately, timely, and in compliance with statutory, regulatory, contractual, CalOptima policy, or other requirements to CalOptima’s Office of Compliance’s ICAP or CAP request may lead to further action.
 - 2. Failure by an FDR to respond accurately, timely, and in compliance with statutory, regulatory, contractual, CalOptima policy, or other requirements to CalOptima’s Office of Compliance’s ICAP, or CAP, request may lead to further action. CalOptima may impose Sanctions for the underlying non-compliant performance that gave rise to the ICAP or CAP request, or the failure to develop, submit, and meet the requirements of the ICAP or CAP request, in accordance with CalOptima Policy HH.2002Δ: Sanctions.

1 **III. PROCEDURE**

2
3 A. Basis for an ICAP or CAP

- 4
5 1. CalOptima’s Office of Compliance shall routinely Monitor performance metrics, conduct
6 routine, or focused, Audits, and conduct ongoing Monitoring and investigations of reported
7 non-compliance for internal departments, or FDRs, through a variety of mechanisms.
8
9 a. CalOptima's Office of Compliance may issue an ICAP/CAP request as a result of Audits
10 conducted by federal and state regulatory agencies, including, but not limited to the
11 Department of Health Care Services (DHCS), the Centers for Medicare & Medicaid
12 Services (CMS), and the Department of Managed Health Care (DMHC).
13
14 b. CalOptima's Office of Compliance may issue an ICAP/CAP request as a result of an
15 ICAP/CAP request, or other corrective action, that CalOptima receives from a federal or
16 state regulatory agency that is directly related to the operations of an internal department or
17 FDR.
18
19 2. In the event that CalOptima’s Office of Compliance determines an internal department, or FDR,
20 has failed to comply with statutory, regulatory, contractual, CalOptima policy, or other
21 requirements, the Office of Compliance may issue an ICAP, or CAP request, to address the
22 problem. CalOptima’s Office of Compliance shall coordinate its efforts with CalOptima’s
23 Human Resources Department in the event that an ICAP or CAP potentially warrants Employee
24 disciplinary action.
25

26 B. ICAP and CAP Issuance and Requirements

- 27
28 1. CalOptima’s Office of Compliance shall utilize a standardized ICAP and CAP request template.
29
30 2. Non-compliance with specific requirements that have the potential to cause significant Member
31 harm, or place CalOptima’s accreditation, participation, and/or contractual status with
32 regulatory agencies in jeopardy will require an ICAP response.
33
34 a. If the finding requires an ICAP request, as determined by CalOptima’s Office of
35 Compliance, the internal department or FDR is required to cease non-compliant activities
36 within two (2) business days of receiving the ICAP request.
37
38 b. The internal department or FDR shall provide a written response within three (3) business
39 days of receiving an ICAP request, detailing how it will mitigate and prevent further non-
40 compliance. Following the acceptance of the ICAP response, the internal department or
41 FDR is required to resolve the issue in a manner and timeframe deemed appropriate by
42 CalOptima’s Office of Compliance.
43
44 3. A CAP request is the result of material non-compliance with specific requirements that does not
45 rise to the level of an ICAP request.
46
47 a. The internal department or FDR is required to respond to the CAP request within fourteen
48 (14) calendar days. CalOptima’s Compliance Officer or Designee may authorize extensions
49 to this timeline on a case-by-case basis. Following the acceptance of the CAP response, the
50 internal department or FDR is required to resolve the issue in a manner and timeframe
51 deemed appropriate by CalOptima’s Office of Compliance.
52

1 4. An ICAP or CAP response shall include the following elements:
2

- 3 a. A root cause analysis of the deficiency which may include a description of the policies and
4 procedures, staffing, training, and systems that failed;
5
6 b. Steps taken to resolve the deficiency;
7
8 c. Steps taken to avoid reoccurrence;
9
10 d. Method for implementation and completion of ICAP response or CAP response;
11
12 e. Individual(s) responsible for implementation of the ICAP response or CAP response;
13
14 f. An attestation by the internal department or FDR conveying a plan to remedy its identified
15 deficiencies; and
16
17 g. ICAP response or CAP response completion date(s), as applicable.
18

19 C. Unacceptable Resolution to an ICAP or CAP
20

- 21 1. If the resolution to the deficiency is unacceptable or the internal department or FDR fails to
22 respond, CalOptima's Office of Compliance shall issue a written notice to the internal
23 department or the FDR, which shall include:
24
25 a. A summary of previous outreach and required action(s);
26
27 b. An explanation of why that the resolution was not acceptable, or why a response was not
28 received;
29
30 c. A revised response timeline of two (2) business days for an ICAP;
31
32 i. Extensions to this timeline may be authorized on a case-by-case basis by CalOptima's
33 Compliance Officer or Designee.
34
35 d. A revised response timeline of five (5) business days for a CAP;
36
37 i. Extensions to this timeline may be authorized on a case-by-case basis by CalOptima's
38 Compliance Officer or Designee.
39
40 e. Explain the possible consequences, specific to the nature of the issue and degree of
41 completeness in accordance with CalOptima Policy HH.2002Δ: Sanctions;
42
43 f. Possibility of escalating to the department's Chief, or the FDR's Chief Executive Officer
44 (CEO) or their Designee; and
45
46 g. Possibility of referral to the Audit & Oversight Committee and the Compliance Committee.
47

48 D. Acceptable Resolution with ICAP or CAP Requirements
49

- 50 1. A response may be accepted once all requirements outlined in Section III.B.4. of this policy are
51 fulfilled. If an ICAP or CAP response requires Monitoring or a focused Audit, the ICAP or CAP

1 response shall not be closed until the remediation(s) implemented have been validated by the
2 Office of Compliance and demonstrate that the issue will not recur.

- 3
- 4 a. A response may be accepted and closed simultaneously if Monitoring or a focused Audit is
5 not required.
- 6
- 7 2. If the resolution to the deficiency is deemed acceptable by CalOptima's Compliance Officer or
8 Designee, CalOptima's Office of Compliance may issue a written notification of acceptance,
9 which shall include:
- 10
- 11 a. An acknowledgement of acceptance;
- 12
- 13 b. A description of follow up actions which shall include, but is not limited to:
- 14
- 15 i. Submission of finalized documentation; and/or
- 16
- 17 ii. Focused Audit, as described in Section III.E. of this policy; and/or
- 18
- 19 iii. Monitoring, as deemed appropriate by CalOptima's Office of Compliance, and as
20 described in Section III.F. of this policy.
- 21
- 22 3. If the resolution to the deficiency is accepted and deemed sufficient by CalOptima's
23 Compliance Officer or Designee, CalOptima's Office of Compliance shall issue a written
24 notification of closure, which shall include:
- 25
- 26 a. An acknowledgement of closure;
- 27
- 28 b. The effective date of closure; and
- 29
- 30 c. Consequences of repeat deficiencies.

31

32 E. Focused Audits

- 33
- 34 1. CalOptima's Office of Compliance may conduct a focused Audit of an internal department or
35 FDR to confirm implementation of the accepted ICAP or CAP response.
- 36
- 37 2. CalOptima's Office of Compliance shall ~~may~~ notify the internal department or FDR of the
38 scope, Audit period, and Audit deliverables that shall be required to complete the focused
39 Audit.
- 40
- 41 3. CalOptima's Office of Compliance may continue to Monitor and/or Audit an internal
42 department or FDR for performance of issues and/or functions related to the ICAP or CAP
43 request.
- 44

45 F. Monitoring Period

- 46
- 47 1. CalOptima's Office of Compliance may conduct Monitoring of the internal department's or
48 FDR's resolution to confirm implementation of the accepted ICAP or CAP response.
- 49
- 50 2. CalOptima's Office of Compliance shall ~~may~~ Monitor the resolution for a predetermined
51 timeframe, as established by CalOptima's Office of Compliance.
- 52

3. CalOptima’s Office of Compliance shall ~~may~~ notify the internal department, or FDR, of the scope, Monitoring period, and deliverables that shall be required to complete the Monitoring.
4. CalOptima’s Office of Compliance may continue to Monitor and/or Audit an internal department’s or FDR’s performance of issues and/or functions related to the ICAP or CAP request.

G. Failure to Maintain Adequate Resolution

1. If during the Monitoring period or the focused Audit the internal department or FDR fails to maintain the remedies in place, CalOptima’s Office of Compliance shall issue the internal department or FDR an ICAP request.
2. The internal department or FDR shall be required to resolve the issue within two (2) business days from the re-issuance of the finding.
 - a. Extensions to this timeline may be authorized on a case-by-case basis by the Compliance Officer, or Designee.
3. The ICAP request shall require the information as described in Section III.B.4. of this policy.

H. ICAP and CAP Tracking and Reporting

1. CalOptima’s Office of Compliance shall track all CAP and ICAP requests issued utilizing a standardized tool.
2. CalOptima's Office of Compliance shall report the status of all CAP/ICAP requests to the Audit & Oversight Committee and the Compliance Committee.
3. In the event that CalOptima’s Office of Compliance issues an ICAP request with respect to the CalOptima Medi-Cal Program, the Regulatory Affairs & Compliance Department shall report the issue to CalOptima’s DHCS Contract Manager for Medi-Cal within three (3) business days of issuance.
4. If CalOptima’s internal department, or FDR, has repeat deficiencies, the issue(s) shall be reported to the Audit & Oversight Committee and the Compliance Committee by the Office of Compliance for further action.

IV. ATTACHMENTS

- A. ICAP/CAP Request Template

V. REFERENCES

- A. CalOptima Compliance Plan
- B. CalOptima Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare Advantage
- C. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- D. CalOptima PACE Program Agreement
- E. CalOptima Policy HH.2002Δ: Sanctions
- F. CalOptima Three-Way Contract with the Centers for Medicare & Medicaid Services (CMS) and the Department of Health Care Services (DHCS) for Cal MediConnect

- G. Department of Health Care Services (DHCS) All Plan Letter 17-004: Subcontractual Relationships and Delegation
- H. Medicare Managed Care Manual, Chapter 21
- I. Medicare Prescription Drug Benefit Manual, Chapter 9
- J. Title 22, California Code of Regulations (CCR), §51301 et. seq.

VI. REGULATORY AGENCY APPROVALS

None to Date

VII. BOARD ACTIONS

- A. 08/02/18: Regular Meeting of the CalOptima Board of Directors
- B. 12/07/17: Regular Meeting of the CalOptima Board of Directors
- C. 12/01/16: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	11/01/1998	HH.2005	Health Network Corrective Action Plan	Medi-Cal
Revised	10/01/2002	HH.2005	Health Network Corrective Action Plan	Medi-Cal
Effective	08/01/2005	MA.9104	Corrective Action Plan	OneCare
Revised	06/01/2007	HH.2005	Health Network Corrective Action Plan	Medi-Cal
Revised	08/01/2008	MA.9104	Corrective Action Plan	OneCare
Revised	04/01/2013	HH.2005Δ	Corrective Action Plan	Medi-Cal OneCare
Revised	04/01/2014	MA.9104	Corrective Action Plan	OneCare
Revised	12/01/2014	MA.9104	Corrective Action Plan	Cal MediConnect OneCare PACE
Revised	09/01/2015	HH.2005	Corrective Action Plan	Medi-Cal
Revised	09/01/2015	MA.9104	Corrective Action Plan	OneCare OneCare Connect PACE
Revised	12/01/2016	HH.2005Δ	Corrective Action Plan	Medi-Cal OneCare OneCare Connect PACE
Retired	12/01/2016	MA.9104	Corrective Action Plan	OneCare OneCare Connect PACE
Revised	12/07/2017	HH.2005Δ	Corrective Action Plan	Medi-Cal OneCare OneCare Connect PACE

Version	Date	Policy Number	Policy Title	Line(s) of Business
Revised	08/02/2018	HH.2005Δ	Corrective Action Plan	Medi-Cal OneCare OneCare Connect PACE

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1 IX. GLOSSARY
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Term	Definition
Audit	A formal, systematic, and disciplined approach designed to review, evaluate, and improve the effectiveness of processes and related controls using a particular set of standards (e.g., policies and procedures, laws and regulations) used as base measures. Auditing is governed by professional standards and completed by individuals independent of the process being audited and normally performed by individuals with one of several acknowledged certifications.
Audit & Oversight Committee	A subcommittee of the Compliance Committee chaired by the Director of Audit and Oversight to oversee CalOptima’s delegated functions. The composition of the AOC includes representatives from CalOptima’s departments as provided for in the AOC charter.
Corrective Action Plan (CAP)	A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the Centers for Medicare & Medicaid Services (CMS), or designated representatives. First Tier Entities and/or CalOptima departments may be required to complete CAPs to ensure compliance with statutory, regulatory, or contractual obligations and any other requirements identified by CalOptima and its regulators.
Designee	A person selected or designated to carry out a duty or role. The assigned designee is required to be in management or hold the appropriate qualifications or certifications related to the duty or role.
Employee	Any and all employees of CalOptima, including all senior management, officers, managers, supervisors and other employed personnel, as well as temporary employees and volunteers.
First Tier Entity	Any party that enters into a written arrangement, acceptable to DHCS and/or CMS, with CalOptima to provide administrative services or health care services to a Member under a CalOptima Program.
Immediate Corrective Action Plan (ICAP)	An ICAP is the result of non-compliance with specific requirements that has the potential to cause significant member harm. Significant member harm exists if the non-compliance resulted in the failure to provide medical items, services or prescription drugs, causing financial distress, or posing a threat to member’s health and safety due to non-existent or inadequate policies and procedures, systems, operations or staffing.
Immediate Corrective Action Plan (ICAP) Request	The result of non-compliance with specific requirements that has the potential to cause significant Member harm. Significant Member harm exists if the noncompliance resulted in the failure to provide medical services or prescription drugs, causing financial distress, or posing a threat to Member’s health and safety due to non-existent or inadequate policies and procedures, systems, operations or staffing.
Member	An enrollee-beneficiary of a CalOptima program.
Monitoring	Regular reviews directed by management and performed as part of normal operations to confirm ongoing compliance and to ensure that corrective actions are undertaken and effective
Sanction	An action taken by CalOptima, including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on a First Tier Entity’s or its agent’s failure to comply with statutory, regulatory, contractual, and/or other requirements related to CalOptima Programs.

Corrective Action Plan (CAP): *Non-Compliance Investigations*

Instructions: The Responsible Party (CalOptima or Delegated Entity) must provide a response to all cells in white, including: (1) a response (in black font) to each of the four questions under CAP Response (2) Identification of the responsible person including all contact information, (3) Implementation date, actual or planned, and (4) CAP Attestation.

CalOptima’s Office of Compliance is responsible for completing all cells in blue.

Responsible Party (CalOptima or Delegated Entity)	Case #	
	CAP Type: Immediate (ICAP) or Standard (CAP)	
Department (if applicable)	Date CAP Sent by CalOptima	
Date of Incident	Date CAP Due to CalOptima	
Investigator Name	CAP Submitted By	
Line of Business	Date CAP Submitted	

CAP #	Background/Deficiency	CAP Response (Responsible Party: Black, CalOptima: Red)	Responsible Person/Contact Information	Implementation Date	CAP Status
1	<p><u>Background:</u></p> <p><u>Applicable References and Standards:</u></p> <p><u>Findings and Actions:</u></p>	<p>1) What is the root cause of the deficiency?</p> <p>2) What step(s) have been taken to resolve the deficiency?</p> <p>3) What control(s) have been implemented to ensure this deficiency does not reoccur?</p>			

Corrective Action Plan (CAP): *Non-Compliance Investigations*

Instructions: The Responsible Party (CalOptima or Delegated Entity) must provide a response to all cells in white, including: (1) a response (in black font) to each of the four questions under CAP Response (2) Identification of the responsible person including all contact information, (3) Implementation date, actual or planned, and (4) CAP Attestation.

CalOptima's Office of Compliance is responsible for completing all cells in blue.

		4) How will CAP be measured and monitored to close CAP?			
Monitoring Method(s) and Result				Monitoring Status	

CAP #	Background/Deficiency	CAP Response (Responsible Party: Black, CalOptima: Red)	Responsible Person/Contact Information	Implementation Date	CAP Status
2	<p><u>Background:</u></p> <p><u>Applicable References and Standards:</u></p> <p><u>Findings and Actions:</u></p>	<p>1) What is the root cause of the deficiency?</p> <p>2) What step(s) have been taken to resolve the deficiency?</p> <p>3) What control(s) have been implemented to ensure this deficiency does not reoccur?</p>			

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

16. Consider Authorizing Capital Improvements Related to the Build Out of the Tenth Floor at 505 City Parkway West, Orange, California, Authorizing Procurement of Professional Services and Public Works Contracts to Implement These Capital Improvements, and the Awarding of Related Contracts

Contact

Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Actions

1. Authorize capital improvements related to the build out of the tenth floor at 505 City Parkway West, Orange, California (the 505 Building);
2. Authorize Staff to procure related professional services and public works contracts consistent with the Board-approved Purchasing Policy to implement these capital improvements; and
3. Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to contract with selected vendors to implement capital improvements in an amount not to exceed the Board-approved 505 Building Capital Budget for Fiscal Year (FY) 2018-2019.

Background

On January 6, 2011, the Board approved the purchase of the real property at 505 City Parkway West, Orange, California. This property became CalOptima's headquarters on March 5, 2012.

On June 7, 2018, the Board approved the FY 2018-19 Capital Budget. This budget addressed expenditures related to program infrastructure, the 505 Building owner capital expenditures and the Program of All-Inclusive Care for the Elderly (PACE) Center capital expenditures. The Board approved FY 2018-19 budget appropriated nearly \$2.3 million for capital improvements for renovations to the tenth floor at the 505 Building.

Discussion

The tenant lease for roughly half of the tenth floor expired on December 9, 2017. The other half of the tenth floor is currently occupied by CalOptima employees. With the exit of this tenant, CalOptima would like to build out and occupy the entire 505 Building. By recapturing the other half of the tenth floor, Staff projects an increase in capacity for approximately 50 employees.

As of June 20, 2018, CalOptima employs 1,220 employees, of whom 302 are teleworkers, 27 are community workers and 60 are PACE workers. The total number of positions projected for FY 2018-2019 is 1,470 employees. CalOptima's current capacity is for 1,098 employees. With the proposed build out of the tenth floor, CalOptima will add additional space for approximately 50 employees, which will increase total capacity to 1,148 employees in the 505 building. This increase will maintain CalOptima's ability to provide adequate space for new hires, ensure staff are seated within their respective departments, and allow CalOptima to prepare for the implementation of new programs, including Whole Child Model.

CalOptima Board Action Agenda Referral
 Consider Authorizing Capital Improvements Related to the Build Out of the
 Tenth Floor at 505 City Parkway West, Orange, California, Authorizing
 Procurement of Professional Services and Public Works Contracts to Implement
 These Capital Improvements, and the Awarding of Related Contracts
 Page 2

Management requests Board authorization of the 505 Building Improvements to make modifications and renovations to the tenth floor. Professional services and public works contractors will be selected consistent with the Board-approved purchasing policy. The construction cost per square foot is estimated at \$142. The proposed capital improvements of \$2.3 million are estimated as follows:

Category	Floor Renovations
Design Floor Layout, Lighting, and HVAC, Engineering and Construction	\$1,250,000
Furniture – Offices, Cubicles and Common Areas	\$500,000
Information Technology – Server Rooms, Cabling, Desktop Equipment and Software	\$270,000
Restroom and Lobby Remodel + Incidentals	\$140,000
Contingency	\$125,000
Total	\$2,285,000

Fiscal Impact

The 505 Building Improvement Budget is a budgeted item under the CalOptima FY 2018-19 Capital Budget approved by the Board on June 7, 2018.

Rationale for Recommendation

The proposed renovations will enable staff to gain operational efficiencies and economies of scale.

Concurrence

Gary Crockett, Chief Counsel

Attachments

None

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

17. Consider Approval of Grant Allocations of Intergovernmental Transfer (IGT) 6 and 7 Funds

Contact

Phil Tsunoda, Executive Director, Public Policy and Public Affairs, (714) 246-8400

Recommended Actions

1. Approve an additional grant allocation of up to \$10 million to the Orange County Health Care Agency (OCHCA) from the Department of Health Care Services-approved and Board-approved Intergovernmental Transfer 6 and 7 Homeless Health priority area;
2. Replace the current cap of \$150 on the daily rate and the 15-day stay maximum paid out of CalOptima funds with a 50/50 cost split arrangement with the County for stays of up to 90 days for homeless CalOptima members referred for medically justified recuperative care services under OCHCA's Whole Person Care Pilot program; and
3. Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to amend the grant agreement with the County of Orange to include indemnity language and allow for use of the above allocated funds for recuperative care services under the County's Whole Person Care (WPC) Pilot for qualifying homeless CalOptima members.

Background

Intergovernmental Transfers (IGT) are transfers of public funds between eligible government entities which are used to draw down matching federal funds for the Medi-Cal program. IGT funds are to be used to provide enhanced/additional benefits for Medi-Cal beneficiaries. There is no guarantee of future availability of the IGT Rate Range program; thus, funds are best suited for one-time investments or as seed capital for new services or initiatives for the benefit of Medi-Cal beneficiaries.

At the August 3, 2017 Board of Directors meeting, IGT 6 and 7 funds totaling approximately \$22 million were approved to support community-based organizations through one-time competitive grants at the recommendation of the IGT Ad Hoc committee to address the following priority areas:

- Children's Mental Health
- Homeless Health
- Opioid and Other Substance Use Disorders
- Community Needs Identified by the CalOptima Member Needs Assessment

On October 19, 2017 CalOptima released a notice for Requests for Information/Letters of Interest (RFI/LOI) from organizations seeking funding to address community needs in one or more of the board approved priority areas. The RFI/LOIs helped staff determine funding allocation amounts for the board-approved priority areas. CalOptima received a total of 117 RFI/LOIs from community-based organizations, hospitals, county agencies and other community interests. The 117 RFI/LOIs are broken down as follows:

Priority Area	# of LOIs
Children’s Mental Health	57
Homeless Health	36
Opioid and Other Substance Use Disorders	22
Other/Multiple Categories	2
Total	117

Staff examined the responses and evaluated them based on the following criteria:

- Statement of need describing the specific issue and/or problem and proposed program and/or solution, including new and innovative and/or collaborative efforts and expansion of services and personnel;
- Information on the impact to CalOptima members; and
- Demonstration of efficient and effective use of the potential grant funds for the proposed program and/or solutions.

In May 2017, CalOptima received final payment from DHCS for the IGT 6 and 7 transaction and confirmed CalOptima’s total share to be approximately \$31.1 million.

Discussion

The IGT Ad Hoc committee consisting of Supervisor Do and Directors Nguyen and Schoeffel met on February 17 and reconvened on April 17 to further discuss the results of the RFI/LOI responses specifically in the Homeless Health priority area and to review the staff-recommended IGT 6 and 7 expenditure plan with suggested allocation of funds per priority area.

Since receiving the RFI/LOIs, the County of Orange over the past several months has been engaged in addressing the homelessness in Orange County. Numerous public agencies and non-profit organizations, including CalOptima, have been working diligently to address this challenging matter. A lot has been accomplished, yet much more needs to be addressed.

Before making recommendation to the Board on the release of the limited grant dollars, the Ad Hoc committee met to carefully review the staff-recommended IGT 6 and 7 expenditure plan while also considering the pressing homeless issue.

In response to this on-going and challenging environment, and through the recommendation of the Ad Hoc committee, staff is recommending an allocation of up to \$10 million to the OCHCA from IGT 6 and 7 to address the health needs of CalOptima’s members in the priority area of Homeless Health

This will result in a remaining balance of approximately \$21.1 million, which the Ad Hoc will consider separately and return to the Board with further recommendations.

In addition, staff is seeking authority to amend the grant agreement with the County to direct the allocation of up to \$10 million of funds to provide recuperative care services for homeless CalOptima members under the recuperative care/WPC Pilot. The current agreement with the County allows CalOptima to pay for a maximum of \$150 per day up to 15 days of recuperative care per member, with the County responsible for any costs. Staff is proposing to remove the cap on the daily rate and allow the \$10 million to be used for funding 50 percent of all medically justified recuperative care days up to

a maximum of 90 days per homeless CalOptima member, to the extent that funds remain available, and subject to negotiation of an amendment to include indemnification by the County in the event that such use of CalOptima IGT funds is subsequently challenged or disallowed.

The WPC Pilot, a county-run program is intended to focus on improving outcomes for participants, developing infrastructure and integrating systems of care to coordinate services for the most vulnerable Medi-Cal beneficiaries. The current WPC Pilot budget and services are as follows:

		Add'l	
	Total WPC	County Funds	CalOptima
WPC Connect - electronic data sharing system	\$ 2,421,250	\$ -	\$ -
Hospitals - Homeless Navigators	\$ 5,164,000	\$ -	\$ -
Community Clinics - Homeless Navigators	\$ 7,495,000	\$ -	\$ -
Community Referral Network - social services referral system	\$ 1,000,000	\$ -	\$ -
Recuperative Care Beds	\$ 4,277,615	\$ 3,483,627	\$ 522,100
MSN Nurse - Review & Approval of Recup. Care	\$ 628,360	\$ -	\$ -
211 OC - training and housing coordination	\$ 526,600	\$ -	\$ -
CalOptima - Homeless Personal Care Coordinators & Data Reporting	\$ 809,200	\$ -	\$ -
Housing Navigators	\$ 1,824,102	\$ -	\$ -
Housing Peer Mentors	\$ 1,600,000	\$ -	\$ -
County Behavioral Health Services Outreach Staff	\$ 1,668,013	\$ -	\$ -
Shelters	\$ 2,446,580	\$ -	\$ -
County Admin	\$ 1,206,140	\$ -	\$ -
TOTAL	\$31,066,860	\$ 3,483,627	\$ 522,100

Since the 2016, the OCHCA collaborated with other community-based organizations, community clinics, hospitals, county agencies and CalOptima and others to design the program and has met with stakeholders on a weekly basis. The recuperative care element of the WPC pilot is a critical component of the program. During the first program year, the WPC recuperative care program provided vital services to homeless CalOptima members. CalOptima members in the WPC pilot program are recuperating from various conditions such as cancer, back surgery, and medication assistance and care for frail elderly members. The WPC pilot program has three recuperative care providers providing services, Mom’s Retreat, Destiny La Palma Royale and Illumination Foundation.

From July 1, 2017 through June 30, 2018, the WPC pilot program provided the following recuperative care services and linkages for members:

- 445 Homeless CalOptima members admitted into recuperative care for a total of 16,508 bed days
- 22% Homeless CalOptima members served by Illumination Foundation placed into Permanent Supportive Housing
- 4 Homeless CalOptima members in recuperative care approved for Long-Term Care services
- 6 Homeless CalOptima members in recuperative care approved for Assisted Living Waiver services

- Total cost for recuperative care services over the fiscal year: \$2,946,700
 - Average length of stay: 37 days
 - Average cost per member: \$6,623

The OCHCA experienced a shortfall in the budgeted funds for the WPC/Recuperative Care Program in Year 1 as more individuals were identified to be eligible for the program than projected. The Whole Person Care pilot budget is approximately \$31 million, with \$8.4 million allocated to provide recuperative care. As the WPC pilot moves into the new fiscal year, the program continues to experience a shortfall. To address the budget shortfall, the number of admissions into the recuperative care program was restricted; however, projected need is projected to increase over the next three years to approximately 2,368 homeless individuals, or 790 per year. The program will need approximately \$18.6M over the next three years to meet the increased need for recuperative care services. The County's remaining WPC budget for recuperative care services over this period is approximately \$5.3 million.

Individuals who are recovering safely through the program are connected to medical care, including primary care medical homes and medical specialists. In addition, members may receive behavioral health therapy and/or substance use disorder counseling services. Clients from the WPC pilot program are seven times more likely to use the Emergency Room (ER) and nine times more likely to be hospitalized than general Medi-Cal Members.

The WPC recuperative care program serves and is available for homeless CalOptima members when medically indicated, for members who are discharged from hospitals and skilled nursing facilities, as well as those referred from clinics, and OCHCA public health nurses.

Fiscal Impact

The recommended action to approve the allocation of \$10 million from IGT 6 and IGT 7 to the OCHCA has no fiscal impact to CalOptima's operating budget. Expenditure of IGT funds is for restricted, one-time purposes for the benefit of CalOptima Medi-Cal members, and does not commit CalOptima to future budget allocations.

Rationale for Recommendation

As part of CalOptima's vision in working Better. Together, CalOptima, as the community health plan for Orange County, will work with our provider and community partners to address community health needs and gaps and work to improve the availability, access and quality of health care services.

Concurrence

Gary Crockett, Chief Counsel

Attachments

None

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 2, 2018 **Regular Meeting of the CalOptima Board of Directors**

Report Item

18. Consider Authorization of Expenditures in Support of CalOptima's Participation in Community Event

Contact

Phil Tsunoda, Executive Director, Public Policy and Public Affairs, (714) 246-8400

Recommended Actions

1. Authorize the expenditure for CalOptima's participation in the following event:
 - a. Up to \$2,500 and staff participation at the 9th Annual Alzheimer's Orange County Latino Conference on Saturday, November 3, 2018 at Templo Calvario Church in Santa Ana;
2. Make a finding that such expenditure is for a public purpose and in furtherance of CalOptima's mission and statutory purpose; and
3. Authorize the Chief Executive Officer to execute agreements as necessary for the event and expenditure.

Background

CalOptima has a long history of participating in community events, health and resource fairs, town halls, workshops, and other public activities in furtherance of the organization's statutory purpose. Consistent with these activities, CalOptima has offered financial participation in public activities from time to time when such participation is in the public good, in furtherance of CalOptima's mission and statutory purpose, and encourages broader participation in CalOptima's programs and services, or promotes health and wellness among the populations CalOptima serves. As a result, CalOptima has developed and cultivated a strong reputation in Orange County with community partners, providers and key stakeholders.

Requests for participation are considered based on several factors, including: the number of people the activity/event will reach; the marketing benefits accrued to CalOptima; the strength of the partnership or level of involvement with the requesting entity; past participation; staff availability; and available budget.

Discussion

Staff recommends the authorization of expenditures for participation in this community event due in part to highlight the PACE expansion and OneCare Connect programs in the community, potentially increasing enrollment for these programs and increasing access to health care services for older adults in the Latino community.

The 9th Annual Alzheimer's Orange County Latino Conference provides an opportunity to highlight the PACE expansion and OneCare Connect programs will provide staff an opportunity to provide outreach and education to CalOptima's Spanish-speaking members, who comprise approximately thirty percent of CalOptima's total membership, as well as outreach to potential members. This event provides information, resources and support to meet the needs of Spanish-speaking seniors and their

caregivers through sharing information about Alzheimer's disease, updates on current research and providing practical information about aging well and disease prevention. Attendees will have access to free health screenings, health information and resources. This conference is free to the public and continues to grow in participation. CalOptima has participated in the Alzheimer's Orange County Latino Conference for three years: 2015 at a \$50 sponsorship level, 2016 at a \$500 sponsorship level and 2017 at a \$2,500 sponsorship level.

Staff recommends CalOptima's continued support for this event at a \$2,500 sponsorship level for 2018.

- a. The 9th Annual Alzheimer's Orange County Latino Conference in Santa Ana includes a \$2,500 financial commitment for the following: Opportunity for CalOptima's Chief Executive Officer to provide a welcome presentation during the opening ceremony, acknowledgement in press releases and advertisements one month prior to the conference via radio, magazine, website and newspaper, one (1) exhibitor table, CalOptima's logo displayed at conference and event agenda, looping video acknowledgement at front entrance, CalOptima's brochure in participants' bag, lunch for two (2) and Certificate of Recognition. Employee time will be used to participate in this event. Employees will have an opportunity to promote the PACE expansion and OneCare Connect programs with seniors and caregivers in the Latino community. Over five hundred (500) participants are anticipated to attend this event.

CalOptima staff has reviewed the request and it meets the consideration for participation including the following:

1. The number of people the activity/event will reach;
2. The marketing benefits accrued to CalOptima;
3. The strength of the partnership or level of involvement with the requesting entity;
4. Past participation;
5. Staff availability;
6. Available budget.

CalOptima's involvement in community events is coordinated by the Community Relations department. The Community Relations department will take the lead to coordinate staff schedules, resources, and appropriate materials for the event.

As part of its consideration of the recommended actions, approval of this item would be based on the Board making a finding that the proposed activities and expenditures are in the public interest and in furtherance of CalOptima's statutory purpose.

Fiscal Impact

Funding for the recommended action of \$2,500 is included as part of the Community Events budget under the CalOptima Fiscal Year 2018-19 Operating Budget approved by the CalOptima Board of Directors on June 7, 2018.

Rationale for Recommendation

Staff recommends approval of the recommended actions in order to support community and provider activities that offer opportunities that reflect CalOptima's mission, encourage broader participation in CalOptima's programs and services, or promote health and wellness.

Concurrence

Gary Crockett, Chief Counsel

Attachment

Event Information Package

/s/ Michael Schrader
Authorized Signature

7/25/2018
Date

June, 18 2018

To whom it may concern,

For individuals suffering from chronic health conditions, getting quality healthcare is much more than just a visit to the doctor or simply taking medication, it is also having access to education and resources needed to deal with the disease on a daily basis. This is especially true with senior patients who are suffering with Alzheimer's disease and who must often rely completely on their family members to take care of them. These caregivers can often feel very isolated as they struggle with meeting the overwhelming needs of their loved one inflicted with the disease, and at the same time meet their financial and personal responsibilities for themselves and others in their family. This can place a heavy burden on any family, but particularly challenging to those with limited financial, education and other social service resources.

The Alzheimer's Orange County Latino Outreach program has always believed that education and support from the community is the key to addressing this problem. That is why in addition to providing ongoing education and support to families for the past 8 years, this program has partnered with numerous community organizations to join forces and meet the needs of the Spanish speaking community with an annual conference. **This year's conference will be held on Saturday November 03, 2018 at Templo Calvario Church located in Santa Ana, California from 7:30 a.m. to 2:00 p.m.** This one day conference is free to the public and is an opportunity for caregivers and families who want to learn more about Alzheimer's disease to get updates about current research, as well as receiving practical information about aging well and disease prevention. Conference attendees will also have access to free health screenings, health information and resources, as well as entertainment and prizes. Each year this conference continues to grow, benefiting so many people in the Hispanic Community.

This year Alzheimer's Orange County is proud to announce that they are expecting 500 people to attend the conference. However, this conference was only able to become what it is today because of corporate and community sponsors. By participating in and supporting this year's annual conference, you or your organization will enable Alzheimer's Orange County to continue the good work of the Latino Outreach Program. Sponsor recognition is outlined in the material provided.

Thank you for your kind consideration of this request. If you need further information, please do not hesitate to contact Norma Castellano at (949) 757-3755 or by email norma.castellano@alzoc.org.

Most Sincerely,



Norma Castellano
Multicultural Program Coordinador

Alzheimer's Orange County
Tax ID # 95-3702013

Rama Meka

Conference Volunteer Committee Member

9th Annual Alzheimer's Latino Conference Sponsorship Levels

Diamond Sponsor - \$2500

- Opportunity to give a welcome presentation to participants on behalf of the corporation during opening ceremony
- Acknowledgement in press releases and advertisements 1 month prior to conference (radio, magazine, website, and newspaper)
- Corporate logo prominently placed around conference and on the agenda
- Corporate logo placed in looping video acknowledgments at the front entrance
- Information in goody bag
- Opportunity for a table at the information fair with corporate signage
- Lunch for 2
- Certificate of recognition

Gold Sponsor- \$1500

- Recognition at the event during opening ceremonies
- Acknowledgement in press releases and advertisements 1 month prior to conference (radio, magazine, website, and newspaper)
- Corporate logo prominently placed around conference and on the agenda
- Corporate logo placed in looping video acknowledgments at the front entrance
- Information in goody bag
- Opportunity for a table at the information fair with corporate signage
- Lunch for 2
- Certificate of recognition

Silver - \$500

- Recognition at the event during opening ceremonies
- Corporate logo placed around conference and on the agenda
- Information in goody bag
- Opportunity for a table at the information fair with corporate signage
- Lunch for 2
- Certificate of recognition

Bronze Sponsorship for Non-Profit Organizations - \$100

- Information in goody bag
- Opportunity for a table at the information fair with corporate signage
- Lunch for 2
- Certificate of recognition

AGENDA ITEM 19 TO FOLLOW CLOSED SESSION

Consider Chief Executive Officer Performance Review and Compensation

Board of Directors Meeting August 2, 2018

Member Advisory Committee Update

At the July 12, 2018 Member Advisory Committee (MAC) meeting, MAC received the following informational updates: Tracy Hitzeman, Executive Director, Clinical Operations, presented an update on Palliative Care, reporting that for the first quarter of palliative care, CalOptima had 124 referrals for care, and of that number, 64 were for the four target conditions, and 22 were for other diagnoses. The four target conditions are cancer, heart failure, chronic obstructive pulmonary disease (COPD), and liver disease. Marsha Choo, Manager, Quality Analytics, presented an Access to Care Overview, by reporting how CalOptima monitors its access and availability of providers. She added that CalOptima meets all regulatory requirements, but there are challenges with some disciplines, including dermatology, neurology, orthopedic surgery, hematology and oncology. Ana Aranda, Interim Director, Grievance and Appeals (GARS), provided a Grievance and Appeals Process update, explaining the investigation process GARS undergoes to resolve grievances and appeals. She also explained that grievances are tracked and trended for improvement, and then the grievance information is shared with committees, subcommittees, providers, health networks and internal departments for further action.

MAC considered and approved Report Items at the July 12, 2018 meeting, including the FY 2018-19 Goals and Objectives for the MAC for the upcoming fiscal year. MAC approved the recommended Consumer candidate, Jacqueline Ruddy, contingent upon Board approval. MAC approved the Whole-Child Model Family Advisory Committee (WCM FAC) Community candidates recommended by the MAC Nomination ad hoc, including Michael Arnot, Sandra Cortez-Schultz, Diane Key and Pamela Austin, contingent upon Board approval.

MAC members also received updates from CalOptima's executive staff, including the Chief Medical Officer, Chief Operating Officer and State and Federal Legislative updates.

The MAC appreciates the opportunity to provide the CalOptima Board with input and updates on the MAC's activities.

Board of Directors Meeting August 2, 2018

Provider Advisory Committee (PAC) Update

June 14, 2018 PAC Meeting

Nine (9) PAC members were in attendance at the June PAC meeting.

Phil Tsunoda, Executive Director, Public Affairs briefed the PAC on the local political candidates that have advanced to the general election in November. He also discussed the request for the Request for Proposal (RFP) for Intergovernmental Transfer Funds (IGT) 6 and 7 and agreed to bring back more information to the PAC in August. PAC members also discussed Senate Bill (SB) 1152 and asked Mr. Tsunoda to provide them with more information on this topic and present on it at a future PAC meeting.

PAC received a presentation on Directed Payments to Hospitals from Greg Hamblin, Chief Financial Officer. Mr. Hamblin discussed how Proposition 56 (Tobacco Tax) would assist hospitals using these supplemental funds. He explained there are four different programs: Proposition 56's Physician Supplemental Payments, Public Hospital Enhanced Payment Program (EPP), Public Hospital Quality Incentive Pool (QIP) and Private Hospital Directed Payment (PHDP) topics.

Candice Gomez, Executive Director, Program Implementation gave an update to the PAC on the Whole-Child Model (WCM). She noted that CalOptima had received the All Plan Letter that was released on June 7, 2018. Ms. Gomez discussed the division of WCM responsibilities, the demographics of children in Orange County who are currently receiving California Children Services (CCS) and noted that 90% were CalOptima members. She also noted that upcoming events included a Community Based Organizations (CBO) focus group in June and a general stakeholder meeting in July with additional general and family events planned through the end of 2018.

PAC also received an update on HEDIS 2018 submissions, NCQA and Stars preliminary reports.

Tracy Hitzeman, Executive Director, Clinical Operations provided the PAC on their first quarter stats for the Palliative Care Program. One of the barriers discussed is the member's lack of knowledge about the program and cultural beliefs. CalOptima will be holding ongoing community and provider education events.

Once again, the PAC appreciates and thanks the CalOptima Board for the opportunity to present input and updates on the PAC's current activities.

**Board of Directors Meeting
August 2, 2018**

**OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan)
Member Advisory Committee Update**

At the June 28, 2018 OneCare Connect Member Advisory Committee (OCC MAC) meeting, OCC MAC received the following informational presentations: Member Sara Lee, Legal Aid Society of Orange County (LASOC), provided an Ombudsman Update, reporting that LASOC has incorporated CalOptima's dental benefits' information for OCC members into LASOC's outreach and education presentation to OCC members. Tracy Hitzeman, Executive Director, Clinical Operations, presented an Update on Palliative Care, reporting that for the first quarter of palliative care, CalOptima had 124 referrals for care, and of that number, 64 were for the four target conditions, and 22 were for other diagnoses. The four target conditions are cancer, heart failure, chronic obstructive pulmonary disease (COPD), and liver disease. Marsha Choo, Manager, Quality Analytics, presented an Access to Care Overview, by reporting how CalOptima monitors its access and availability of providers. She added that CalOptima meets all regulatory requirements, but there are challenges with some disciplines, including dermatology, neurology, orthopedic surgery, hematology and oncology. Ana Aranda, Interim Director, Grievance and Appeals (GARS), provided a Grievance and Appeals Process update, explaining the investigation process GARS undergoes to resolve grievances and appeals. She also explained that grievances are tracked and trended for improvement, and then the grievance information is shared with committees, subcommittees, providers, health networks and internal departments for further action.

OCC MAC members received updates from CalOptima's executive staff, including the Chief Executive Officer update, Chief Medical Officer update, and the State and Federal Legislative update.

The OCC MAC appreciates the opportunity to provide the CalOptima Board with input and updates on OCC MAC activities.



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Whole-Child Model (WCM) Update

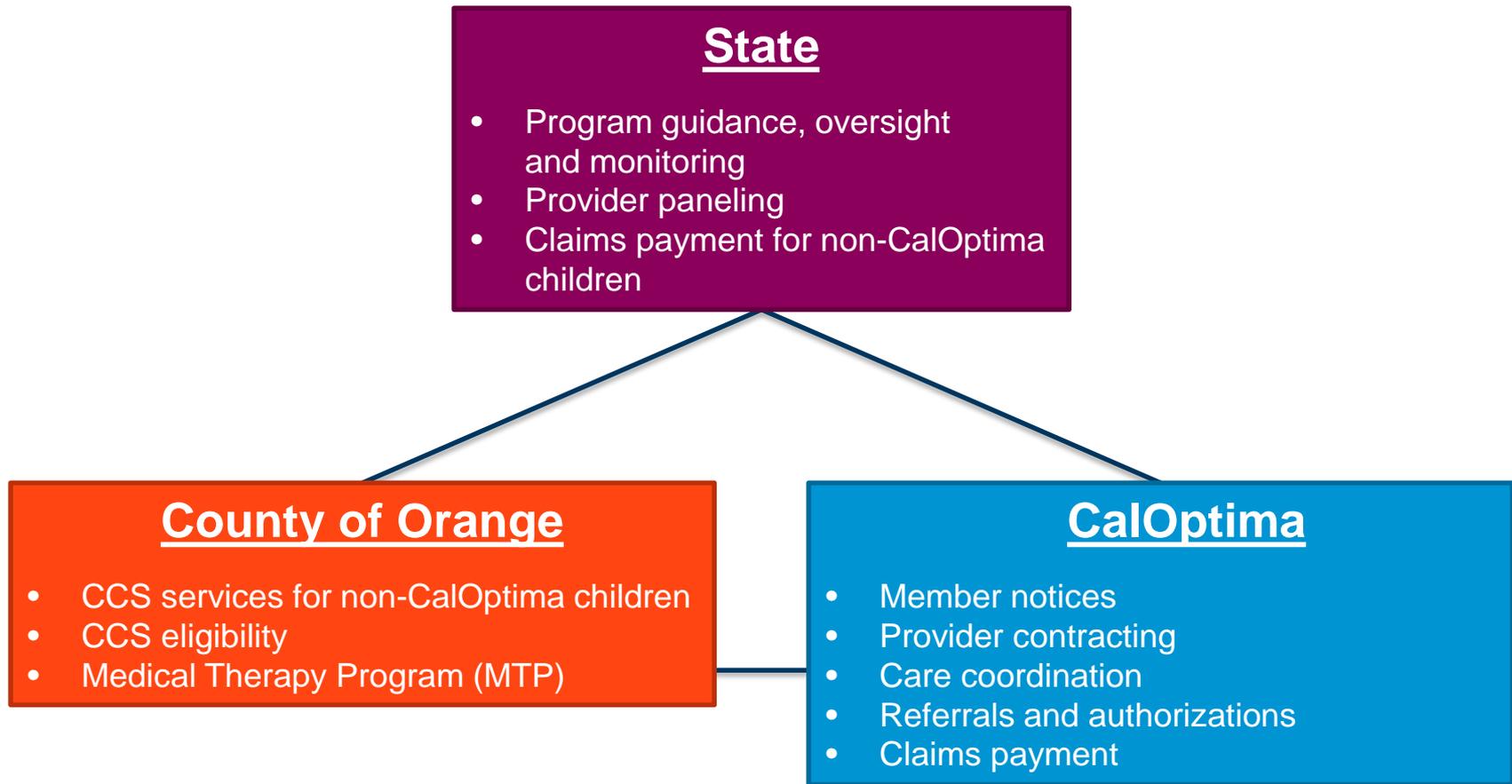
Board of Directors Meeting
August 2, 2018

Richard Helmer, M.D., Chief Medical Officer
Candice Gomez, Executive Director, Program Implementation

Whole-Child Model (WCM) Overview

- California Children's Services (CCS) is a statewide program providing medical care and case management for children under 21 with certain medical conditions
 - Locally administered by Orange County Health Care Agency
- The Department of Health Care Services (DHCS) is implementing WCM to integrate CCS services into select Medi-Cal plans
 - CalOptima will implement WCM effective January 1, 2019
 - All Plan Letter 18-011 released June 7, 2018

Division of WCM Responsibilities



WCM Requirements

- Use of CCS-paneled providers and facilities, including network adequacy certification
- Memorandum of Understanding with Orange County Health Care Agency to support coordination of services
- Maintenance and transportation (travel, food and lodging) to access CCS services
- WCM-specific reporting requirements
- CCS-paneled specialists allowed as primary care providers
- WCM clinical and member/family advisory committees

CCS Demographics

- About 13,000 Orange County children are receiving CCS services.
 - 90 percent are CalOptima members

Languages

- | | |
|-----------------|-----|
| • English | 51% |
| • Spanish | 43% |
| • Vietnamese | 4% |
| • Other/unknown | 2% |

City of Residence (Top 5)

- | | |
|----------------|-----|
| • Santa Ana | 23% |
| • Anaheim | 18% |
| • Garden Grove | 8% |
| • Orange | 6% |
| • Fullerton | 4% |

Data as of April 2018

Distribution by Health Network

Health Network	Percent of CCS Members
CHOC Health Alliance	54.3%
CalOptima Direct	8.3%
Monarch Family HealthCare	8.0%
Kaiser Permanente	7.9%
Arta Western Health Network	6.3%
AltaMed Health Services	3.0%
United Care Medical Group	2.8%
Family Choice Health Network	2.7%
Noble Mid-Orange County	2.1%
Prospect Medical Group, Inc.	1.7%
Talbert Medical Group	1.4%
AMVI Care Health Network	1.0%
HPN – Regal Medical Group	0.2%
OC Advantage	0.0%

Data as of June 2018

Member-Focused Approach



Model of Care

- Model of Care is CalOptima's structured, time-tested approach to deliver coordinated, individualized care
 - Family and various members of the health care team collaborate on this "road map" to optimal health for each CCS child
- Personal Care Coordinators (CalOptima and health network) have a central role in the model of care
- Coordination with County is integral
 - Medical eligibility determination
 - Medical Therapy Program
 - Medical Therapy Units
 - Medical Therapy Conferences

Member: What's Familiar and What's New

Familiar

CCS eligibility criteria and process

CCS-paneled providers

Primary care provider assignment

Care management and authorization

Access to specialists, medical equipment and medications

Medical Therapy Program and Medical Therapy Units

New

CCS services and Medi-Cal services managed by one entity – CalOptima

Comprehensive needs assessment

Care coordination using the Model of Care

Provider Impact

- Incorporating CCS benefits and guidelines
- Leveraging existing CalOptima processes
 - Delivery Model
 - Model of Care
- Enhancing processes where necessary to meet needs of the higher-acuity population
- Decreasing duplication and increasing coordination

Provider: What's Familiar and What's New

Familiar

CCS eligibility criteria and process

Delivery model (CalOptima and health network structure and processes)

Care coordination with the County for non-Medi-Cal members

New

Model of Care for children with CCS conditions

Single entity for care management, authorizations and claims

Coordination of intercounty transfers

Clinical Operations

- Providing CCS-specific case management, care coordination, provider referral and authorizations
- Supporting new services, such as high-risk infant follow-up authorization, NICU acuity assessment, maintenance and transportation (lodging, meals and other travel-related services)
- Facilitating transitions of care
 - Risk stratification, health risk assessment and care planning for children and youth transitioning to WCM
 - Between CalOptima, Orange County Health Care Agency and other counties
 - Age-out planning for members who become ineligible for CCS when they turn 21 years old

Internal Implementation Efforts

- Departmental workflows and desktop procedures in development (Customer Service, Claims, IS, Contracting, Finance, Clinical, etc.)
- CalOptima readiness preparation:
 - DHCS contract amendment approved at June Board meeting
 - New and revised policies being developed and updated
 - Memorandum of Understanding approved at June Board meeting
 - Transition plan
 - Network certification
- Data exchange and system updates with county and state
- Staffing — critical positions identified and prioritized

Network Development

- CalOptima and delegated networks must have adequate network of CCS-paneled and approved providers
 - CCS panel status will be part of credentialing process
 - CCS members will be able to select their CCS specialists as their primary care provider
 - CalOptima is in the process of contracting with CCS providers in Orange County and specialized providers outside of county providing services to existing members
 - Documentation of network adequacy will be submitted to DHCS by the end of the month

Network Development (Cont.)

- DHCS released CCS provider listing for contract focus
- Minimum threshold for CCS providers is one of the following:
 - 50% within Orange County
 - 25% regional counties
 - 10% statewide
- CalOptima's current overlap of CCS providers is 90% for Orange County, which more than meets the 50% minimum threshold

WCM Preparation: Advisory

- Whole-Child Model Family Advisory Committee (WCM FAC)
 - Structure includes 11 volunteer seats
 - Seven to nine family member representatives
 - Two to four community representatives
 - First meeting will be August 9
- Clinical Advisory Committee
 - CalOptima Chief Medical Officer
 - County CCS Medical Director
 - At least four CCS-paneled providers
 - Launch in the fall

Stakeholder Engagement

- CalOptima is committed to keeping our stakeholders informed and providing opportunities for feedback
- Recent events
 - January 2018 — General stakeholder event
 - February 2018 — Family events
 - March 2018 — CalOptima employee focus group
 - June 2018 — Community-based organization focus group
 - July 25, 2018 — General stakeholder event
- Continued stakeholder and family engagement
 - Fall meetings to coincide with notices
 - Resource fairs for families

Next Steps

- Continue development of Model of Care processes, departmental workflows and desktop procedures
- Prepare for DHCS submissions
 - Board approval of new and revised policies
 - Transition plan
 - Network adequacy
- Member communications
 - 60- and 30-day member letters
 - Call campaign script
- Continued engagement with County and health networks on clinical and operational processes

Additional Information

- CalOptima WCM implementation information, including materials from prior events
 - www.caloptima.org
 - Sign up for periodic updates
- DHCS WCM Implementation
 - Program information
 - www.dhcs.ca.gov/services/ccs/Pages/CCSWholeChildModel.aspx
 - www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2018/APL18-011.pdf
 - CCS Advisory Group
 - www.dhcs.ca.gov/services/ccs/Pages/AdvisoryGroup.aspx



A Public Agency

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Financial Summary

June 2018

Board of Directors Meeting

August 2, 2018

Greg Hamblin

Chief Financial Officer

FY 2017-18: Consolidated Enrollment

- June 2018 MTD:

- Overall enrollment was 780,277 member months

- Actual lower than budget by 24,989 or 3.1%

- Medi-Cal: unfavorable variance of 24,056 members

- Temporary Assistance for Needy Families (TANF) unfavorable variance of 21,464 members

- Senior Persons with Disabilities (SPD) unfavorable variance of 4,678 members

- Medi-Cal Expansion (MCE) favorable variance of 1,928

- Long-Term Care (LTC) favorable variance of 157

- OneCare Connect: unfavorable variance of 930 members

- 2,097 decrease from prior month

- Medi-Cal: decrease of 1,927 from May

- OneCare Connect: decrease of 216 from May

- OneCare: increase of 38 from May

- PACE: increase of 8 from May

FY 2017-18: Consolidated Enrollment

- June 2018 YTD:

- Overall enrollment was 9,470,419 member months
 - Actual lower than budget by 171,567 or 1.8%
 - Medi-Cal: unfavorable variance of 165,609 members or 1.8%
 - TANF unfavorable variance of 175,116 members
 - SPD unfavorable variance of 26,951 members
 - MCE favorable variance of 34,392 members
 - LTC favorable variance of 2,066 members
 - OneCare Connect: unfavorable variance of 5,964 members or 3.2%
 - PACE: unfavorable variance of 52 members or 1.8%
 - OneCare: favorable variance of 58 or 0.4%

FY 2017-18: Consolidated Revenues

- June 2018 MTD:
 - Actual higher than budget by \$191.2 million or 74.7%
 - Medi-Cal: favorable to budget by \$186.8 million or 82.1%
 - Unfavorable volume variance of \$6.9 million
 - Favorable price variance of \$193.8 million due to:
 - \$292.3 million of FY16 through FY18 Coordinated Care Initiative (CCI) revenue due to Department of Health Care Services (DHCS) reconciliation and payment
 - \$2.9 million of FY18 Proposition 56 revenue, offset by:
 - (\$69.7) million due to revenue reserve and PY Expansion's Medical Loss Ratio (MLR) reserve reconciliation
 - (\$32.7) million deferral of PY revenue
 - (\$2.1) million of PY Expansion dual's revenue due to updated rates
 - OneCare Connect: favorable to budget by \$4.1 million or 16.4%
 - Unfavorable volume variance of \$1.5 million
 - Favorable price variance of \$5.6 million

FY 2017-18: Consolidated Revenues (cont.)

- June 2018 MTD:
 - OneCare: favorable to budget by \$222.7 thousand or 15.0%
 - Favorable volume variance of \$1.0 thousand
 - Favorable price variance of \$221.6 thousand
 - PACE: favorable to budget by \$86.8 thousand or 4.7%
 - Unfavorable volume variance of \$27.0 thousand
 - Favorable price variance of \$113.8 thousand

FY 2017-18: Consolidated Revenues (cont.)

- June 2018 YTD:

- Actual higher than budget by \$258.5 million or 8.1%
 - Medi-Cal: favorable to budget by \$257.5 million or 9.1%
 - Unfavorable volume variance of \$49.8 million
 - Favorable price variance of \$307.3 million due to:
 - \$269.8 million of CCI Revenue
 - \$35.5 million of FY18 Proposition 56 revenue
 - \$24.7 million of FY18 Applied Behavioral Analysis (ABA) revenue
 - \$23.2 million of FY18 LTC revenue from non-LTC aid codes
 - \$30.8 million of PY LTC revenue from non-LTC aid codes
 - \$8.4 million of PY ABA revenue, offset by:
 - (\$63.0) million of revenue reserve and PY Expansion revenue
 - (\$19.6) million of Hepatitis C revenue

FY 2017-18: Consolidated Revenues (cont.)

- June 2018 YTD:

- OneCare Connect: favorable to budget by \$0.9 million or 0.3%
 - Unfavorable volume variance of \$10.0 million
 - Favorable price variance of \$11.0 million
- OneCare: Unfavorable to budget by \$1.2 million or 7.1%
 - Favorable volume variance of \$0.1 million
 - Unfavorable price variance of \$1.3 million
- PACE: favorable to budget by \$1.3 million or 6.7%
 - Unfavorable volume variance of \$0.3 million
 - Favorable price variance of \$1.7 million

FY 2017-18: Consolidated Medical Expenses

- June 2018 MTD:

- Actual higher than budget by \$176.6 million or 72.0%
 - Medi-Cal: unfavorable variance of \$178.4 million
 - Favorable volume variance of \$6.7 million
 - Unfavorable price variance of \$185.0 million
 - Managed Long Term Services and Supports (MLTSS) \$187.2 million due to reconciliation of In-Home Supportive Services (IHSS) expenses with DHCS reports
 - Facilities favorable variance of \$7.9 million due to Inpatient claims of \$6.3 million
 - Provider Capitation is unfavorable to budget by \$11.5 million due to Proposition 56 of \$15.0 million, offset by Kaiser capitation rate adjustment of \$3.1 million and Behavioral Health Treatment's (BHT) transition in-house
 - Professional Claims favorable variance of \$4.9 million due to reclassification of Proposition 56 to capitation expense of \$12.7 million, offset by BHT \$5.9 million and \$1.5 million from Crossover claims

FY 2017-18: Consolidated Medical Expenses (cont.)

- June 2018 MTD:
 - OneCare Connect: favorable variance of \$1.1 million or 4.4%
 - Favorable volume variance of \$1.4 million
 - Unfavorable price variance of \$0.4 million
 - OneCare: favorable variance of \$1.1 million
 - PACE: unfavorable variance of \$0.4 million

FY 2017-18: Consolidated Medical Expenses (cont.)

- June 2018 YTD:

- Actual higher than budget by \$242.0 million or 7.9%

- Medi-Cal: unfavorable variance of \$237.5 million

- Favorable volume variance of \$47.7 million

- Unfavorable price variance of \$285.2 million

- MLTSS expenses unfavorable variance of \$172.7 million

- Professional Claims expenses unfavorable variance of \$73.8 million

- Provider Capitation expenses unfavorable variance of \$43.6 million

- Facilities expenses favorable variance of \$15.2 million

- Prescription Drugs unfavorable variance of \$10.1 million

- OneCare Connect: unfavorable variance of \$6.7 million

- Favorable volume variance of \$9.4 million

- Unfavorable price variance of \$16.1 million

- Medical Loss Ratio (MLR):

- June 2018 MTD: Actual: 94.4% Budget: 95.9%

- June 2018 YTD: Actual: 95.5% Budget: 95.7%

FY 2017-18: Consolidated Administrative Expenses

- June 2018 MTD:
 - Actual higher than budget by \$10.2 million or 86.1%
 - Salaries, wages and benefits: unfavorable variance of \$9.9 million
 - Other categories: unfavorable variance of \$0.4 million
- June 2018 YTD:
 - Actual lower than budget by \$14.4 million or 9.8%
 - Purchased Services: favorable variance of \$9.4 million
 - Salaries, wages and benefits: unfavorable variance of \$1.7 million
 - Other categories: favorable variance of \$6.6 million
- Administrative Loss Ratio (ALR):
 - June 2018 MTD: Actual: 4.9% Budget: 4.6%
 - June 2018 YTD: Actual: 3.8% Budget: 4.6%

FY 2017-18: Change in Net Assets

- June 2018 MTD:

- \$5.0 million surplus
- \$6.2 million favorable to budget
 - Higher than budgeted revenue of \$191.2 million
 - Higher than budgeted medical expenses of \$176.6 million
 - Higher than budgeted administrative expenses of \$10.2 million
 - Higher than budgeted investment and other income of \$1.8 million

- June 2018 YTD:

- \$44.4 million surplus
- \$49.9 million favorable to budget
 - Higher than budgeted revenue of \$258.5 million
 - Higher than budgeted medical expenses of \$242.0 million
 - Lower than budgeted administrative expenses of \$14.4 million
 - Higher than budgeted investment and other income of \$19.0 million

Enrollment Summary: June 2018

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
63,267	66,134	(2,867)	(4.3%)	Aged	758,690	767,897	(9,207)	(1.2%)
608	618	(10)	(1.6%)	BCCTP	7,380	7,416	(36)	(0.5%)
47,037	48,838	(1,801)	(3.7%)	Disabled	567,829	585,537	(17,708)	(3.0%)
315,457	328,570	(13,113)	(4.0%)	TANF Child	3,775,295	3,951,668	(176,373)	(4.5%)
94,939	103,290	(8,351)	(8.1%)	TANF Adult	1,245,239	1,243,982	1,257	0.1%
3,425	3,268	157	4.8%	LTC	41,282	39,216	2,066	5.3%
239,091	237,163	1,928	0.8%	MCE	2,874,418	2,840,026	34,392	1.2%
763,824	787,880	(24,056)	(3.1%)	Medi-Cal	9,270,133	9,435,742	(165,609)	(1.8%)
14,768	15,698	(930)	(5.9%)	OneCare Connect	180,951	186,915	(5,964)	(3.2%)
267	271	(4)	(1.5%)	PACE	2,870	2,922	(52)	(1.8%)
1,418	1,417	1	0.1%	OneCare	16,465	16,407	58	0.4%
780,277	805,266	(24,989)	(3.1%)	CalOptima Total	9,470,419	9,641,986	(171,567)	(1.8%)

Financial Highlights: June 2018

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
780,277	805,266	(24,989)	(3.1%)	Member Months	9,470,419	9,641,986	(171,567)	(1.8%)
447,003,724	255,798,202	191,205,522	74.7%	Revenues	3,445,145,492	3,186,604,051	258,541,441	8.1%
421,949,696	245,360,028	(176,589,668)	(72.0%)	Medical Expenses	3,290,853,863	3,048,864,929	(241,988,934)	(7.9%)
22,086,631	11,870,220	(10,216,411)	(86.1%)	Administrative Expenses	131,637,723	146,015,229	14,377,506	9.8%
2,967,397	(1,432,046)	4,399,443	307.2%	Operating Margin	22,653,905	(8,276,107)	30,930,013	373.7%
2,041,389	231,157	1,810,231	783.1%	Non Operating Income (Loss)	21,768,155	2,816,659	18,951,496	672.8%
5,008,786	(1,200,889)	6,209,675	517.1%	Change in Net Assets	44,422,060	(5,459,449)	49,881,509	913.7%
94.4%	95.9%	1.5%		Medical Loss Ratio	95.5%	95.7%	0.2%	
4.9%	4.6%	(0.3%)		Administrative Loss Ratio	3.8%	4.6%	0.8%	
<u>0.7%</u>	<u>(0.6%)</u>	1.2%		Operating Margin Ratio	<u>0.7%</u>	<u>(0.3%)</u>	0.9%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

Consolidated Performance Actual vs. Budget: June (in millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
(2.6)	(0.4)	(2.1)	Medi-Cal	29.3	(1.9)	31.1
4.7	(1.0)	5.7	OCC	(7.8)	(5.1)	(2.7)
1.2	(0.1)	1.3	OneCare	0.4	(1.4)	1.8
<u>(0.3)</u>	<u>0.1</u>	<u>(0.4)</u>	PACE	<u>0.9</u>	<u>0.1</u>	<u>0.8</u>
3.1	(1.4)	4.6	Operating	22.7	(8.3)	31.0
<u>1.9</u>	<u>0.2</u>	<u>1.6</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>21.7</u>	<u>2.8</u>	<u>18.9</u>
1.9	0.2	1.6	Non-Operating	21.7	2.8	18.9
5.0	(1.2)	6.2	TOTAL	44.4	(5.5)	49.9

Consolidated Revenue & Expense: June 2018 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	524,733	239,091	763,824	14,768	1,418	267	780,277
REVENUES							
Capitation Revenue	\$ 374,778,161	\$ 39,600,949	\$ 414,379,109	\$ 29,000,139	\$ 1,709,300	\$ 1,915,175	\$ 447,003,724
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>374,778,161</u>	<u>39,600,949</u>	<u>414,379,109</u>	<u>29,000,139</u>	<u>1,709,300</u>	<u>1,915,175</u>	<u>447,003,724</u>
MEDICAL EXPENSES							
Provider Capitation	39,635,489	56,020,130	95,655,619	13,330,836	742,386	-	109,728,841
Facilities	17,038,956	17,760,425	34,799,380	1,794,830	(1,027,687)	407,837	35,974,360
Ancillary	-	-	-	707,913	16,066	-	723,979
Skilled Nursing	-	-	-	-	42,641	-	42,641
Professional Claims	9,969,693	(698,535)	9,271,159	-	-	542,617	9,813,776
Prescription Drugs	17,132,587	18,577,549	35,710,137	5,241,146	456,344	144,725	41,552,352
MLTSS Facility Payments	214,310,211	4,138,432	218,448,643	1,698,927	-	9,386	220,156,956
Medical Management	4,261,535	1,479,373	5,740,908	(33,388)	138,814	603,709	6,450,043
Reinsurance & Other	(1,418,949)	(1,505,031)	(2,923,980)	199,024	5,945	225,760	(2,493,252)
Total Medical Expenses	<u>300,929,522</u>	<u>95,772,344</u>	<u>396,701,866</u>	<u>22,939,288</u>	<u>374,508</u>	<u>1,934,034</u>	<u>421,949,696</u>
Medical Loss Ratio	80.3%	241.8%	95.7%	79.1%	21.9%	101.0%	94.4%
GROSS MARGIN	73,848,639	(56,171,395)	17,677,243	6,060,851	1,334,793	(18,859)	25,054,028
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			16,028,283	800,023	20,131	106,185	16,954,622
Professional fees			348,054	17,142	13,000	17,300	395,496
Purchased services			1,098,700	267,834	25,724	71,900	1,464,157
Printing and Postage			533,564	47,336	3,138	0	584,037
Depreciation and Amortization			413,956	-	-	2,074	416,030
Other expenses			1,765,189	77,728	-	26,893	1,869,810
Indirect cost allocation, Occupancy expense			213,160	143,190	26,509	19,618	402,478
Total Administrative Expenses			<u>20,400,906</u>	<u>1,353,253</u>	<u>88,502</u>	<u>243,970</u>	<u>22,086,631</u>
Admin Loss Ratio			4.9%	4.7%	5.2%	12.7%	4.9%
INCOME (LOSS) FROM OPERATIONS			(2,723,663)	4,707,598	1,246,291	(262,829)	2,967,397
INVESTMENT INCOME							1,869,883
NET GRANT INCOME			121,506	-	-	-	121,506
OTHER INCOME			50,000	-	-	-	50,000
CHANGE IN NET ASSETS			<u>\$ (2,552,157)</u>	<u>\$ 4,707,598</u>	<u>\$ 1,246,291</u>	<u>\$ (262,829)</u>	<u>\$ 5,008,786</u>

Consolidated Revenue & Expense: June 2018 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	6,395,715	2,874,418	9,270,133	180,951	16,465	2,870	9,470,419
REVENUES							
Capitation Revenue	\$ 1,857,893,132	\$ 1,235,286,392	\$ 3,093,179,525	\$ 315,219,443	15,943,378	\$ 20,803,146	\$ 3,445,145,492
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>1,857,893,132</u>	<u>1,235,286,392</u>	<u>3,093,179,525</u>	<u>315,219,443</u>	<u>15,943,378</u>	<u>20,803,146</u>	<u>3,445,145,492</u>
MEDICAL EXPENSES							
Provider Capitation	454,939,143	613,459,262	1,068,398,405	140,843,505	2,817,121	-	1,212,059,031
Facilities	255,590,271	246,771,028	502,361,299	40,576,471	4,474,995	4,024,679	551,437,443
Ancillary	-	-	-	7,588,751	647,907	-	8,236,658
Skilled Nursing	-	-	-	-	326,321	-	326,321
Professional Claims	179,180,816	63,674,525	242,855,341	-	-	4,674,899	247,530,240
Prescription Drugs	219,901,219	221,871,578	441,772,798	62,410,782	5,376,575	1,584,525	511,144,680
MLTSS Facility Payments	625,416,510	31,961,780	657,378,290	38,071,771	-	30,001	695,480,063
Medical Management	26,341,441	9,820,826	36,162,267	11,175,583	713,756	6,511,183	54,562,788
Reinsurance & Other	4,536,326	1,814,063	6,350,389	2,123,692	83,572	1,518,985	10,076,638
Total Medical Expenses	<u>1,765,905,727</u>	<u>1,189,373,063</u>	<u>2,955,278,790</u>	<u>302,790,555</u>	<u>14,440,247</u>	<u>18,344,271</u>	<u>3,290,853,863</u>
Medical Loss Ratio	95.0%	96.3%	95.5%	96.1%	90.6%	88.2%	95.5%
GROSS MARGIN	91,987,405	45,913,330	137,900,735	12,428,888	1,503,131	2,458,875	154,291,629
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			76,936,415	9,257,469	276,042	979,576	87,449,503
Professional fees			1,899,793	281,153	172,349	77,200	2,430,496
Purchased services			9,136,451	2,188,985	233,618	199,527	11,758,581
Printing and Postage			3,951,077	705,225	73,980	41,965	4,772,247
Depreciation and Amortization			4,930,521	-	-	25,474	4,955,995
Other expenses			15,351,284	541,873	(578)	161,309	16,053,889
Indirect cost allocation, Occupancy expense			(3,510,236)	7,276,091	368,015	83,143	4,217,013
Total Administrative Expenses			<u>108,695,305</u>	<u>20,250,797</u>	<u>1,123,426</u>	<u>1,568,196</u>	<u>131,637,723</u>
Admin Loss Ratio			3.5%	6.4%	7.0%	7.5%	3.8%
INCOME (LOSS) FROM OPERATIONS			29,205,430	(7,821,909)	379,705	890,679	22,653,905
INVESTMENT INCOME							21,660,838
NET RENTAL INCOME							54,103
NET GRANT INCOME			1,309	-	-	-	1,309
OTHER INCOME			51,905	-	-	-	51,905
CHANGE IN NET ASSETS			<u>\$ 29,258,644</u>	<u>\$ (7,821,909)</u>	<u>\$ 379,705</u>	<u>\$ 890,679</u>	<u>\$ 44,422,061</u>

Balance Sheet: As of June 2018

ASSETS		LIABILITIES & FUND BALANCES	
Current Assets		Current Liabilities	
Operating Cash	\$368,089,847	Accounts payable	\$8,332,830
Investments	580,298,948	Medical claims liability	831,573,386
Capitation receivable	296,225,733	Accrued payroll liabilities	10,753,145
Receivables - Other	24,925,283	Deferred revenue	113,702,949
Prepaid Expenses	6,297,346	Deferred lease obligations	120,817
		Capitation and withholds	96,448,891
Total Current Assets	<u>1,275,837,157</u>	Total Current Liabilities	<u>1,060,932,019</u>
Capital Assets		Other employment benefits liability	
Furniture and equipment	34,328,849		30,674,457
Building/Leasehold improvements	7,575,179	Net Pension Liabilities	25,100,820
505 City Parkway West	49,743,943	Long Term Liabilities	100,000
	91,647,970	TOTAL LIABILITIES	<u>1,116,807,297</u>
Less: accumulated depreciation	(40,889,720)		
Capital assets, net	<u>50,758,250</u>	Deferred inflows of Resources - Excess Earnings	-
		Deferred inflows of Resources - Changes in Assumptions	1,028,380
Other Assets		Tangible net equity (TNE)	89,151,394
Restricted deposit & Other	300,000	Funds in excess of TNE	668,729,058
Board-designated assets		Net Assets	<u>757,880,452</u>
Cash and cash equivalents	26,698,940		
Long term investments	511,548,732	TOTAL LIABILITIES, INFLOWS & FUND BALANCES	<u>1,875,716,129</u>
Total Board-designated Assets	<u>538,247,672</u>		
Total Other Assets	<u>538,547,672</u>		
Deferred outflows of Resources - Pension Contributions	393,907		
Deferred outflows of Resources - Difference in Experience	1,365,903		
Deferred outflows of Resources - Excess Earnings	1,017,387		
Deferred outflows of Resources - Changes in Assumptions	7,795,853		
TOTAL ASSETS & OUTFLOWS	<u>1,875,716,129</u>		

Board Designated Reserve and TNE Analysis As of June 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	147,242,819				
	Tier 1 - Logan Circle	147,220,310				
	Tier 1 - Wells Capital	146,584,002				
Board-designated Reserve						
		441,047,131	319,708,887	494,934,722	121,338,244	(53,887,591)
TNE Requirement	Tier 2 - Logan Circle	97,200,541	89,151,394	89,151,394	8,049,147	8,049,147
	Consolidated:	538,247,672	408,860,281	584,086,116	129,387,391	(45,838,444)
	<i>Current reserve level</i>	1.84	1.40	2.00		



CalOptima
Better. Together.

UNAUDITED FINANCIAL STATEMENTS

June 2018

Preliminary Report as of July 24th, 2018
Subject to change following financial audit

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**CalOptima - Consolidated
Financial Highlights
For the Twelve Months Ended June 30, 2018**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
780,277	805,266	(24,989)	(3.1%)	Member Months	9,470,419	9,641,986	(171,567)	(1.8%)
447,003,724	255,798,202	191,205,522	74.7%	Revenues	3,445,145,492	3,186,604,051	258,541,441	8.1%
421,949,696	245,360,028	(176,589,668)	(72.0%)	Medical Expenses	3,290,853,863	3,048,864,929	(241,988,934)	(7.9%)
22,086,631	11,870,220	(10,216,411)	(86.1%)	Administrative Expenses	131,637,723	146,015,229	14,377,506	9.8%
2,967,397	(1,432,046)	4,399,443	307.2%	Operating Margin	22,653,905	(8,276,107)	30,930,013	373.7%
2,041,389	231,157	1,810,231	783.1%	Non Operating Income (Loss)	21,768,155	2,816,659	18,951,496	672.8%
5,008,786	(1,200,889)	6,209,675	517.1%	Change in Net Assets	44,422,060	(5,459,449)	49,881,509	913.7%
94.4%	95.9%	1.5%		Medical Loss Ratio	95.5%	95.7%	0.2%	
4.9%	4.6%	(0.3%)		Administrative Loss Ratio	3.8%	4.6%	0.8%	
<u>0.7%</u>	<u>(0.6%)</u>	1.2%		Operating Margin Ratio	<u>0.7%</u>	<u>(0.3%)</u>	0.9%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

**CalOptima
Financial Dashboard
For the Twelve Months Ended June 30, 2018**

MONTH - TO - DATE

Enrollment				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	763,824	787,880	↓	(24,056) (3.1%)
OneCare Connect	14,768	15,698	↓	(930) (5.9%)
OneCare	1,418	1,417	↑	1 0.1%
PACE	267	271	↓	(4) (1.5%)
Total	780,277	805,266	↓	(24,989) (3.1%)

Change in Net Assets (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (2,552)	\$ (433)	↓	\$ (2,119) (489.3%)
OneCare Connect	4,708	(1,024)	↑	5,732 559.7%
OneCare	1,246	(96)	↑	1,342 1401.4%
PACE	(263)	121	↓	(384) (317.6%)
505 Bldg.	-	(19)	↑	19 100.0%
Investment Income & Other	1,870	250	↑	1,620 648.0%
Total	\$ 5,009	\$ (1,201)	↑	\$ 6,210 517.1%

MLR			
	Actual	Budget	% Point Var
Medi-Cal	95.7%	95.9%	↑ 0.2
OneCare Connect	79.1%	96.3%	↑ 17.2
OneCare	21.9%	99.9%	↑ 78.0

Administrative Cost (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 20,401	\$ 9,684	↓	\$ (10,717) (110.7%)
OneCare Connect	1,353	1,934	↑	580 30.0%
OneCare	89	97	↑	9 8.8%
PACE	244	155	↓	(89) (57.1%)
Total	\$ 22,087	\$ 11,870	↓	\$ (10,216) (86.1%)

Total FTE's Month			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	922	960	39
OneCare Connect	214	237	23
OneCare	3	3	0
PACE	60	67	7
Total	1,199	1,267	69

MM per FTE			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	829	820	8
OneCare Connect	69	66	3
OneCare	475	472	3
PACE	4	4	0
Total	1,377	1,363	15

YEAR - TO - DATE

Year To Date Enrollment				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	9,270,133	9,435,742	↓	(165,609) (1.8%)
OneCare Connect	180,951	186,915	↓	(5,964) (3.2%)
OneCare	16,465	16,407	↑	58 0.4%
PACE	2,870	2,922	↓	(52) (1.8%)
Total	9,470,419	9,641,986	↓	(171,567) (1.8%)

Change in Net Assets (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 29,259	\$ (1,875)	↑	\$ 31,134 1660.1%
OneCare Connect	(7,822)	(5,144)	↓	(2,678) (52.1%)
OneCare	380	(1,389)	↑	1,768 127.3%
PACE	891	131	↑	759 578.1%
505 Bldg.	54	(183)	↑	237 129.5%
Investment Income & Other	21,661	3,000	↑	18,661 622.0%
Total	\$ 44,422	\$ (5,459)	↑	\$ 49,882 913.7%

MLR			
	Actual	Budget	% Point Var
Medi-Cal	95.5%	95.8%	↑ 0.3
OneCare Connect	96.1%	94.2%	↓ (1.8)
OneCare	90.6%	101.2%	↑ 10.7

Administrative Cost (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 108,695	\$ 119,711	↑	\$ 11,015 9.2%
OneCare Connect	20,251	23,302	↑	3,051 13.1%
OneCare	1,123	1,175	↑	52 4.4%
PACE	1,568	1,828	↑	260 14.2%
Total	\$ 131,638	\$ 146,015	↑	\$ 14,378 9.8%

Total FTE's YTD			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	10,789	11,166	377
OneCare Connect	2,624	2,845	221
OneCare	36	36	(0)
PACE	665	774	109
Total	14,114	14,821	707

MM per FTE			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	859	845	14
OneCare Connect	69	66	3
OneCare	452	456	(4)
PACE	4	4	(0)
Total	1,385	1,370	14

**CalOptima - Consolidated
Statement of Revenue and Expenses
For the One Month Ended June 30, 2018**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	780,277		805,266		(24,989)	
Revenues						
Medi-Cal	\$ 414,379,109	\$ 542.51	\$ 227,576,754	\$ 288.85	\$ 186,802,355	\$ 253.66
OneCare Connect	29,000,139	1,963.71	24,906,432	1,586.60	4,093,707	377.12
OneCare	1,709,300	1,205.43	1,486,603	1,049.12	222,697	156.31
PACE	1,915,175	7,172.94	1,828,413	6,746.91	86,762	426.03
Total Operating Revenue	<u>447,003,724</u>	<u>572.88</u>	<u>255,798,202</u>	<u>317.66</u>	<u>191,205,522</u>	<u>255.22</u>
Medical Expenses						
Medi-Cal	396,701,866	519.36	218,325,648	277.11	(178,376,218)	(242.26)
OneCare Connect	22,939,288	1,553.31	23,996,757	1,528.65	1,057,469	(24.66)
OneCare	374,508	264.11	1,485,333	1,048.22	1,110,825	784.11
PACE	1,934,034	7,243.57	1,552,290	5,728.01	(381,744)	(1,515.57)
Total Medical Expenses	<u>421,949,696</u>	<u>540.77</u>	<u>245,360,028</u>	<u>304.69</u>	<u>(176,589,668)</u>	<u>(236.07)</u>
Gross Margin	25,054,028	32.11	10,438,174	12.96	14,615,854	19.15
Administrative Expenses						
Salaries and Benefits	16,954,622	21.73	7,096,559	8.81	(9,858,063)	(12.92)
Professional fees	395,496	0.51	376,181	0.47	(19,315)	(0.04)
Purchased services	1,464,157	1.88	1,516,110	1.88	51,953	0.01
Printing and Postage	584,037	0.75	529,865	0.66	(54,172)	(0.09)
Depreciation and Amortization	416,030	0.53	463,298	0.58	47,268	0.04
Other	1,869,810	2.40	1,547,790	1.92	(322,020)	(0.47)
Indirect cost allocation, Occupancy expense	402,478	0.52	340,417	0.42	(62,061)	(0.09)
Total Administrative Expenses	<u>22,086,631</u>	<u>28.31</u>	<u>11,870,220</u>	<u>14.74</u>	<u>(10,216,411)</u>	<u>(13.57)</u>
Income (Loss) From Operations	2,967,397	3.80	(1,432,046)	(1.78)	4,399,443	5.58
Investment income						
Interest income	2,569,166	3.29	250,000	0.31	2,319,166	2.98
Realized gain/(loss) on investments	(277,662)	(0.36)	-	-	(277,662)	(0.36)
Unrealized gain/(loss) on investments	(421,621)	(0.54)	-	-	(421,621)	(0.54)
Total Investment Income	<u>1,869,883</u>	<u>2.40</u>	<u>250,000</u>	<u>0.31</u>	<u>1,619,883</u>	<u>2.09</u>
Net Rental Income	-	-	(18,843)	(0.02)	18,843	0.02
Total Net Grant Income	121,506	0.16	-	-	121,506	0.16
Other Income	50,000	0.06	-	-	50,000	0.06
Change In Net Assets	<u>5,008,786</u>	<u>6.42</u>	<u>(1,200,889)</u>	<u>(1.49)</u>	<u>6,209,675</u>	<u>7.91</u>
Medical Loss Ratio	94.4%		95.9%		1.5%	
Administrative Loss Ratio	4.9%		4.6%		(0.3%)	

* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

** Includes MSSP

CalOptima - Consolidated
Statement of Revenue and Expenses
For the Twelve Months Ended June 30, 2018

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	9,470,419		9,641,986		(171,567)	
Revenues						
Medi-Cal	\$ 3,093,179,525	\$ 333.67	\$ 2,835,653,991	\$ 300.52	\$ 257,525,534	\$ 33.15
OneCare Connect	315,219,443	1,742.02	314,293,716	1,681.48	925,727	60.54
OneCare	15,943,378	968.32	17,160,358	1,045.92	(1,216,980)	(77.60)
PACE	20,803,146	7,248.48	19,495,986	6,672.14	1,307,160	576.35
Total Operating Revenue	3,445,145,492	363.78	3,186,604,051	330.49	258,541,441	33.29
Medical Expenses						
Medi-Cal	2,955,278,790	318.80	2,717,818,634	288.03	(237,460,156)	(30.76)
OneCare Connect	302,790,555	1,673.33	296,135,555	1,584.33	(6,655,000)	(89.00)
OneCare	14,440,247	877.03	17,373,904	1,058.93	2,933,657	181.91
PACE	18,344,271	6,391.73	17,536,836	6,001.66	(807,435)	(390.08)
Total Medical Expenses	3,290,853,863	347.49	3,048,864,929	316.21	(241,988,934)	(31.28)
Gross Margin	154,291,629	16.29	137,739,122	14.29	16,552,507	2.01
Administrative Expenses						
Salaries and Benefits	87,449,503	9.23	85,757,592	8.89	(1,691,911)	(0.34)
Professional fees	2,430,496	0.26	4,602,261	0.48	2,171,765	0.22
Purchased services	11,758,581	1.24	21,180,200	2.20	9,421,618	0.96
Printing and Postage	4,772,247	0.50	6,377,954	0.66	1,605,707	0.16
Depreciation and Amortization	4,955,995	0.52	5,559,576	0.58	603,581	0.05
Other	16,053,889	1.70	18,452,647	1.91	2,398,758	0.22
Indirect cost allocation, Occupancy expense	4,217,013	0.45	4,085,000	0.42	(132,013)	(0.02)
Total Administrative Expenses	131,637,723	13.90	146,015,229	15.14	14,377,506	1.24
Income (Loss) From Operations	22,653,905	2.39	(8,276,107)	(0.86)	30,930,013	3.25
Investment income						
Interest income	28,400,827	3.00	3,000,000	0.31	25,400,827	2.69
Realized gain/(loss) on investments	(2,499,975)	(0.26)	-	-	(2,499,975)	(0.26)
Unrealized gain/(loss) on investments	(4,240,014)	(0.45)	-	-	(4,240,014)	(0.45)
Total Investment Income	21,660,838	2.29	3,000,000	0.31	18,660,838	1.98
Net Rental Income	54,103	0.01	(183,341)	(0.02)	237,444	0.02
Total Net Grant Income	1,309	0.00	-	-	1,309	0.00
Other Income	51,905	0.01	-	-	51,905	0.01
Change In Net Assets	44,422,060	4.69	(5,459,449)	(0.57)	49,881,509	5.26
Medical Loss Ratio	95.5%		95.7%		0.2%	
Administrative Loss Ratio	3.8%		4.6%		0.8%	

* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

** Includes MSSP

**CalOptima - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ended June 30, 2018**

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	524,733	239,091	763,824	14,768	1,418	267	780,277
REVENUES							
Capitation Revenue	\$ 374,778,161	\$ 39,600,949	\$ 414,379,109	\$ 29,000,139	\$ 1,709,300	\$ 1,915,175	\$ 447,003,724
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>374,778,161</u>	<u>39,600,949</u>	<u>414,379,109</u>	<u>29,000,139</u>	<u>1,709,300</u>	<u>1,915,175</u>	<u>447,003,724</u>
MEDICAL EXPENSES							
Provider Capitation	39,635,489	56,020,130	95,655,619	13,330,836	742,386	-	109,728,841
Facilities	17,038,956	17,760,425	34,799,380	1,794,830	(1,027,687)	407,837	35,974,360
Ancillary	-	-	-	707,913	16,066	-	723,979
Skilled Nursing	-	-	-	-	42,641	-	42,641
Professional Claims	9,969,693	(698,535)	9,271,159	-	-	542,617	9,813,776
Prescription Drugs	17,132,587	18,577,549	35,710,137	5,241,146	456,344	144,725	41,552,352
MLTSS Facility Payments	214,310,211	4,138,432	218,448,643	1,698,927	-	9,386	220,156,956
Medical Management	4,261,535	1,479,373	5,740,908	(33,388)	138,814	603,709	6,450,043
Reinsurance & Other	(1,418,949)	(1,505,031)	(2,923,980)	199,024	5,945	225,760	(2,493,252)
Total Medical Expenses	<u>300,929,522</u>	<u>95,772,344</u>	<u>396,701,866</u>	<u>22,939,288</u>	<u>374,508</u>	<u>1,934,034</u>	<u>421,949,696</u>
Medical Loss Ratio	80.3%	241.8%	95.7%	79.1%	21.9%	101.0%	94.4%
GROSS MARGIN	73,848,639	(56,171,395)	17,677,243	6,060,851	1,334,793	(18,859)	25,054,028
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			16,028,283	800,023	20,131	106,185	16,954,622
Professional fees			348,054	17,142	13,000	17,300	395,496
Purchased services			1,098,700	267,834	25,724	71,900	1,464,157
Printing and Postage			533,564	47,336	3,138	0	584,037
Depreciation and Amortization			413,956	-	-	2,074	416,030
Other expenses			1,765,189	77,728	-	26,893	1,869,810
Indirect cost allocation, Occupancy expense			213,160	143,190	26,509	19,618	402,478
Total Administrative Expenses			<u>20,400,906</u>	<u>1,353,253</u>	<u>88,502</u>	<u>243,970</u>	<u>22,086,631</u>
Admin Loss Ratio			4.9%	4.7%	5.2%	12.7%	4.9%
INCOME (LOSS) FROM OPERATIONS			(2,723,663)	4,707,598	1,246,291	(262,829)	2,967,397
INVESTMENT INCOME							1,869,883
NET GRANT INCOME			121,506	-	-	-	121,506
OTHER INCOME			50,000	-	-	-	50,000
CHANGE IN NET ASSETS			<u>\$ (2,552,157)</u>	<u>\$ 4,707,598</u>	<u>\$ 1,246,291</u>	<u>\$ (262,829)</u>	<u>\$ 5,008,786</u>
BUDGETED CHANGE IN ASSETS			(433,098)	(1,023,970)	(95,769)	120,791	(1,200,889)
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(2,119,059)</u>	<u>5,731,568</u>	<u>1,342,060</u>	<u>(383,620)</u>	<u>6,209,675</u>

CalOptima - Consolidated - Year to Date
Statement of Revenues and Expenses by LOB
For the Twelve Months Ended June 30, 2018

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
Member Months	6,395,715	2,874,418	9,270,133	180,951	16,465	2,870	9,470,419
REVENUES							
Capitation Revenue	\$ 1,857,893,132	\$ 1,235,286,392	\$ 3,093,179,525	\$ 315,219,443	15,943,378	\$ 20,803,146	\$ 3,445,145,492
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>1,857,893,132</u>	<u>1,235,286,392</u>	<u>3,093,179,525</u>	<u>315,219,443</u>	<u>15,943,378</u>	<u>20,803,146</u>	<u>3,445,145,492</u>
MEDICAL EXPENSES							
Provider Capitation	454,939,143	613,459,262	1,068,398,405	140,843,505	2,817,121	-	1,212,059,031
Facilities	255,590,271	246,771,028	502,361,299	40,576,471	4,474,995	4,024,679	551,437,443
Ancillary	-	-	-	7,588,751	647,907	-	8,236,658
Skilled Nursing	-	-	-	-	326,321	-	326,321
Professional Claims	179,180,816	63,674,525	242,855,341	-	-	4,674,899	247,530,240
Prescription Drugs	219,901,219	221,871,578	441,772,798	62,410,782	5,376,575	1,584,525	511,144,680
MLTSS Facility Payments	625,416,510	31,961,780	657,378,290	38,071,771	-	30,001	695,480,063
Medical Management	26,341,441	9,820,826	36,162,267	11,175,583	713,756	6,511,183	54,562,788
Reinsurance & Other	4,536,326	1,814,063	6,350,389	2,123,692	83,572	1,518,985	10,076,638
Total Medical Expenses	<u>1,765,905,727</u>	<u>1,189,373,063</u>	<u>2,955,278,790</u>	<u>302,790,555</u>	<u>14,440,247</u>	<u>18,344,271</u>	<u>3,290,853,863</u>
Medical Loss Ratio	95.0%	96.3%	95.5%	96.1%	90.6%	88.2%	95.5%
GROSS MARGIN	91,987,405	45,913,330	137,900,735	12,428,888	1,503,131	2,458,875	154,291,629
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			76,936,415	9,257,469	276,042	979,576	87,449,503
Professional fees			1,899,793	281,153	172,349	77,200	2,430,496
Purchased services			9,136,451	2,188,985	233,618	199,527	11,758,581
Printing and Postage			3,951,077	705,225	73,980	41,965	4,772,247
Depreciation and Amortization			4,930,521	-	-	25,474	4,955,995
Other expenses			15,351,284	541,873	(578)	161,309	16,053,889
Indirect cost allocation, Occupancy expense			(3,510,236)	7,276,091	368,015	83,143	4,217,013
Total Administrative Expenses			<u>108,695,305</u>	<u>20,250,797</u>	<u>1,123,426</u>	<u>1,568,196</u>	<u>131,637,723</u>
Admin Loss Ratio			3.5%	6.4%	7.0%	7.5%	3.8%
INCOME (LOSS) FROM OPERATIONS			29,205,430	(7,821,909)	379,705	890,679	22,653,905
INVESTMENT INCOME							21,660,838
NET RENTAL INCOME							54,103
NET GRANT INCOME			1,309	-	-	-	1,309
OTHER INCOME			51,905	-	-	-	51,905
CHANGE IN NET ASSETS			<u>\$ 29,258,644</u>	<u>\$ (7,821,909)</u>	<u>\$ 379,705</u>	<u>\$ 890,679</u>	<u>\$ 44,422,061</u>
BUDGETED CHANGE IN ASSETS			(1,875,377)	(5,143,510)	(1,388,574)	131,354	(5,459,449)
VARIANCE TO BUDGET - FAV (UNFAV)			<u>31,134,021</u>	<u>(2,678,398)</u>	<u>1,768,279</u>	<u>759,325</u>	<u>49,881,509</u>



June 30, 2018 Unaudited Financial Statements

SUMMARY

MONTHLY RESULTS:

- Change in Net Assets is \$5.0 million, \$6.2 million favorable to budget
- Operating surplus is \$3.1 million with a surplus in non-operating of \$1.9 million

YEAR TO DATE RESULTS:

- Change in Net Assets is \$44.4 million, \$49.9 million favorable to budget
- Operating surplus is \$22.7 million, \$31.0 million favorable to budget

Change in Net Assets by LOB (\$millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
(2.6)	(0.4)	(2.1)	Medi-Cal	29.3	(1.9)	31.1
4.7	(1.0)	5.7	OCC	(7.8)	(5.1)	(2.7)
1.2	(0.1)	1.3	OneCare	0.4	(1.4)	1.8
<u>(0.3)</u>	<u>0.1</u>	<u>(0.4)</u>	PACE	<u>0.9</u>	<u>0.1</u>	<u>0.8</u>
3.1	(1.4)	4.6	Operating	22.7	(8.3)	31.0
<u>1.9</u>	<u>0.2</u>	<u>1.6</u>	<u>Inv./Rental Inc, MCO</u>	<u>21.7</u>	<u>2.8</u>	<u>18.9</u>
1.9	0.2	1.6	tax	21.7	2.8	18.9
			Non-Operating			
5.0	(1.2)	6.2	TOTAL	44.4	(5.5)	49.9

CalOptima
Enrollment Summary
For the Twelve Months Ended June 30, 2018

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
63,267	66,134	(2,867)	(4.3%)	Aged	758,690	767,897	(9,207)	(1.2%)
608	618	(10)	(1.6%)	BCCTP	7,380	7,416	(36)	(0.5%)
47,037	48,838	(1,801)	(3.7%)	Disabled	567,829	585,537	(17,708)	(3.0%)
315,457	328,570	(13,113)	(4.0%)	TANF Child	3,775,295	3,951,668	(176,373)	(4.5%)
94,939	103,290	(8,351)	(8.1%)	TANF Adult	1,245,239	1,243,982	1,257	0.1%
3,425	3,268	157	4.8%	LTC	41,282	39,216	2,066	5.3%
239,091	237,163	1,928	0.8%	MCE	2,874,418	2,840,026	34,392	1.2%
763,824	787,880	(24,056)	(3.1%)	Medi-Cal	9,270,133	9,435,742	(165,609)	(1.8%)
14,768	15,698	(930)	(5.9%)	OneCare Connect	180,951	186,915	(5,964)	(3.2%)
267	271	(4)	(1.5%)	PACE	2,870	2,922	(52)	(1.8%)
1,418	1,417	1	0.1%	OneCare	16,465	16,407	58	0.4%
780,277	805,266	(24,989)	(3.1%)	CalOptima Total	9,470,419	9,641,986	(171,567)	(1.8%)

Enrollment (By Network)								
167,071	174,961	(7,890)	(4.5%)	HMO	2,036,083	2,093,378	(57,295)	(2.7%)
218,372	224,263	(5,891)	(2.6%)	PHC	2,664,258	2,708,708	(44,450)	(1.6%)
193,509	207,543	(14,034)	(6.8%)	Shared Risk Group	2,382,101	2,508,118	(126,017)	(5.0%)
184,872	181,113	3,759	2.1%	Fee for Service	2,187,691	2,125,538	62,153	2.9%
763,824	787,880	(24,056)	(3.1%)	Medi-Cal	9,270,133	9,435,742	(165,609)	(1.8%)
14,768	15,698	(930)	(5.9%)	OneCare Connect	180,951	186,915	(5,964)	(3.2%)
267	271	(4)	(1.5%)	PACE	2,870	2,922	(52)	(1.8%)
1,418	1,417	1	0.1%	OneCare	16,465	16,407	58	0.4%
780,277	805,266	(24,989)	(3.1%)	CalOptima Total	9,470,419	9,641,986	(171,567)	(1.8%)

CalOptima
Enrollment Trend by Network Type
Fiscal Year 2018

Network Type	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	MMs
HMO													
Aged	4,058	4,045	4,051	3,864	4,020	3,980	3,982	3,958	3,941	3,897	3,919	3,941	47,656
BCCTP	1	1	1	5	1	5	1	1	1	1	1	1	20
Disabled	6,749	6,740	6,729	6,703	6,733	6,743	6,777	6,780	6,740	6,758	6,730	6,730	80,925
TANF Child	61,492	61,733	61,361	61,023	60,598	60,595	53,730	59,508	59,394	56,629	49,679	58,312	704,054
TANF Adult	30,429	30,420	30,313	30,127	29,905	30,059	36,236	30,408	30,207	32,475	38,558	29,595	378,732
LTC	3	4	6	4	4	3	2	3	4	4	5	2	44
MCE	68,020	68,792	69,169	68,294	68,764	69,313	68,665	68,888	68,887	68,873	68,497	68,490	824,652
	170,752	171,735	171,630	170,020	170,025	170,698	169,359	169,543	169,214	168,619	167,417	167,071	2,036,083
PHC													
Aged	1,480	1,493	1,530	1,401	1,561	1,581	1,603	1,608	1,615	1,618	1,603	1,618	18,711
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	7,318	7,264	7,258	7,236	7,229	7,221	7,264	7,256	7,298	7,248	7,245	7,235	87,072
TANF Child	162,801	163,976	163,202	162,046	162,030	162,046	154,874	160,957	160,820	157,117	139,394	157,647	1,906,910
TANF Adult	12,604	12,571	12,410	12,356	12,311	12,312	19,241	13,212	13,146	16,043	31,695	12,703	180,604
LTC	-	-	1	1	-	-	1	1	-	2	-	1	7
MCE	38,398	38,821	39,088	38,681	39,261	39,620	39,555	39,715	39,694	39,698	39,255	39,168	470,954
	222,601	224,125	223,489	221,721	222,392	222,780	222,538	222,749	222,573	221,726	219,192	218,372	2,664,258
Shared Risk Group													
Aged	3,809	3,756	3,831	3,029	3,765	3,641	3,706	3,680	3,687	3,598	3,536	3,637	43,675
BCCTP	-	-	-	1	-	-	-	-	-	-	-	-	1
Disabled	8,108	8,058	8,035	7,951	7,978	7,887	7,873	7,810	7,756	7,694	7,626	7,653	94,429
TANF Child	72,723	72,861	72,102	71,427	71,139	70,753	63,054	69,468	69,054	65,203	39,531	67,615	804,930
TANF Adult	32,775	32,737	32,316	31,441	31,785	31,475	39,189	32,293	31,899	35,168	59,546	30,921	421,545
LTC	-	1	2	-	-	2	-	3	3	-	-	-	11
MCE	85,799	86,330	86,191	81,677	85,025	84,995	84,574	85,241	85,065	84,865	84,065	83,683	1,017,510
	203,214	203,743	202,477	195,526	199,692	198,753	198,396	198,495	197,464	196,528	194,304	193,509	2,382,101
Fee for Service (Dual)													
Aged	48,036	48,599	48,846	48,863	49,108	49,578	53,851	53,491	49,628	49,537	49,464	49,570	598,571
BCCTP	25	22	25	23	22	23	21	24	18	17	14	15	249
Disabled	20,343	20,528	20,516	20,448	20,494	20,691	22,065	22,052	20,849	20,711	20,680	20,723	250,100
TANF Child	3	3	2	2	1	1	1	2	2	2	(3)	1	17
TANF Adult	1,205	1,226	1,184	1,156	1,118	1,165	1,160	1,093	1,095	1,109	1,072	1,067	13,650
LTC	3,002	3,124	3,126	3,068	3,137	3,112	3,106	3,068	3,108	3,084	3,057	3,063	37,055
MCE	2,816	2,848	2,758	2,831	2,113	1,660	1,713	1,774	1,888	2,020	2,106	2,163	26,690
	75,430	76,350	76,457	76,391	75,993	76,230	81,917	81,504	76,588	76,480	76,390	76,602	926,332
Fee for Service (Non-Dual)													
Aged	3,580	3,855	4,031	3,714	4,250	4,117	4,197	4,347	4,432	4,392	4,661	4,501	50,077
BCCTP	601	602	599	523	598	589	588	590	602	615	611	592	7,110
Disabled	4,466	4,559	4,578	4,364	4,703	4,604	4,721	4,656	4,598	4,654	4,704	4,696	55,303
TANF Child	27,513	31,414	31,119	30,822	28,520	31,545	27,514	29,694	30,972	31,539	26,850	31,882	359,384
TANF Adult	18,753	19,744	20,087	19,517	19,142	20,210	23,898	21,546	20,057	21,976	25,125	20,653	250,708
LTC	372	364	379	194	363	353	366	359	341	360	355	359	4,165
MCE	43,457	44,664	44,438	40,986	42,402	44,767	44,918	44,580	45,480	47,191	46,142	45,587	534,612
	98,742	105,202	105,231	100,120	99,978	106,185	106,202	105,772	106,482	110,727	108,448	108,270	1,261,359
MEDI-CAL TOTAL													
Aged	60,963	61,748	62,289	60,871	62,704	62,897	67,339	67,084	63,303	63,042	63,183	63,267	758,690
BCCTP	627	625	625	552	621	617	610	615	621	633	626	608	7,380
Disabled	46,984	47,149	47,116	46,702	47,137	47,146	48,666	48,551	47,281	47,047	47,013	47,037	567,829
TANF Child	324,532	329,987	327,786	325,320	322,288	324,940	299,173	319,629	320,242	310,490	255,451	315,457	3,775,295
TANF Adult	95,766	96,698	96,310	94,597	94,261	95,221	119,724	98,552	96,404	106,771	155,996	94,939	1,245,239
LTC	3,377	3,493	3,514	3,267	3,504	3,470	3,475	3,434	3,456	3,450	3,417	3,425	41,282
MCE	238,490	241,455	241,644	232,469	237,565	240,355	239,425	240,198	241,014	242,647	240,065	239,091	2,874,418
	770,739	781,155	779,284	763,778	768,080	774,646	778,412	778,063	772,321	774,080	765,751	763,824	9,270,133
PACE													
	215	221	228	227	233	235	236	245	251	253	259	267	2,870
OneCare													
	1,367	1,366	1,404	1,406	1,378	1,372	1,320	1,334	1,335	1,365	1,380	1,418	16,465
OneCare Connect													
	15,365	15,229	15,265	15,234	15,254	15,223	14,989	14,936	14,793	14,911	14,984	14,768	180,951
TOTAL	787,686	797,991	796,181	780,645	784,945	791,476	794,957	794,578	788,700	790,609	782,374	780,277	9,470,419

ENROLLMENT:

Overall MTD enrollment was 780,277

- Unfavorable to budget by 24,989 or 3.1%
- Decreased 2,097 or 0.3% from prior month (May 2018)
- Decreased 8,789 or 1.1% from prior year (June 2017)

Medi-Cal enrollment was 763,824

- Unfavorable to budget by 24,056
 - Temporary Assistance for Needy Families (TANF) unfavorable by 21,463
 - Senior Persons with Disabilities (SPD) unfavorable by 4,678
 - Medi-Cal Expansion (MCE) favorable by 1,928
 - Long-Term Care (LTC) favorable by 157
- Decreased 1,927 from prior month

OneCare Connect enrollment was 14,768

- Unfavorable to budget by 930
- Decreased 216 from prior month

OneCare enrollment was 1,418

- Favorable to budget by 1
- Increased 38 from prior month

PACE enrollment was 267

- Unfavorable to budget by 4
- Increased 8 from prior month

**CalOptima - Medi-Cal Total
Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2018**

Month				Year - To - Date				
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
763,824	787,880	(24,056)	(3.1%)	Member Months	9,270,133	9,435,742	(165,609)	(1.8%)
414,379,109	227,576,754	186,802,355	82.1%	Revenues	3,093,179,525	2,835,653,991	257,525,534	9.1%
414,379,109	227,576,754	186,802,355	82.1%	Capitation revenue	3,093,179,525	2,835,653,991	257,525,534	9.1%
95,655,619	86,757,934	(8,897,685)	(10.3%)	Total Operating Revenues	3,093,179,525	2,835,653,991	257,525,534	9.1%
34,799,380	44,022,051	9,222,671	21.0%	Medical Expenses	2,955,278,790	2,717,818,634	(237,460,156)	(8.7%)
9,271,159	14,609,658	5,338,499	36.5%	Provider capitation	1,068,398,405	1,043,141,582	(25,256,823)	(2.4%)
35,710,137	37,131,234	1,421,097	3.8%	Facilities	502,361,299	526,780,175	24,418,876	4.6%
218,448,643	32,213,767	(186,234,876)	(578.1%)	Professional Claims	242,855,341	172,066,787	(70,788,554)	(41.1%)
5,740,908	3,275,982	(2,464,926)	(75.2%)	Prescription drugs	441,772,798	439,398,017	(2,374,781)	(0.5%)
(2,923,980)	315,022	3,239,002	1,028.2%	MLTSS	657,378,290	493,308,026	(164,070,264)	(33.3%)
396,701,866	218,325,648	(178,376,218)	(81.7%)	Medical Management	36,162,267	39,343,838	3,181,571	8.1%
17,677,243	9,251,106	8,426,137	91.1%	Reinsurance & other	6,350,389	3,780,209	(2,570,180)	(68.0%)
16,028,283	6,059,171	(9,969,112)	(164.5%)	Total Medical Expenses	2,955,278,790	2,717,818,634	(237,460,156)	(8.7%)
348,054	319,515	(28,539)	(8.9%)	Gross Margin	137,900,735	117,835,357	20,065,378	17.0%
1,098,700	1,243,117	144,417	11.6%	Administrative Expenses	108,695,305	119,710,734	11,015,429	9.2%
533,564	401,230	(132,334)	(33.0%)	Salaries, wages & employee benefits	76,936,415	73,243,341	(3,693,074)	(5.0%)
413,956	461,246	47,290	10.3%	Professional fees	1,899,793	3,922,261	2,022,468	51.6%
1,765,189	1,478,710	(286,479)	(19.4%)	Purchased services	9,136,451	17,904,121	8,767,670	49.0%
213,160	(278,785)	(491,945)	(176.5%)	Printing and postage	3,951,077	4,826,830	875,753	18.1%
20,400,906	9,684,204	(10,716,702)	(110.7%)	Depreciation & amortization	4,930,521	5,534,952	604,431	10.9%
9,762,651	0	9,762,651	0.0%	Other operating expenses	15,351,284	17,624,649	2,273,365	12.9%
10,717,599	0	(10,717,599)	0.0%	Indirect cost allocation	(3,510,236)	(3,345,420)	164,816	4.9%
(954,948)	0	954,948	0.0%	Total Administrative Expenses	108,695,305	119,710,734	11,015,429	9.2%
0	0	0	0.0%	Operating Tax	143,042,493	0	143,042,493	0.0%
92,751	291,251	(198,500)	(68.2%)	Tax Revenue	143,042,493	0	143,042,493	0.0%
64,388	258,277	193,890	75.1%	Premium tax expense	130,334,045	0	(130,334,045)	0.0%
(93,142)	32,974	126,116	382.5%	Sales tax expense	12,708,448	0	(12,708,448)	0.0%
121,506	0	121,506	0.0%	Total Net Operating Tax	(0)	0	(0)	0.0%
0	0	0	0.0%	Grant Income	1,309	0	1,309	0.0%
0	0	0	0.0%	Grant Revenue	596,500	3,494,990	(2,898,490)	(82.9%)
0	0	0	0.0%	Grant expense - Service Partner	422,025	3,099,313	2,677,288	86.4%
50,000	0	50,000	0.0%	Grant expense - Administrative	173,166	395,677	222,511	56.2%
(2,552,157)	(433,098)	(2,119,059)	(489.3%)	Total Net Grant Income	1,309	0	1,309	0.0%
95.7%	95.9%	0.2%	0.2%	IGT Net	(0)	0	0	0.0%
4.9%	4.3%	-0.7%	-15.7%	QAF Revenue	402,294,511	0	402,294,511	0.0%
				QAF Fees	402,294,511	0	(402,294,511)	0.0%
				QAF Net	(0)	0	0	0.0%
				Other income	51,905	0	51,905	0.0%
				Change in Net Assets	29,258,644	(1,875,377)	31,134,021	1,660.1%
				Medical Loss Ratio	95.5%	95.8%	0.3%	0.3%
				Admin Loss Ratio	3.5%	4.2%	0.7%	16.8%

MEDI-CAL INCOME STATEMENT – JUNE MONTH:

REVENUES of \$414.4 million are favorable to budget by \$186.8 million, driven by:

- Unfavorable volume related variance of \$6.9 million
- Favorable price related variance of \$193.8 million due to:
 - \$292.3 million of FY16 through FY18 Coordinated Care Initiative (CCI) revenue due to the Department of Health Care Services (DHCS) reconciliation and payment
 - \$2.9 million of FY18 Proposition 56 revenue, offset by:
 - (\$69.7) million due to revenue reserve and PY Expansion's Medical Loss Ratio (MLR) reserve reconciliation
 - (\$32.7) million deferral of PY revenue
 - (\$2.1) million of PY Expansion dual's revenue due to updated rates

MEDICAL EXPENSES: Overall \$396.7 million, unfavorable to budget by \$178.4 million due to:

- **Managed Long Term Services and Supports (MLTSS)** is unfavorable to budget \$186.2 million due to reconciliation of In-Home Supportive Services (IHSS) expenses with DHCS reports
- **Facilities** favorable variance of \$9.2 million due to Inpatient claims of \$6.0 million, Crossover claims of \$2.1 million and Shared Risk claims of \$1.0 million
- **Provider Capitation** is unfavorable to budget by \$8.9 million due to Proposition 56 of \$15.0 million, offset by Kaiser capitation rate adjustment of \$3.1 million and Behavioral Health Treatment's (BHT) transition in-house
- **Professional Claims** expense is favorable to budget \$5.3 million due to reclassification of Proposition 56 to capitation expense of \$12.7 million, offset by BHT \$5.9 million and \$1.5 million from Crossover claims

ADMINISTRATIVE EXPENSES are \$20.4 million, unfavorable to budget \$10.7 million, driven by:

- **Salary & Benefits:** \$10.0 million unfavorable to budget driven by the annual CalPERS actuarial report adjustment of \$10.0 million
- **Other Non-Salary:** \$0.7 million unfavorable to budget

CHANGE IN NET ASSETS is (\$2.6) million for the month, unfavorable to budget by \$2.1 million

**CalOptima - OneCare Connect
Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2018**

Month				Year - To - Date				
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
14,768	15,698	(930)	(5.9%)	Member Months	180,951	186,915	(5,964)	(3.2%)
6,127,436	4,101,148	2,026,288	49.4%	Revenues				
20,448,286	15,553,322	4,894,964	31.5%	Medi-Cal Capitation revenue	46,872,291	69,422,086	(22,549,795)	(32.5%)
2,424,417	5,251,962	(2,827,545)	(53.8%)	Medicare Capitation revenue part C	206,557,929	182,100,836	24,457,093	13.4%
				Medicare Capitation revenue part D	61,789,222	62,770,794	(981,572)	(1.6%)
29,000,139	24,906,432	4,093,707	16.4%	Total Operating Revenue	315,219,443	314,293,716	925,727	0.3%
13,330,836	8,877,658	(4,453,178)	(50.2%)	Medical Expenses				
1,794,830	5,206,174	3,411,344	65.5%	Provider capitation	140,843,505	104,880,981	(35,962,524)	(34.3%)
707,913	638,311	(69,602)	(10.9%)	Facilities	40,576,471	61,549,287	20,972,816	34.1%
1,698,927	2,390,407	691,480	28.9%	Ancillary	7,588,751	7,523,872	(64,879)	(0.9%)
5,241,146	5,584,466	343,320	6.1%	Long Term Care	38,071,771	39,704,779	1,633,008	4.1%
(33,388)	1,178,795	1,212,183	102.8%	Prescription drugs	62,410,782	66,532,952	4,122,170	6.2%
199,024	120,946	(78,078)	(64.6%)	Medical management	11,175,583	14,516,412	3,340,829	23.0%
22,939,288	23,996,757	1,057,469	4.4%	Other medical expenses	2,123,692	1,427,272	(696,420)	(48.8%)
6,060,851	909,675	5,151,176	566.3%	Total Medical Expenses	302,790,555	296,135,555	(6,655,000)	(2.2%)
800,023	916,802	116,779	12.7%	Gross Margin	12,428,888	18,158,161	(5,729,273)	(31.6%)
17,142	38,332	21,190	55.3%	Administrative Expenses				
267,834	239,867	(27,967)	(11.7%)	Salaries, wages & employee benefits	9,257,469	11,100,551	1,843,082	16.6%
47,336	103,800	56,464	54.4%	Professional fees	281,153	460,000	178,846	38.9%
77,728	50,416	(27,312)	(54.2%)	Purchased services	2,188,985	2,878,517	689,531	24.0%
143,190	584,428	441,238	75.5%	Printing and postage	705,225	1,245,606	540,381	43.4%
1,353,253	1,933,645	580,392	30.0%	Other operating expenses	541,873	603,862	61,989	10.3%
57,796	0	57,796	0.0%	Indirect cost allocation, Occupancy Expense	7,276,091	7,013,136	(262,955)	(3.7%)
57,796	0	(57,796)	0.0%	Total Administrative Expenses	20,250,797	23,301,671	3,050,875	13.1%
0	0	0	0.0%	Operating Tax				
4,707,598	(1,023,970)	5,731,568	559.7%	Tax Revenue	57,796	0	57,796	0.0%
				Sales tax expense	57,796	0	(57,796)	0.0%
				Total Net Operating Tax	0	0	0	0.0%
				Change in Net Assets	(7,821,909)	(5,143,510)	(2,678,398)	(52.1%)
79.1%	96.3%	17.2%	17.9%	Medical Loss Ratio	96.1%	94.2%	-1.8%	-1.9%
4.7%	7.8%	3.1%	39.9%	Admin Loss Ratio	6.4%	7.4%	1.0%	13.3%

ONECARE CONNECT INCOME STATEMENT – JUNE MONTH:

REVENUES of \$29.0 million are favorable to budget by \$4.1 million driven by:

- Unfavorable volume related variance of \$1.5 million due to enrollment
- Favorable price related variance of \$5.6 million due to PY revenue

MEDICAL EXPENSES of \$22.9 million are favorable to budget \$1.1 million due to:

- Favorable volume related variance of \$1.4 million
- Unfavorable price related variance of \$0.4 million

ADMINISTRATIVE EXPENSES of \$1.4 million are favorable to budget \$0.6 million

CHANGE IN NET ASSETS is \$4.7 million, \$5.7 million favorable to budget

**CalOptima - OneCare
Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2018**

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
1,418	1,417	1	0.1%	16,465	16,407	58	0.4%
				Member Months			
0	0	0	0.0%	Revenues			
1,346,801	992,095	354,706	35.8%	0	0	0	0.0%
362,499	494,508	(132,009)	(26.7%)	10,813,492	11,380,982	(567,490)	(5.0%)
				5,129,886	5,779,376	(649,490)	(11.2%)
1,709,300	1,486,603	222,697	15.0%	15,943,378	17,160,358	(1,216,980)	(7.1%)
				Total Operating Revenue			
				Medical Expenses			
742,386	413,696	(328,690)	(79.5%)	2,817,121	4,748,435	1,931,314	40.7%
(1,027,687)	450,323	1,478,010	328.2%	4,474,995	5,349,121	874,126	16.3%
16,066	49,895	33,829	67.8%	647,907	583,915	(63,992)	(11.0%)
42,641	43,820	1,179	2.7%	326,321	508,011	181,690	35.8%
456,344	497,203	40,859	8.2%	5,376,575	5,825,416	448,841	7.7%
138,814	21,911	(116,903)	(533.5%)	713,756	265,704	(448,052)	(168.6%)
5,945	8,485	2,540	29.9%	83,572	93,302	9,730	10.4%
374,508	1,485,333	1,110,825	74.8%	14,440,247	17,373,904	2,933,657	16.9%
				Total Medical Expenses			
1,334,793	1,270	1,333,523	105,001.8%	1,503,131	(213,546)	1,716,677	803.9%
				Gross Margin			
				Administrative Expenses			
20,131	20,352	221	1.1%	276,042	247,130	(28,912)	(11.7%)
13,000	13,334	334	2.5%	172,349	160,000	(12,349)	(7.7%)
25,724	11,990	(13,734)	(114.5%)	233,618	143,930	(89,688)	(62.3%)
3,138	19,287	16,149	83.7%	73,980	238,952	164,972	69.0%
0	167	167	100.0%	(578)	2,101	2,679	127.5%
26,509	31,909	5,400	16.9%	368,015	382,915	14,900	3.9%
88,502	97,039	8,537	8.8%	1,123,426	1,175,028	51,602	4.4%
				Total Administrative Expenses			
1,246,291	(95,769)	1,342,060	1,401.4%	379,705	(1,388,574)	1,768,279	127.3%
				Change in Net Assets			
21.9%	99.9%	78.0%	78.1%	90.6%	101.2%	10.7%	10.5%
5.2%	6.5%	1.3%	20.7%	7.0%	6.8%	-0.2%	-2.9%
				Medical Loss Ratio			
				Admin Loss Ratio			

**CalOptima - PACE
Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2018**

Month				Year - To - Date				
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
267	271	(4)	(1.5%)	Member Months	2,870	2,922	(52)	(1.8%)
Revenues				Revenues				
1,401,043	1,413,988	(12,945)	(0.9%)	Medi-Cal capitation revenue	15,368,481	15,029,600	338,881	2.3%
446,400	330,533	115,867	35.1%	Medicare part C revenue	4,371,469	3,538,320	833,149	23.5%
67,732	83,892	(16,160)	(19.3%)	Medicare part D revenue	1,063,196	928,066	135,130	14.6%
1,915,175	1,828,413	86,762	4.7%	Total Operating Revenues	20,803,146	19,495,986	1,307,160	6.7%
Medical Expenses				Medical Expenses				
603,709	599,535	(4,174)	(0.7%)	Medical Management	6,511,183	7,140,536	629,353	8.8%
407,837	379,943	(27,894)	(7.3%)	Claims payments to hospitals	4,024,679	4,143,889	119,210	2.9%
542,617	312,340	(230,277)	(73.7%)	Professional Claims	4,674,899	3,415,512	(1,259,387)	(36.9%)
144,725	131,248	(13,477)	(10.3%)	Prescription drugs	1,584,525	1,436,272	(148,253)	(10.3%)
9,386	10,881	1,495	13.7%	MLTSS	30,001	136,782	106,781	78.1%
225,760	108,343	(117,417)	(108.4%)	Patient Transportation	1,508,985	1,183,845	(325,140)	(27.5%)
0	0	0	0.0%	Reinsurance	0	0	0	0.0%
0	10,000	10,000	100.0%	Other Expenses	10,000	80,000	70,000	87.5%
1,934,034	1,552,290	(381,744)	(24.6%)	Total Medical Expenses	18,344,271	17,536,836	(807,435)	(4.6%)
(18,859)	276,123	(294,982)	(106.8%)	Gross Margin	2,458,875	1,959,150	499,725	25.5%
Administrative Expenses				Administrative Expenses				
106,185	100,234	(5,951)	(5.9%)	Salaries, wages & employee benefits	979,576	1,166,570	186,994	16.0%
17,300	5,000	(12,300)	(246.0%)	Professional fees	77,200	60,000	(17,200)	(28.7%)
71,900	21,136	(50,764)	(240.2%)	Purchased services	199,527	253,632	54,105	21.3%
0	5,548	5,548	100.0%	Printing and postage	41,965	66,566	24,601	37.0%
2,074	2,052	(22)	(1.1%)	Depreciation & amortization	25,474	24,624	(850)	(3.5%)
26,893	18,497	(8,396)	(45.4%)	Other operating expenses	161,309	222,035	60,726	27.3%
19,618	2,865	(16,753)	(584.8%)	Indirect cost allocation, Occupancy Expense	83,143	34,369	(48,774)	(141.9%)
243,970	155,332	(88,638)	(57.1%)	Total Administrative Expenses	1,568,196	1,827,796	259,600	14.2%
Operating Tax				Operating Tax				
3,727	0	3,727	0.0%	Tax Revenue	55,753	0	55,753	0.0%
3,727	0	(3,727)	0.0%	Premium tax expense	55,753	0	(55,753)	0.0%
0	0	0	0.0%	Total Net Operating Tax	0	0	0	0.0%
(262,829)	120,791	(383,620)	(317.6%)	Change in Net Assets	890,679	131,354	759,325	578.1%
101.0%	84.9%	-16.1%	-18.9%	Medical Loss Ratio	88.2%	90.0%	1.8%	2.0%
12.7%	8.5%	-4.2%	-49.9%	Admin Loss Ratio	7.5%	9.4%	1.8%	19.6%

**CalOptima - Building 505 City Parkway
Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2018**

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
0	0	0	0.0%	Revenues			
-----	-----	-----	-----	155,426	42,774	112,652	263.4%
0	0	0	0.0%	Rental income			
-----	-----	-----	-----	-----	-----	-----	-----
0	0	0	0.0%	Total Operating Revenue			
-----	-----	-----	-----	-----	-----	-----	-----
41,521	23,186	(18,336)	(79.1%)	Administrative Expenses			
161,406	161,474	68	0.0%	415,919	278,230	(137,689)	(49.5%)
15,816	9,117	(6,699)	(73.5%)	Purchase services			
132,075	156,517	24,442	15.6%	1,931,817	1,937,684	5,867	0.3%
31,409	1,605	(29,805)	(1,857.6%)	Depreciation & amortization			
(382,227)	(333,055)	49,172	14.8%	181,667	109,400	(72,267)	(66.1%)
-----	-----	-----	-----	Insurance expense			
0	18,843	18,843	100.0%	1,279,092	1,878,205	599,113	31.9%
-----	-----	-----	-----	Repair and maintenance			
0	(18,843)	18,843	100.0%	484,988	19,254	(465,734)	(2,418.9%)
=====	=====	=====	=====	Other Operating Expense			
0	(18,843)	18,843	100.0%	(4,192,159)	(3,996,659)	195,501	4.9%
-----	-----	-----	-----	Indirect allocation, Occupancy Expense			
0	(18,843)	18,843	100.0%	-----	-----	-----	-----
-----	-----	-----	-----	Total Administrative Expenses			
0	(18,843)	18,843	100.0%	101,324	226,115	124,792	55.2%
-----	-----	-----	-----	Change in Net Assets			
0	(18,843)	18,843	100.0%	54,103	(183,341)	237,444	129.5%
=====	=====	=====	=====	-----	-----	-----	-----

OTHER STATEMENTS – JUNE MONTH:

ONECARE INCOME STATEMENT

CHANGE IN NET ASSETS is \$1.2 million, \$1.3 million favorable to budget

PACE INCOME STATEMENT

CHANGE IN NET ASSETS for the month is (\$262.8) thousand, \$383.6 thousand unfavorable to budget

505 CITY PARKWAY BUILDING INCOME STATEMENT

CHANGE IN NET ASSETS for the month is \$0.0 thousand, \$18.8 thousand favorable to budget

**CalOptima
BALANCE SHEET
June 30, 2018**

ASSETS

Current Assets	
Operating Cash	\$368,089,847
Investments	580,298,948
Capitation receivable	296,225,733
Receivables - Other	24,925,283
Prepaid Expenses	6,297,346
Total Current Assets	<u>1,275,837,157</u>

Capital Assets Furniture and equipment	34,328,849
Building/Leasehold improvements	7,575,179
505 City Parkway West	<u>49,743,943</u>
	91,647,970
Less: accumulated depreciation	<u>(40,889,720)</u>
Capital assets, net	<u>50,758,250</u>

Other Assets Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	26,698,940
Long term investments	<u>511,548,732</u>
Total Board-designated Assets	<u>538,247,672</u>
Total Other Assets	<u>538,547,672</u>

Deferred outflows of Resources - Pension Contributions	393,907
Deferred outflows of Resources - Difference in Experience	1,365,903
Deferred outflows of Resources - Excess Earnings	1,017,387
Deferred outflows of Resources - Changes in Assumptions	<u>7,795,853</u>

TOTAL ASSETS & OUTFLOWS	<u>1,875,716,129</u>
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LIABILITIES & FUND BALANCES

Current Liabilities	
Accounts payable	\$8,332,830
Medical claims liability	831,573,386
Accrued payroll liabilities	10,753,145
Deferred revenue	113,702,949
Deferred lease obligations	120,817
Capitation and withholds	96,448,891
Total Current Liabilities	<u>1,060,932,019</u>

Other employment benefits liability	30,674,457
Net Pension Liabilities	25,100,820
Long Term Liabilities	100,000
TOTAL LIABILITIES	<u>1,116,807,297</u>

Deferred inflows of Resources - Excess Earnings	-
Deferred inflows of Resources - Changes in Assumptions	1,028,380
Tangible net equity (TNE)	89,151,394
Funds in excess of TNE	668,729,058

Net Assets	<u>757,880,452</u>
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TOTAL LIABILITIES, INFLOWS & FUND BALANCES	<u>1,875,716,129</u>
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CalOptima
Board Designated Reserve and TNE Analysis
as of June 30, 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	147,242,819				
	Tier 1 - Logan Circle	147,220,310				
	Tier 1 - Wells Capital	146,584,002				
Board-designated Reserve						
		441,047,131	319,708,887	494,934,722	121,338,244	(53,887,591)
TNE Requirement	Tier 2 - Logan Circle	97,200,541	89,151,394	89,151,394	8,049,147	8,049,147
Consolidated:		538,247,672	408,860,281	584,086,116	129,387,391	(45,838,444)
<i>Current reserve level</i>		1.84	1.40	2.00		

**CalOptima
Statement of Cash Flows
June 30, 2018**

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	5,008,786	44,422,060
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	577,436	6,887,813
Changes in assets and liabilities:		
Prepaid expenses and other	942,665	(642,700)
Catastrophic reserves		
Capitation receivable	(50,010,779)	222,397,719
Medical claims liability	(36,723,631)	(414,852,634)
Deferred revenue	67,650,937	9,729,825
Payable to providers	(21,417,575)	(484,390,819)
Accounts payable	(33,263,962)	(30,678,400)
Other accrued liabilities	9,153,878	11,682,209
Net cash provided by/(used in) operating activities	<u>(58,082,246)</u>	<u>(635,444,927)</u>
 GASB 68 CalPERS Adjustments	 692,460	 692,460
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Investments	10,104,901	502,126,804
Change in property and equipment	(1,340,184)	(3,345,036)
Change in Board designated reserves	(280,474)	(3,109,298)
Net cash provided by/(used in) investing activities	<u>8,484,244</u>	<u>495,672,470</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 (48,905,542)	 (139,079,998)
 CASH AND CASH EQUIVALENTS, beginning of period	 <u>\$416,995,389</u>	 <u>507,169,844</u>
 CASH AND CASH EQUIVALENTS, end of period	 <u>\$ 368,089,847</u>	 <u>\$ 368,089,847</u>

BALANCE SHEET:

ASSETS decreased \$9.9 million from May or 0.5%

- **Cash and Cash Equivalents** decreased by \$48.9 million due to payment of Intergovernmental Transfers (IT) of \$52.0 million and Managed Care Organizations (MCO) quarterly tax payment of \$32.6 million, offset by July payment received from Centers for Medicare & Medicaid Services (CMS) of \$25.0 million
- **Investments** decreased \$10.1 million due to month end cut-off and the timing of receipts and payments
- **Net Capitation Receivables** increased \$49.1 million due to timing of payments

LIABILITIES decreased \$14.6 million from May or 1.3%

- **Medical Claims Liability** by line of business decreased \$36.7 million due to DHCS recoupment of overpayments
- **Deferred Revenue** increased \$67.7 million due to DHCS overpayments
- **Capitation Payable** decreased \$21.4 million due to Shared Risk payments and release of Quality Incentive (QI) balances
- **Accrued Expenses** decreased \$30.7 million due to timing of sales tax and other related payments

NET ASSETS are \$757.9 million, an increase of \$5.0 million from May

CalOptima Foundation
Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2018
Consolidated

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
-----				-----			
0	0	0	0.0%	0	0	0	0.0%
-----				-----			
Revenues				Revenues			
-----				-----			
0	0	0	0.0%	0	0	0	0.0%
-----				-----			
Operating Expenditures				Operating Expenditures			
0	6,184	6,184	100.0%	0	74,210	74,210	100.0%
0	2,985	2,985	100.0%	0	35,818	35,818	100.0%
0	0	0	0.0%	0	0	0	0.0%
0	0	0	0.0%	0	0	0	0.0%
0	0	0	0.0%	0	0	0	0.0%
2,087	231,923	229,836	99.1%	25,000	2,783,077	2,758,077	99.1%
-----				-----			
2,087	241,092	239,005	99.1%	25,000	2,893,105	2,868,105	99.1%
-----				-----			
0	0	0	0.0%	0	0	0	0.0%
-----				-----			
(2,087)	(241,092)	(239,005)	(99.1%)	(25,000)	(2,893,105)	(2,868,105)	(99.1%)
=====				=====			

**CalOptima Foundation
Balance Sheet
June 30, 2018**

<u>ASSETS</u>		<u>LIABILITIES & NET ASSETS</u>	
Operating cash	2,843,139	Accounts payable-Current	0
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
Total Current Assets	<u>2,843,139</u>	Grants-Foundation	0
		Total Current Liabilities	<u>0</u>
		Total Liabilities	<u>0</u>
		Net Assets	<u>2,843,139</u>
 TOTAL ASSETS	 <u>2,843,139</u>	 TOTAL LIABILITIES & NET ASSETS	 <u>2,843,139</u>

CALOPTIMA FOUNDATION - JUNE MONTH

INCOME STATEMENT:

OPERATING REVENUE

- No activity

OPERATING EXPENSES

- Audit Fees \$2.1 thousand

BALANCE SHEET:

ASSETS

- Cash--\$2.8 million remains from the FY14 \$3.0 million transferred by CalOptima for grants and programs in support of providers and community

LIABILITIES

- \$0.0

NET INCOME is (\$2.1) thousand, (\$25.0) thousand YTD

**Budget Allocation Changes
Reporting Changes for June 2018**

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	Medi-Cal	IS - Infrastructure - Professional Fee (Virtualization Architecture Assessment)	IS - Infrastructure - Professional Fee (On-Site Staff for the Phone System)	\$48,600	Re-Purpose \$48,600 from Professional Fees (Virtualization Architecture Assessment) to pay for an on-site staff for the phone system	2018
July	Medi-Cal	Facilities - Purchased Services (Restacking Services)	Facilities - Purchased Services (Reconfiguration Services)	\$15,000	Re-Purpose \$15,000 from Purchased Services (Restacking Services) to reconfiguration and breakdown of furniture for the mail room and the Rover Rock Offices and other related expenses	2018
August	Medi-Cal	Health Education & Disease Mgmt. - Purchased Services (Adult Weight Management Vendor)	Health Education & Disease Mgmt. - Purchased Services (Ansafone)	\$30,000	Re-Purpose \$30,000 from Purchased Services (Adult Weight Management Vendor) to pay for Ansafone services	2018
August	Medi-Cal	Health Education & Disease Mgmt. - Purchased Services (Pediatric Weight Management Vendor)	Health Education & Disease Mgmt. - Purchased Services (Captivate contract and other initiatives)	\$25,000	Re-Purpose \$25,000 from Purchased Services (Pediatric Weight Management Vendor) to pay for Captivate contract and other initiatives	2018
August	PACE	PACE Administrative - Purchased Services (Encounter Reporting & Translation Services)	PACE Administrative - Purchased Services (Satisfaction Survey)	\$12,208	Re-Purpose \$12,208 from Purchased Services (Encounter Reporting & Translation Services) to pay for Satisfaction Survey	2018
August	Medi-Cal	Facilities - Capital Project (Upgrade CalOptima and Building Access System)	Facilities - Capital Project (Mail Room/Basement/Property Management Office)	\$15,000	Reallocate \$15,000 from Capital Project (Upgrade CalOptima and Building Access System) to Capital Project (Mail Room/Basement/Property Management Office)	2018
September	Medi-Cal	Other G&A - Other Operating Expenses	Facilities - Building Repair and Maintenance	\$65,000	Reallocate \$65,000 from Other G&A (other operating expenses) to cover cost to conduct a review/study from soil engineer and the necessary repairs of the east entry sinkhole.	2018
September	OCC	Health Education & Disease Management - Member Communications	Health Education & Disease Management - Purchased Services	\$12,000	Reallocate \$12,000 within medical management activities budget for additional funding needed on CareNet in OneCare Connect.	2018
November	Medi-Cal	Human Resources - Purchased Services -Temporary Outsource Service	Human Resources - Purchased Services - General	\$10,000	Re-Purpose \$10,000 from Purchased Services (Temporary Outsource Service) to fund for training module design and other department initiatives in Purchased Services	2018
November	Medi-Cal	IS - Application Development capital project - Disaster Recovery	IS - Application Development capital project - Fraud, Waste and Abuse	\$27,500	Reallocate \$65,000 from Disaster Recovery project to cover additional funds needed for Fraud, Waste and Abuse project.	2018
January	Medi-Cal	10th Floor Building Improvement Project	Budget Planning Software Project	\$70,000	Reallocate \$70,000 from 10th Floor Building Improvement project for upgrade to BI 360 Budget Planning Tool	2018
January	PACE	PACE Clinic - Professional Claims - Emergent Transpiration	PACE Clinic - Professional Claims - Interpreters	\$15,000	Reallocate \$15,000 from Emergent Transportation medical expenses to cover for interpreting services	2018
March	Medi-Cal	Facilities - Replace Lights in Passenger Elevator Project	Facilities - Fire Proofing Project	\$40,000	Reallocate \$40,000 capital from Replace Lights in Passenger Elevator project to Fire Proofing project	2018
March	Medi-Cal	Facilities - Convert Pneumatic Controls Project	Facilities - Fire Proofing Project	\$10,000	Reallocate \$10,000 capital from Convert Pneumatic Controls project to Fire Proofing project	2018
March	Medi-Cal	Cultural & Linguistic Services - Member Communications - Mailings	Cultural & Linguistic Services - Member Communications - Newsletter	\$45,000	Reallocate \$45,000 from member communication mailings to member communication newsletters	2018
May	Medi-Cal	Facilities - 8th Floor HR Remodel	Facilities - Portable Sound Recording System	\$18,000	Reallocate \$18,000 from 8th Floor HR Remodel capital project to Portable Sound Recording System capital project	2018
June	Medi-Cal	IS - Application Development - Corporate Application SW Maintenance	IS - Application Development - Human Resources Corporate Application SW Maintenance	\$40,000	Repurpose \$40,000 from Corporate Application SW Maintenance to Human Resources Corporate Application SW Maintenance	2018
June	PACE	PACE Administrative - Minor Equip/Sup, Office Supplies, Food Services, Travel & Training	PACE Administrative - HW/SW Maintenance	\$30,000	Reallocate \$30,000 from Minor Equip/Sup, Office Supplies, Food Services and Travel & Training to HW/SW Maintenance	2018
June	Medi-Cal	IS - Infrastructure - Professional Fee (Phone System & HIPAA Security)	IS - Infrastructure - Professional Fee (Virtualization Architecture Assessment)	\$75,000	Reallocate \$75,000 from Phone System and H PPA Security to Virtualization Architecture Assessment.	2018
June	Medi-Cal	Modernize the H PAA X12 Standard Gateway Product	Medecision Software Development	\$10,000	Reallocate \$10,000 capital from Modernize the H PAA X12 Standard Gateway Product to Medecision Software Development	2018

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



CalOptima
Better. Together.

Financial Summary

May 2018

Board of Directors Meeting
August 2, 2018

Greg Hamblin
Chief Financial Officer

FY 2017-18: Consolidated Enrollment

- May 2018 MTD:

- Overall enrollment was 782,374 member months

- Actual lower than budget by 22,567 or 2.8%

- Medi-Cal: unfavorable variance of 21,849 members

- TANF unfavorable variance of 20,607 members

- Senior Persons with Disabilities (SPD) unfavorable variance of 4,369 members

- Medi-Cal Expansion (MCE) favorable variance of 2,978

- Long-Term Care (LTC) favorable variance of 149

- OneCare Connect: unfavorable variance of 681 members

- 8,235 decrease from prior month

- Medi-Cal: decrease of 8,329 from April

- OneCare Connect: increase of 73 from April

- OneCare: increase of 15 from April

- PACE: increase of 6 from April

FY 2017-18: Consolidated Enrollment

- May 2018 YTD:

- Overall enrollment was 8,690,142 member months
 - Actual lower than budget by 146,578 or 1.7%
 - Medi-Cal: unfavorable variance of 141,553 members or 1.6%
 - TANF unfavorable variance of 153,679 members
 - SPD unfavorable variance of 22,273 members
 - MCE favorable variance of 32,464 members
 - OneCare Connect: unfavorable variance of 5,034 members or 2.9%
 - PACE: unfavorable variance of 48 members or 1.8%
 - OneCare: favorable variance of 57 or 0.4%

FY 2017-18: Consolidated Revenues

- May 2018 MTD:
 - Actual lower than budget by \$54.8 million or 21.4%
 - Medi-Cal: unfavorable to budget by \$35.8 million or 15.7%
 - Unfavorable volume variance of \$6.3 million
 - Unfavorable price variance of \$29.5 million due to:
 - \$38.6 million of FY16 through FY18 Coordinative Care Initiative (CCI) due to an update to member cohorts and a true-up of prior year revenue, offset by:
 - \$2.9 million of FY18 Proposition 56 revenue
 - \$3.0 million of FY18 Applied Behavior Analysis (ABA) revenue
 - OneCare Connect: unfavorable to budget by \$19.1 million or 76.3%
 - Unfavorable volume variance of \$1.1 million
 - Unfavorable price variance of \$18.0 million due to prior year CCI true-up

FY 2017-18: Consolidated Revenues (cont.)

- May 2018 MTD:
 - OneCare: unfavorable to budget by \$326.2 thousand or 21.7%
 - Unfavorable volume variance of \$31.9 thousand
 - Unfavorable price variance of \$294.3 thousand due to CY13 adjustment of \$751.0 thousand offset by favorable Hierarchical Condition Category (HCC) adjustment of \$209.0 thousand
 - PACE: favorable to budget by \$354.4 thousand or 19.7%
 - Unfavorable volume variance of \$47.3 thousand
 - Favorable price variance of \$401.7 thousand

FY 2017-18: Consolidated Revenues (cont.)

- May 2018 YTD:

- Actual higher than budget by \$67.3 million or 2.3%
 - Medi-Cal: favorable to budget by \$70.7 million or 2.7%
 - Unfavorable volume variance of \$42.7 million
 - Favorable price variance of \$113.4 million due to:
 - \$32.6 million of FY18 Proposition 56 revenue
 - \$24.3 million of FY18 ABA revenue
 - \$20.0 million of FY18 LTC revenue from non-LTC aid codes
 - \$32.7 million of prior year SPD revenue
 - \$31.2 million of prior year LTC revenue from non-LTC aid codes
 - \$8.4 million of prior year ABA revenue, offset by:
 - (\$17.7) million of Hepatitis C revenue
 - (\$22.5) million CCI revenue

FY 2017-18: Consolidated Revenues (cont.)

- May 2018 YTD:
 - OneCare Connect: unfavorable to budget by \$3.2 million or 1.1%
 - Unfavorable volume variance of \$8.5 million
 - Favorable price variance of \$5.3 million
 - OneCare: Unfavorable to budget by \$1.4 million or 9.2%
 - Favorable volume variance of \$0.1 million
 - Unfavorable price variance of \$1.5 million
 - PACE: favorable to budget by \$1.2 million or 6.9%
 - Unfavorable volume variance of \$0.3 million
 - Favorable price variance of \$1.5 million

FY 2017-18: Consolidated Medical Expenses

- May 2018 MTD:
 - Actual lower than budget by \$81.3 million or 32.6%
 - Medi-Cal: favorable variance of \$75.2 million
 - Favorable volume variance of \$6.2 million
 - Favorable price variance of \$69.1 million
 - Managed Long Term Services and Supports (MLTSS) favorable variance of \$88.0 million due to update to member cohorts for CCI
 - Professional Claims unfavorable variance of \$14.1 million due to Proposition 56 and Behavioral Health Treatment (BHT) transition in-house
 - Provider Capitation is unfavorable to budget \$1.2 million due to Proposition 56 and BHT transition in-house
 - OneCare Connect: favorable variance of \$6.3 million or 25.8%
 - Favorable volume variance of \$1.1 million due to lower enrollment
 - Favorable price variance of \$5.2 million

FY 2017-18: Consolidated Medical Expenses (cont.)

- May 2018 YTD:

- Actual higher than budget by \$65.4 million or 2.3%

- Medi-Cal: unfavorable variance of \$59.1 million

- Favorable volume variance of \$40.9 million

- Unfavorable price variance of \$100.0 million

- Professional Claims expenses unfavorable variance of \$78.7 million

- Provider Capitation expenses unfavorable variance of \$32.0 million

- Prescription Drugs unfavorable variance of \$10.4 million

- MLTSS expenses favorable variance of \$14.6 million

- OneCare Connect: unfavorable variance of \$7.7 million

- Favorable volume variance of \$8.0 million

- Unfavorable price variance of \$15.7 million

- Medical Loss Ratio (MLR):

- May 2018 MTD: Actual: 83.6% Budget: 97.5%

- May 2018 YTD: Actual: 95.7% Budget: 95.7%

FY 2017-18: Consolidated Administrative Expenses

- May 2018 MTD:

- Actual lower than budget by \$1.0 million or 8.3%
 - Salaries, wages and benefits: favorable variance of \$0.6 million
 - Printing & Postage: favorable variance of \$0.3 million
 - Other categories: favorable variance of \$0.1 million

- May 2018 YTD:

- Actual lower than budget by \$24.6 million or 18.3%
 - Purchased Services: favorable variance of \$9.4 million
 - Salaries, wages and benefits: favorable variance of \$8.2 million
 - Other categories: favorable variance of \$7.1 million

- Administrative Loss Ratio (ALR):

- May 2018 MTD: Actual: 5.6% Budget: 4.8%
- May 2018 YTD: Actual: 3.7% Budget: 4.6%

FY 2017-18: Change in Net Assets

- May 2018 MTD:

- \$25.8 million surplus
- \$31.4 million favorable to budget
 - Lower than budgeted revenue of \$54.8 million
 - Lower than budgeted medical expenses of \$81.3 million
 - Lower than budgeted administrative expenses of \$1.0 million
 - Higher than budgeted investment and other income of \$3.9 million

- May 2018 YTD:

- \$39.4 million surplus
- \$43.7 million favorable to budget
 - Higher than budgeted revenue of \$67.3 million
 - Higher than budgeted medical expenses of \$65.4 million
 - Lower than budgeted administrative expenses of \$24.6 million
 - Higher than budgeted investment and other income of \$17.1 million

Enrollment Summary: May 2018

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
63,183	65,743	(2,560)	(3.9%)	Aged	695,423	701,763	(6,340)	(0.9%)
626	618	8	1.3%	BCCTP	6,772	6,798	(26)	(0.4%)
47,013	48,830	(1,817)	(3.7%)	Disabled	520,792	536,699	(15,907)	(3.0%)
255,451	328,703	(73,252)	(22.3%)	TANF Child	3,459,838	3,623,125	(163,287)	(4.5%)
155,996	103,352	52,644	50.9%	TANF Adult	1,150,300	1,140,692	9,608	0.8%
3,417	3,268	149	4.6%	LTC	37,857	35,948	1,909	5.3%
240,065	237,087	2,978	1.3%	MCE	2,635,327	2,602,863	32,464	1.2%
765,751	787,600	(21,849)	(2.8%)	Medi-Cal	8,506,309	8,647,862	(141,553)	(1.6%)
14,984	15,665	(681)	(4.3%)	OneCare Connect	166,183	171,217	(5,034)	(2.9%)
259	266	(7)	(2.6%)	PACE	2,603	2,651	(48)	(1.8%)
1,380	1,410	(30)	(2.1%)	OneCare	15,047	14,990	57	0.4%
782,374	804,941	(22,567)	(2.8%)	CalOptima Total	8,690,142	8,836,720	(146,578)	(1.7%)

Financial Highlights: May 2018

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
782,374	804,941	(22,567)	(2.8%)	Member Months	8,690,142	8,836,720	(146,578)	(1.7%)
200,972,634	255,815,829	(54,843,195)	(21.4%)	Revenues	2,998,141,768	2,930,805,849	67,335,919	2.3%
168,066,759	249,396,609	81,329,850	32.6%	Medical Expenses	2,868,904,167	2,803,504,901	(65,399,266)	(2.3%)
11,279,763	12,304,103	1,024,340	8.3%	Administrative Expenses	109,551,092	134,145,009	24,593,917	18.3%
21,626,112	(5,884,883)	27,510,995	467.5%	Operating Margin	19,686,508	(6,844,061)	26,530,570	387.6%
4,166,033	231,157	3,934,876	1702.3%	Non Operating Income (Loss)	19,726,766	2,585,502	17,141,264	663.0%
25,792,145	(5,653,726)	31,445,870	556.2%	Change in Net Assets	39,413,274	(4,258,560)	43,671,834	1025.5%
83.6%	97.5%	13.9%		Medical Loss Ratio	95.7%	95.7%	(0.0%)	
5.6%	4.8%	(0.8%)		Administrative Loss Ratio	3.7%	4.6%	0.9%	
<u>10.8%</u>	<u>(2.3%)</u>	13.1%		Operating Margin Ratio	<u>0.7%</u>	<u>(0.2%)</u>	0.9%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

Consolidated Performance Actual vs. Budget: May (in millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
35.6	(4.5)	40.1	Medi-Cal	31.8	(1.4)	33.3
(13.8)	(1.3)	(12.4)	OCC	(12.5)	(4.1)	(8.4)
(0.2)	(0.1)	(0.1)	OneCare	(0.9)	(1.3)	0.4
<u>0.0</u>	<u>0.0</u>	<u>(0.0)</u>	PACE	<u>1.2</u>	<u>0.0</u>	<u>1.1</u>
21.6	(5.9)	27.6	Operating	19.6	(6.8)	26.4
<u>4.2</u>	<u>0.2</u>	<u>3.9</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>19.8</u>	<u>2.6</u>	<u>17.3</u>
4.2	0.2	3.9	Non-Operating	19.8	2.6	17.3
25.8	(5.7)	31.4	TOTAL	39.4	(4.3)	43.7

Consolidated Revenue & Expense: May 2018 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	525,686	240,065	765,751	14,984	1,380	259	782,374
REVENUES							
Capitation Revenue	\$ 85,096,594	\$ 106,640,726	\$ 191,737,320	\$ 5,908,967	\$ 1,174,503	\$ 2,151,843	\$ 200,972,634
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>85,096,594</u>	<u>106,640,726</u>	<u>191,737,320</u>	<u>5,908,967</u>	<u>1,174,503</u>	<u>2,151,843</u>	<u>200,972,634</u>
MEDICAL EXPENSES							
Provider Capitation	34,881,515	50,668,267	85,549,782	13,628,800	300,126	-	99,478,708
Facilities	22,236,286	22,919,808	45,156,094	4,537,451	369,988	513,587	50,577,120
Ancillary	-	-	-	606,348	66,087	-	672,434
Skilled Nursing	-	-	-	-	26,694	-	26,694
Professional Claims	20,622,934	8,061,585	28,684,519	-	-	433,220	29,117,739
Prescription Drugs	18,727,010	20,406,558	39,133,568	5,933,606	498,737	141,682	45,707,593
Quality Incentives	-	-	-	-	-	-	-
MLTSS Facility Payments	(57,538,938)	1,831,282	(55,707,656)	(8,018,728)	-	2,626	(63,723,757)
Medical Management	2,241,574	900,474	3,142,048	1,076,295	53,177	589,540	4,861,059
Reinsurance & Other	511,803	304,584	816,387	246,743	6,481	279,558	1,349,170
Total Medical Expenses	<u>41,682,183</u>	<u>105,092,557</u>	<u>146,774,741</u>	<u>18,010,515</u>	<u>1,321,290</u>	<u>1,960,213</u>	<u>168,066,759</u>
Medical Loss Ratio	49.0%	98.5%	76.5%	304.8%	112.5%	91.1%	83.6%
GROSS MARGIN	43,414,411	1,548,169	44,962,580	(12,101,547)	(146,787)	191,630	32,905,875
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			5,995,885	769,018	22,345	101,678	6,888,926
Professional fees			171,980	5,222	13,334	5,792	196,328
Purchased services			1,151,212	185,369	18,196	32,425	1,387,202
Printing and Postage			163,246	40,221	1,622	10,846	215,935
Depreciation and Amortization			401,841	-	-	2,074	403,915
Other expenses			1,796,344	42,070	0	9,200	1,847,615
Indirect cost allocation, Occupancy expense			(311,835)	612,391	36,135	3,152	339,843
Total Administrative Expenses			<u>9,368,673</u>	<u>1,654,291</u>	<u>91,631</u>	<u>165,168</u>	<u>11,279,763</u>
Admin Loss Ratio			4.9%	28.0%	7.8%	7.7%	5.6%
INCOME (LOSS) FROM OPERATIONS			35,593,906	(13,755,838)	(238,418)	26,462	21,626,112
INVESTMENT INCOME							4,166,702
NET GRANT INCOME			(1,581)	-	-	-	(1,581)
OTHER INCOME			912	-	-	-	912
CHANGE IN NET ASSETS			<u>\$ 35,593,237</u>	<u>\$ (13,755,838)</u>	<u>\$ (238,418)</u>	<u>\$ 26,462</u>	<u>\$ 25,792,145</u>

Consolidated Revenue & Expense: May 2018 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	5,870,982	2,635,327	8,506,309	166,183	15,047	2,603	8,690,142
REVENUES							
Capitation Revenue	\$ 1,483,114,971	\$ 1,195,685,444	\$ 2,678,800,415	\$ 286,219,304	14,234,078	\$ 18,887,971	\$ 2,998,141,768
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,483,114,971</u>	<u>1,195,685,444</u>	<u>2,678,800,415</u>	<u>286,219,304</u>	<u>14,234,078</u>	<u>18,887,971</u>	<u>2,998,141,768</u>
MEDICAL EXPENSES							
Provider Capitation	415,303,654	557,439,132	972,742,786	127,512,669	2,074,735	-	1,102,330,191
Facilities	238,551,315	229,010,604	467,561,919	38,781,641	5,502,682	3,616,842	515,463,083
Ancillary	-	-	-	6,880,837	631,842	-	7,512,679
Skilled Nursing	-	-	-	-	283,680	-	283,680
Professional Claims	169,211,123	64,373,060	233,584,182	-	-	4,132,281	237,716,464
Prescription Drugs	202,768,632	203,294,029	406,062,661	57,169,636	4,920,231	1,439,800	469,592,328
MLTSS Facility Payments	411,106,300	27,823,348	438,929,648	36,372,844	-	20,615	475,323,106
Medical Management	22,079,906	8,341,453	30,421,359	11,208,970	574,942	5,907,474	48,112,745
Reinsurance & Other	5,955,275	3,319,094	9,274,369	1,924,668	77,627	1,293,225	12,569,890
Total Medical Expenses	<u>1,464,976,205</u>	<u>1,093,600,719</u>	<u>2,558,576,924</u>	<u>279,851,267</u>	<u>14,065,739</u>	<u>16,410,237</u>	<u>2,868,904,167</u>
Medical Loss Ratio	98.8%	91.5%	95.5%	97.8%	98.8%	86.9%	95.7%
GROSS MARGIN	18,138,767	102,084,725	120,223,492	6,368,037	168,339	2,477,733	129,237,601
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			60,908,133	8,457,446	255,911	873,391	70,494,880
Professional fees			1,551,739	264,011	159,349	59,900	2,034,999
Purchased services			8,037,751	1,921,151	207,895	127,627	10,294,424
Printing and Postage			3,417,513	657,889	70,842	41,965	4,188,210
Depreciation and Amortization			4,516,565	-	-	23,400	4,539,965
Other expenses			13,586,095	464,145	(578)	134,417	14,184,079
Indirect cost allocation, Occupancy expense			(3,723,397)	7,132,901	341,506	63,525	3,814,535
Total Administrative Expenses			<u>88,294,399</u>	<u>18,897,544</u>	<u>1,034,924</u>	<u>1,324,226</u>	<u>109,551,092</u>
Admin Loss Ratio			3.3%	6.6%	7.3%	7.0%	3.7%
INCOME (LOSS) FROM OPERATIONS			31,929,093	(12,529,507)	(866,586)	1,153,508	19,686,508
INVESTMENT INCOME							19,790,955
NET RENTAL INCOME							54,103
NET GRANT INCOME			(120,196)	-	-	-	(120,196)
OTHER INCOME			1,905	-	-	-	1,905
CHANGE IN NET ASSETS			<u>\$ 31,810,801</u>	<u>\$ (12,529,507)</u>	<u>\$ (866,586)</u>	<u>\$ 1,153,508</u>	<u>\$ 39,413,275</u>

Balance Sheet: As of May 2018

ASSETS

Current Assets

Operating Cash	\$416,995,389
Investments	590,403,849
Capitation receivable	247,088,939
Receivables - Other	24,051,298
Prepaid Expenses	7,240,011

Total Current Assets 1,285,779,486

Capital Assets Furniture and equipment	34,328,849
Building/Leasehold improvements	6,185,215
505 City Parkway West	<u>49,743,943</u>
	90,258,007
Less: accumulated depreciation	<u>(40,262,505)</u>
Capital assets, net	<u>49,995,502</u>

Other Assets Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	28,083,335
Long term investments	<u>509,883,864</u>
Total Board-designated Assets	<u>537,967,199</u>
Total Other Assets	<u>538,267,199</u>

Deferred outflows of Resources - Pension Contributions	5,234,198
Deferred outflows of Resources - Difference in Experience	1,072,771
Deferred outflows of Resources - Excess Earnings	<u>5,270,171</u>

TOTAL ASSETS & OUTFLOWS 1,885,619,326

LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	\$39,048,232
Medical claims liability	868,297,017
Accrued payroll liabilities	13,301,706
Deferred revenue	46,052,012
Deferred lease obligations	127,176
Capitation and withholds	<u>117,866,467</u>

Total Current Liabilities 1,084,692,610

Other employment benefits liability	30,497,292
Net Pension Liabilities	16,117,748
Long Term Liabilities	100,000

TOTAL LIABILITIES 1,131,407,650

Deferred inflows of Resources - Excess Earnings	-
Deferred inflows of Resources - Changes in Assumptions	1,340,010
Tangible net equity (TNE)	83,086,428
Funds in excess of TNE	669,785,239

Net Assets 752,871,667

TOTAL LIABILITIES, INFLOWS & FUND BALANCES 1,885,619,326

Board Designated Reserve and TNE Analysis As of May 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	147,130,417				
	Tier 1 - Logan Circle	147,117,485				
	Tier 1 - Wells Capital	146,531,752				
Board-designated Reserve						
		440,779,654	308,300,393	476,037,603	132,479,261	(35,257,948)
TNE Requirement	Tier 2 - Logan Circle	97,187,544	83,086,428	83,086,428	14,101,116	14,101,116
Consolidated:		537,967,199	391,386,821	559,124,031	146,580,377	(21,156,832)
	<i>Current reserve level</i>	1.92	1.40	2.00		



UNAUDITED FINANCIAL STATEMENTS

May 2018

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**CalOptima - Consolidated
Financial Highlights
For the Eleven Months Ended May 31, 2018**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
782,374	804,941	(22,567)	(2.8%)	Member Months	8,690,142	8,836,720	(146,578)	(1.7%)
200,972,634	255,815,829	(54,843,195)	(21.4%)	Revenues	2,998,141,768	2,930,805,849	67,335,919	2.3%
168,066,759	249,396,609	81,329,850	32.6%	Medical Expenses	2,868,904,167	2,803,504,901	(65,399,266)	(2.3%)
11,279,763	12,304,103	1,024,340	8.3%	Administrative Expenses	109,551,092	134,145,009	24,593,917	18.3%
21,626,112	(5,884,883)	27,510,995	467.5%	Operating Margin	19,686,508	(6,844,061)	26,530,570	387.6%
4,166,033	231,157	3,934,876	1702.3%	Non Operating Income (Loss)	19,726,766	2,585,502	17,141,264	663.0%
25,792,145	(5,653,726)	31,445,870	556.2%	Change in Net Assets	39,413,274	(4,258,560)	43,671,834	1025.5%
83.6%	97.5%	13.9%		Medical Loss Ratio	95.7%	95.7%	(0.0%)	
5.6%	4.8%	(0.8%)		Administrative Loss Ratio	3.7%	4.6%	0.9%	
<u>10.8%</u>	<u>(2.3%)</u>	13.1%		Operating Margin Ratio	<u>0.7%</u>	<u>(0.2%)</u>	0.9%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

**CalOptima
Financial Dashboard
For the Eleven Months Ended May 31, 2018**

MONTH - TO - DATE

Enrollment				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	765,751	787,600	↓	(21,849) (2.8%)
OneCare Connect	14,984	15,665	↓	(681) (4.3%)
OneCare	1,380	1,410	↓	(30) (2.1%)
PACE	259	266	↓	(7) (2.6%)
Total	782,374	804,941	↓	(22,567) (2.8%)

Change in Net Assets (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 35,593	\$ (4,518)	↑	\$ 40,111 887.8%
OneCare Connect	(13,756)	(1,300)	↓	(12,456) (958.1%)
OneCare	(238)	(112)	↓	(127) (113.3%)
PACE	26	45	↓	(19) (41.2%)
505 Bldg.	-	(19)	↑	19 100.0%
Investment Income & Other	4,167	250	↑	3,917 1566.7%
Total	\$ 25,792	\$ (5,654)	↑	\$ 31,446 556.2%

MLR			
	Actual	Budget	% Point Var
Medi-Cal	76.5%	97.6%	↑ 21.0
OneCare Connect	304.8%	97.3%	↓ (207.5)
OneCare	112.5%	100.9%	↓ (11.6)

Administrative Cost (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 9,369	\$ 10,058	↑	\$ 690 6.9%
OneCare Connect	1,654	1,986	↑	331 16.7%
OneCare	92	98	↑	7 6.6%
PACE	165	162	↓	(3) (2.0%)
Total	\$ 11,280	\$ 12,304	↑	\$ 1,024 8.3%

Total FTE's Month			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	926	960	34
OneCare Connect	217	237	20
OneCare	3	3	0
PACE	57	67	10
Total	1,203	1,267	64

MM per FTE			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	827	820	7
OneCare Connect	69	66	3
OneCare	463	470	(7)
PACE	5	4	1
Total	1,364	1,360	4

YEAR - TO - DATE

Year To Date Enrollment				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	8,506,309	8,647,862	↓	(141,553) (1.6%)
OneCare Connect	166,183	171,217	↓	(5,034) (2.9%)
OneCare	15,047	14,990	↑	57 0.4%
PACE	2,603	2,651	↓	(48) (1.8%)
Total	8,690,142	8,836,720	↓	(146,578) (1.7%)

Change in Net Assets (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 31,811	\$ (1,442)	↑	\$ 33,253 2305.6%
OneCare Connect	(12,530)	(4,120)	↓	(8,410) (204.1%)
OneCare	(867)	(1,293)	↑	426 33.0%
PACE	1,154	11	↑	1,143 10820.3%
505 Bldg.	54	(164)	↑	219 132.9%
Investment Income & Other	19,791	2,750	↑	17,041 619.7%
Total	\$ 39,413	\$ (4,259)	↑	\$ 43,672 1025.5%

MLR			
	Actual	Budget	% Point Var
Medi-Cal	95.5%	95.8%	↑ 0.3
OneCare Connect	97.8%	94.0%	↓ (3.7)
OneCare	98.8%	101.4%	↑ 2.6

Administrative Cost (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 88,294	\$ 110,027	↑	\$ 21,732 19.8%
OneCare Connect	18,898	21,368	↑	2,470 11.6%
OneCare	1,035	1,078	↑	43 4.0%
PACE	1,324	1,672	↑	348 20.8%
Total	\$ 109,551	\$ 134,145	↑	\$ 24,594 18.3%

Total FTE's YTD			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	9,867	10,206	339
OneCare Connect	2,410	2,608	198
OneCare	33	33	(0)
PACE	605	707	102
Total	12,916	13,554	638

MM per FTE			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	862	847	15
OneCare Connect	69	66	3
OneCare	450	454	(4)
PACE	4	4	(0)
Total	1,385	1,371	14

**CalOptima - Consolidated
Statement of Revenue and Expenses
For the One Month Ended May 31, 2018**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	782,374		804,941		(22,567)	
Revenues						
Medi-Cal	\$ 191,737,320	\$ 250.39	\$ 227,550,701	\$ 288.92	\$ (35,813,381)	\$ (38.53)
OneCare Connect	5,908,967	394.35	24,966,943	1,593.80	(19,057,976)	(1,199.45)
OneCare	1,174,503	851.09	1,500,720	1,064.34	(326,217)	(213.25)
PACE	2,151,843	8,308.28	1,797,465	6,757.39	354,378	1,550.89
Total Operating Revenue	<u>200,972,634</u>	<u>256.88</u>	<u>255,815,829</u>	<u>317.81</u>	<u>(54,843,195)</u>	<u>(60.93)</u>
Medical Expenses						
Medi-Cal	146,774,741	191.67	222,010,524	281.88	75,235,783	90.21
OneCare Connect	18,010,515	1,201.98	24,281,258	1,550.03	6,270,743	348.05
OneCare	1,321,290	957.46	1,514,331	1,073.99	193,041	116.54
PACE	1,960,213	7,568.39	1,590,496	5,979.31	(369,717)	(1,589.08)
Total Medical Expenses	<u>168,066,759</u>	<u>214.82</u>	<u>249,396,609</u>	<u>309.83</u>	<u>81,329,850</u>	<u>95.02</u>
Gross Margin	32,905,875	42.06	6,419,220	7.97	26,486,655	34.08
Administrative Expenses						
Salaries and Benefits	6,888,926	8.81	7,531,227	9.36	642,301	0.55
Professional fees	196,328	0.25	376,183	0.47	179,855	0.22
Purchased services	1,387,202	1.77	1,516,108	1.88	128,906	0.11
Printing and Postage	215,935	0.28	529,865	0.66	313,930	0.38
Depreciation and Amortization	403,915	0.52	463,298	0.58	59,383	0.06
Other	1,847,615	2.36	1,547,006	1.92	(300,609)	(0.44)
Indirect cost allocation, Occupancy expense	339,843	0.43	340,416	0.42	573	(0.01)
Total Administrative Expenses	<u>11,279,763</u>	<u>14.42</u>	<u>12,304,103</u>	<u>15.29</u>	<u>1,024,340</u>	<u>0.87</u>
Income (Loss) From Operations	21,626,112	27.64	(5,884,883)	(7.31)	27,510,995	34.95
Investment income						
Interest income	3,082,027	3.94	250,000	0.31	2,832,027	3.63
Realized gain/(loss) on investments	(344,643)	(0.44)	-	-	(344,643)	(0.44)
Unrealized gain/(loss) on investments	1,429,318	1.83	-	-	1,429,318	1.83
Total Investment Income	<u>4,166,702</u>	<u>5.33</u>	<u>250,000</u>	<u>0.31</u>	<u>3,916,702</u>	<u>5.02</u>
Net Rental Income	-	-	(18,843)	(0.02)	18,843	0.02
Total Net Grant Income	(1,581)	(0.00)	-	-	(1,581)	(0.00)
Other Income	912	0.00	-	-	912	0.00
Change In Net Assets	<u>25,792,145</u>	<u>32.97</u>	<u>(5,653,726)</u>	<u>(7.02)</u>	<u>31,445,870</u>	<u>39.99</u>
Medical Loss Ratio	83.6%		97.5%		13.9%	
Administrative Loss Ratio	5.6%		4.8%		(0.8%)	

* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

** Includes MSSP

**CalOptima - Consolidated
Statement of Revenue and Expenses
For the Eleven Months Ended May 31, 2018**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	8,690,142		8,836,720		(146,578)	
Revenues						
Medi-Cal	\$ 2,678,800,415	\$ 314.92	\$ 2,608,077,237	\$ 301.59	\$ 70,723,178	\$ 13.33
OneCare Connect	286,219,304	1,722.31	289,387,284	1,690.18	(3,167,980)	32.14
OneCare	14,234,078	945.97	15,673,755	1,045.61	(1,439,677)	(99.64)
PACE	18,887,971	7,256.23	17,667,573	6,664.49	1,220,398	591.74
Total Operating Revenue	<u>2,998,141,768</u>	<u>345.00</u>	<u>2,930,805,849</u>	<u>331.66</u>	<u>67,335,919</u>	<u>13.34</u>
Medical Expenses						
Medi-Cal	2,558,576,924	300.79	2,499,492,986	289.03	(59,083,938)	(11.76)
OneCare Connect	279,851,267	1,683.99	272,138,798	1,589.44	(7,712,469)	(94.56)
OneCare	14,065,739	934.79	15,888,571	1,059.94	1,822,832	125.16
PACE	16,410,237	6,304.36	15,984,546	6,029.63	(425,691)	(274.73)
Total Medical Expenses	<u>2,868,904,167</u>	<u>330.13</u>	<u>2,803,504,901</u>	<u>317.26</u>	<u>(65,399,266)</u>	<u>(12.88)</u>
Gross Margin	129,237,601	14.87	127,300,948	14.41	1,936,653	0.47
Administrative Expenses						
Salaries and Benefits	70,494,880	8.11	78,661,033	8.90	8,166,153	0.79
Professional fees	2,034,999	0.23	4,226,080	0.48	2,191,080	0.24
Purchased services	10,294,424	1.18	19,664,090	2.23	9,369,666	1.04
Printing and Postage	4,188,210	0.48	5,848,089	0.66	1,659,879	0.18
Depreciation and Amortization	4,539,965	0.52	5,096,278	0.58	556,313	0.05
Other	14,184,079	1.63	16,904,857	1.91	2,720,778	0.28
Indirect cost allocation, Occupancy expense	3,814,535	0.44	3,744,583	0.42	(69,952)	(0.02)
Total Administrative Expenses	<u>109,551,092</u>	<u>12.61</u>	<u>134,145,009</u>	<u>15.18</u>	<u>24,593,917</u>	<u>2.57</u>
Income (Loss) From Operations	19,686,508	2.27	(6,844,061)	(0.77)	26,530,570	3.04
Investment income						
Interest income	25,831,662	2.97	2,750,000	0.31	23,081,662	2.66
Realized gain/(loss) on investments	(2,222,314)	(0.26)	-	-	(2,222,314)	(0.26)
Unrealized gain/(loss) on investments	(3,818,393)	(0.44)	-	-	(3,818,393)	(0.44)
Total Investment Income	<u>19,790,955</u>	<u>2.28</u>	<u>2,750,000</u>	<u>0.31</u>	<u>17,040,955</u>	<u>1.97</u>
Net Rental Income	54,103	0.01	(164,498)	(0.02)	218,601	0.02
Total Net Grant Income	(120,196)	(0.01)	-	-	(120,196)	(0.01)
Other Income	1,905	0.00	-	-	1,905	0.00
Change In Net Assets	<u>39,413,274</u>	<u>4.54</u>	<u>(4,258,560)</u>	<u>(0.48)</u>	<u>43,671,834</u>	<u>5.02</u>
Medical Loss Ratio	95.7%		95.7%		(0.0%)	
Administrative Loss Ratio	3.7%		4.6%		0.9%	

* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

** Includes MSSP

**CalOptima - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ended May 31, 2018**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
Member Months	525,686	240,065	765,751	14,984	1,380	259	782,374
REVENUES							
Capitation Revenue	\$ 85,096,594	\$ 106,640,726	\$ 191,737,320	\$ 5,908,967	\$ 1,174,503	\$ 2,151,843	\$ 200,972,634
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>85,096,594</u>	<u>106,640,726</u>	<u>191,737,320</u>	<u>5,908,967</u>	<u>1,174,503</u>	<u>2,151,843</u>	<u>200,972,634</u>
MEDICAL EXPENSES							
Provider Capitation	34,881,515	50,668,267	85,549,782	13,628,800	300,126	-	99,478,708
Facilities	22,236,286	22,919,808	45,156,094	4,537,451	369,988	513,587	50,577,120
Ancillary	-	-	-	606,348	66,087	-	672,434
Skilled Nursing	-	-	-	-	26,694	-	26,694
Professional Claims	20,622,934	8,061,585	28,684,519	-	-	433,220	29,117,739
Prescription Drugs	18,727,010	20,406,558	39,133,568	5,933,606	498,737	141,682	45,707,593
Quality Incentives	-	-	-	-	-	-	-
MLTSS Facility Payments	(57,538,938)	1,831,282	(55,707,656)	(8,018,728)	-	2,626	(63,723,757)
Medical Management	2,241,574	900,474	3,142,048	1,076,295	53,177	589,540	4,861,059
Reinsurance & Other	511,803	304,584	816,387	246,743	6,481	279,558	1,349,170
Total Medical Expenses	<u>41,682,183</u>	<u>105,092,557</u>	<u>146,774,741</u>	<u>18,010,515</u>	<u>1,321,290</u>	<u>1,960,213</u>	<u>168,066,759</u>
Medical Loss Ratio	49.0%	98.5%	76.5%	304.8%	112.5%	91.1%	83.6%
GROSS MARGIN	43,414,411	1,548,169	44,962,580	(12,101,547)	(146,787)	191,630	32,905,875
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			5,995,885	769,018	22,345	101,678	6,888,926
Professional fees			171,980	5,222	13,334	5,792	196,328
Purchased services			1,151,212	185,369	18,196	32,425	1,387,202
Printing and Postage			163,246	40,221	1,622	10,846	215,935
Depreciation and Amortization			401,841	-	-	2,074	403,915
Other expenses			1,796,344	42,070	0	9,200	1,847,615
Indirect cost allocation, Occupancy expense			(311,835)	612,391	36,135	3,152	339,843
Total Administrative Expenses			<u>9,368,673</u>	<u>1,654,291</u>	<u>91,631</u>	<u>165,168</u>	<u>11,279,763</u>
Admin Loss Ratio			4.9%	28.0%	7.8%	7.7%	5.6%
INCOME (LOSS) FROM OPERATIONS			35,593,906	(13,755,838)	(238,418)	26,462	21,626,112
INVESTMENT INCOME							4,166,702
NET GRANT INCOME			(1,581)	-	-	-	(1,581)
OTHER INCOME			912	-	-	-	912
CHANGE IN NET ASSETS			<u>\$ 35,593,237</u>	<u>\$ (13,755,838)</u>	<u>\$ (238,418)</u>	<u>\$ 26,462</u>	<u>\$ 25,792,145</u>
BUDGETED CHANGE IN ASSETS			(4,518,111)	(1,300,032)	(111,763)	45,023	(5,653,726)
VARIANCE TO BUDGET - FAV (UNFAV)			<u>40,111,348</u>	<u>(12,455,806)</u>	<u>(126,655)</u>	<u>(18,561)</u>	<u>31,445,870</u>

CalOptima - Consolidated - Year to Date
Statement of Revenues and Expenses by LOB
For the Eleven Months Ended May 31, 2018

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
Member Months	5,870,982	2,635,327	8,506,309	166,183	15,047	2,603	8,690,142
REVENUES							
Capitation Revenue	\$ 1,483,114,971	\$ 1,195,685,444	\$ 2,678,800,415	\$ 286,219,304	14,234,078	\$ 18,887,971	\$ 2,998,141,768
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,483,114,971</u>	<u>1,195,685,444</u>	<u>2,678,800,415</u>	<u>286,219,304</u>	<u>14,234,078</u>	<u>18,887,971</u>	<u>2,998,141,768</u>
MEDICAL EXPENSES							
Provider Capitation	415,303,654	557,439,132	972,742,786	127,512,669	2,074,735	-	1,102,330,191
Facilities	238,551,315	229,010,604	467,561,919	38,781,641	5,502,682	3,616,842	515,463,083
Ancillary	-	-	-	6,880,837	631,842	-	7,512,679
Skilled Nursing	-	-	-	-	283,680	-	283,680
Professional Claims	169,211,123	64,373,060	233,584,182	-	-	4,132,281	237,716,464
Prescription Drugs	202,768,632	203,294,029	406,062,661	57,169,636	4,920,231	1,439,800	469,592,328
MLTSS Facility Payments	411,106,300	27,823,348	438,929,648	36,372,844	-	20,615	475,323,106
Medical Management	22,079,906	8,341,453	30,421,359	11,208,970	574,942	5,907,474	48,112,745
Reinsurance & Other	5,955,275	3,319,094	9,274,369	1,924,668	77,627	1,293,225	12,569,890
Total Medical Expenses	<u>1,464,976,205</u>	<u>1,093,600,719</u>	<u>2,558,576,924</u>	<u>279,851,267</u>	<u>14,065,739</u>	<u>16,410,237</u>	<u>2,868,904,167</u>
Medical Loss Ratio	98.8%	91.5%	95.5%	97.8%	98.8%	86.9%	95.7%
GROSS MARGIN	18,138,767	102,084,725	120,223,492	6,368,037	168,339	2,477,733	129,237,601
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			60,908,133	8,457,446	255,911	873,391	70,494,880
Professional fees			1,551,739	264,011	159,349	59,900	2,034,999
Purchased services			8,037,751	1,921,151	207,895	127,627	10,294,424
Printing and Postage			3,417,513	657,889	70,842	41,965	4,188,210
Depreciation and Amortization			4,516,565	-	-	23,400	4,539,965
Other expenses			13,586,095	464,145	(578)	134,417	14,184,079
Indirect cost allocation, Occupancy expense			(3,723,397)	7,132,901	341,506	63,525	3,814,535
Total Administrative Expenses			<u>88,294,399</u>	<u>18,897,544</u>	<u>1,034,924</u>	<u>1,324,226</u>	<u>109,551,092</u>
Admin Loss Ratio			3.3%	6.6%	7.3%	7.0%	3.7%
INCOME (LOSS) FROM OPERATIONS			31,929,093	(12,529,507)	(866,586)	1,153,508	19,686,508
INVESTMENT INCOME							19,790,955
NET RENTAL INCOME							54,103
NET GRANT INCOME			(120,196)	-	-	-	(120,196)
OTHER INCOME			1,905	-	-	-	1,905
CHANGE IN NET ASSETS			<u>\$ 31,810,801</u>	<u>\$ (12,529,507)</u>	<u>\$ (866,586)</u>	<u>\$ 1,153,508</u>	<u>\$ 39,413,275</u>
BUDGETED CHANGE IN ASSETS			(1,442,279)	(4,119,540)	(1,292,805)	10,563	(4,258,560)
VARIANCE TO BUDGET - FAV (UNFAV)			<u>33,253,080</u>	<u>(8,409,966)</u>	<u>426,219</u>	<u>1,142,945</u>	<u>43,671,835</u>

May 31, 2018 Unaudited Financial Statements

SUMMARY

MONTHLY RESULTS:

- Change in Net Assets is \$25.8 million, \$31.4 million favorable to budget
- Operating surplus is \$21.6 million with a surplus in non-operating of \$4.2 million

YEAR TO DATE RESULTS:

- Change in Net Assets is \$39.4 million, \$43.7 million favorable to budget
- Operating surplus is \$19.6 million, \$26.4 million favorable to budget

Change in Net Assets by LOB (\$millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
35.6	(4.5)	40.1	Medi-Cal	31.8	(1.4)	33.3
(13.8)	(1.3)	(12.4)	OCC	(12.5)	(4.1)	(8.4)
(0.2)	(0.1)	(0.1)	OneCare	(0.9)	(1.3)	0.4
<u>0.0</u>	<u>0.0</u>	<u>(0.0)</u>	<u>PACE</u>	<u>1.2</u>	<u>0.0</u>	<u>1.1</u>
21.6	(5.9)	27.6	Operating	19.6	(6.8)	26.4
<u>4.2</u>	<u>0.2</u>	<u>3.9</u>	<u>Inv./Rental Inc, MCO</u>	<u>19.8</u>	<u>2.6</u>	<u>17.3</u>
4.2	0.2	3.9	<u>tax</u>			
			Non-Operating	19.8	2.6	17.3
25.8	(5.7)	31.4	TOTAL	39.4	(4.3)	43.7

CalOptima
Enrollment Summary
For the Eleven Months Ended May 31, 2018

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
63,183	65,743	(2,560)	(3.9%)	Aged	695,423	701,763	(6,340)	(0.9%)
626	618	8	1.3%	BCCTP	6,772	6,798	(26)	(0.4%)
47,013	48,830	(1,817)	(3.7%)	Disabled	520,792	536,699	(15,907)	(3.0%)
255,451	328,703	(73,252)	(22.3%)	TANF Child	3,459,838	3,623,125	(163,287)	(4.5%)
155,996	103,352	52,644	50.9%	TANF Adult	1,150,300	1,140,692	9,608	0.8%
3,417	3,268	149	4.6%	LTC	37,857	35,948	1,909	5.3%
240,065	237,087	2,978	1.3%	MCE	2,635,327	2,602,863	32,464	1.2%
765,751	787,600	(21,849)	(2.8%)	Medi-Cal	8,506,309	8,647,862	(141,553)	(1.6%)
14,984	15,665	(681)	(4.3%)	OneCare Connect	166,183	171,217	(5,034)	(2.9%)
259	266	(7)	(2.6%)	PACE	2,603	2,651	(48)	(1.8%)
1,380	1,410	(30)	(2.1%)	OneCare	15,047	14,990	57	0.4%
782,374	804,941	(22,567)	(2.8%)	CalOptima Total	8,690,142	8,836,720	(146,578)	(1.7%)

				Enrollment (By Network)				
167,417	174,865	(7,448)	(4.3%)	HMO	1,869,012	1,918,417	(49,405)	(2.6%)
219,192	224,527	(5,335)	(2.4%)	PHC	2,445,886	2,484,445	(38,559)	(1.6%)
194,304	207,793	(13,489)	(6.5%)	Shared Risk Group	2,188,592	2,300,575	(111,983)	(4.9%)
184,838	180,415	4,423	2.5%	Fee for Service	2,002,819	1,944,425	58,394	3.0%
765,751	787,600	(21,849)	(2.8%)	Medi-Cal	8,506,309	8,647,862	(141,553)	(1.6%)
14,984	15,665	(681)	(4.3%)	OneCare Connect	166,183	171,217	(5,034)	(2.9%)
259	266	(7)	(2.6%)	PACE	2,603	2,651	(48)	(1.8%)
1,380	1,410	(30)	(2.1%)	OneCare	15,047	14,990	57	0.4%
782,374	804,941	(22,567)	(2.8%)	CalOptima Total	8,690,142	8,836,720	(146,578)	(1.7%)

CalOptima
Enrollment Trend by Network Type
Fiscal Year 2018

Network Type	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	MMs
HMO													
Aged	4,058	4,045	4,051	3,864	4,020	3,980	3,982	3,958	3,941	3,897	3,919	-	43,715
BCCTP	1	1	1	5	1	5	1	1	1	1	1	-	19
Disabled	6,749	6,740	6,729	6,703	6,733	6,743	6,743	6,777	6,780	6,740	6,758	-	74,195
TANF Child	61,492	61,733	61,361	61,023	60,598	60,595	53,730	59,508	59,394	56,629	49,679	-	645,742
TANF Adult	30,429	30,420	30,313	30,127	29,905	30,059	36,236	30,408	30,207	32,475	38,558	-	349,137
LTC	3	4	6	4	4	3	2	3	4	4	5	-	42
MCE	68,020	68,792	69,169	68,294	68,764	69,313	68,665	68,888	68,887	68,873	68,497	-	756,162
	170,752	171,735	171,630	170,020	170,025	170,698	169,359	169,543	169,214	168,619	167,417	-	1,869,012
PHC													
Aged	1,480	1,493	1,530	1,401	1,561	1,581	1,603	1,608	1,615	1,618	1,603	-	17,093
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	7,318	7,264	7,258	7,236	7,229	7,221	7,264	7,256	7,298	7,248	7,245	-	79,837
TANF Child	162,801	163,976	163,202	162,046	162,030	162,046	154,874	160,957	160,820	157,117	139,394	-	1,749,263
TANF Adult	12,604	12,571	12,410	12,356	12,311	12,312	19,241	13,212	13,146	16,043	31,695	-	167,901
LTC	-	-	1	1	-	-	1	1	-	2	-	-	6
MCE	38,398	38,821	39,088	38,681	39,261	39,620	39,555	39,715	39,694	39,698	39,255	-	431,786
	222,601	224,125	223,489	221,721	222,392	222,780	222,538	222,749	222,573	221,726	219,192	-	2,445,886
Shared Risk Group													
Aged	3,809	3,756	3,831	3,029	3,765	3,641	3,706	3,680	3,687	3,598	3,536	-	40,038
BCCTP	-	-	-	1	-	-	-	-	-	-	-	-	1
Disabled	8,108	8,058	8,035	7,951	7,978	7,887	7,873	7,810	7,756	7,694	7,626	-	86,776
TANF Child	72,723	72,861	72,102	71,427	71,139	70,753	63,054	69,468	69,054	65,203	39,531	-	737,315
TANF Adult	32,775	32,737	32,316	31,441	31,785	31,475	39,189	32,293	31,899	35,168	59,546	-	390,624
LTC	-	1	2	-	-	2	-	3	3	-	-	-	11
MCE	85,799	86,330	86,191	81,677	85,025	84,995	84,574	85,241	85,065	84,865	84,065	-	933,822
	203,214	203,743	202,477	195,526	199,692	198,753	198,396	198,495	197,464	196,528	194,304	-	2,188,592
Fee for Service (Dual)													
Aged	48,036	48,599	48,846	48,863	49,108	49,578	53,851	53,491	49,628	49,537	49,464	-	549,001
BCCTP	25	22	25	23	22	23	21	24	18	17	14	-	234
Disabled	20,343	20,528	20,516	20,448	20,494	20,691	22,065	22,052	20,849	20,711	20,680	-	229,377
TANF Child	3	3	2	2	1	1	1	2	2	2	(3)	-	16
TANF Adult	1,205	1,226	1,184	1,156	1,118	1,165	1,160	1,093	1,095	1,109	1,072	-	12,583
LTC	3,002	3,124	3,126	3,068	3,137	3,112	3,106	3,068	3,108	3,084	3,057	-	33,992
MCE	2,816	2,848	2,758	2,831	2,113	1,660	1,713	1,774	1,888	2,020	2,106	-	24,527
	75,430	76,350	76,457	76,391	75,993	76,230	81,917	81,504	76,588	76,480	76,390	-	849,730
Fee for Service (Non-Dual)													
Aged	3,580	3,855	4,031	3,714	4,250	4,117	4,197	4,347	4,432	4,392	4,661	-	45,576
BCCTP	601	602	599	523	598	589	588	590	602	615	611	-	6,518
Disabled	4,466	4,559	4,578	4,364	4,703	4,604	4,721	4,656	4,598	4,654	4,704	-	50,607
TANF Child	27,513	31,414	31,119	30,822	28,520	31,545	27,514	29,694	30,972	31,539	26,850	-	327,502
TANF Adult	18,753	19,744	20,087	19,517	19,142	20,210	23,898	21,546	20,057	21,976	25,125	-	230,055
LTC	372	364	379	194	363	353	366	359	341	360	355	-	3,806
MCE	43,457	44,664	44,438	40,986	42,402	44,767	44,918	44,580	45,480	47,191	46,142	-	489,025
	98,742	105,202	105,231	100,120	99,978	106,185	106,202	105,772	106,482	110,727	108,448	-	1,153,089
MEDI-CAL TOTAL													
Aged	60,963	61,748	62,289	60,871	62,704	62,897	67,339	67,084	63,303	63,042	63,183	-	695,423
BCCTP	627	625	625	552	621	617	610	615	621	633	626	-	6,772
Disabled	46,984	47,149	47,116	46,702	47,137	47,146	48,666	48,551	47,281	47,047	47,013	-	520,792
TANF Child	324,532	329,987	327,786	325,320	322,288	324,940	299,173	319,629	320,242	310,490	255,451	-	3,459,838
TANF Adult	95,766	96,698	96,310	94,597	94,261	95,221	119,724	98,552	96,404	106,771	155,996	-	1,150,300
LTC	3,377	3,493	3,514	3,267	3,504	3,470	3,475	3,434	3,456	3,450	3,417	-	37,857
MCE	238,490	241,455	241,644	232,469	237,565	240,355	239,425	240,198	241,014	242,647	240,065	-	2,635,327
	770,739	781,155	779,284	763,778	768,080	774,646	778,412	778,063	772,321	774,080	765,751	-	8,506,309
PACE													
	215	221	228	227	233	235	236	245	251	253	259	-	2,603
OneCare													
	1,367	1,366	1,404	1,406	1,378	1,372	1,320	1,334	1,335	1,365	1,380	-	15,047
OneCare Connect													
	15,365	15,229	15,265	15,234	15,254	15,223	14,989	14,936	14,793	14,911	14,984	-	166,183
TOTAL	787,686	797,991	796,181	780,645	784,945	791,476	794,957	794,578	788,700	790,609	782,374	-	8,690,142

ENROLLMENT:

Overall MTD enrollment was 782,374

- Unfavorable to budget by 22,567 or 2.8%
- Decreased 8,235 or 1.0% from prior month (April 2018)
- Decreased 7,739 or 1.0% from prior year (May 2017)

Medi-Cal enrollment was 765,751

- Unfavorable to budget by 21,849
 - TANF unfavorable by 20,607
 - SPD unfavorable by 4,369
 - Expansion favorable by 2,978
 - LTC favorable by 149
- Decreased 8,329 from prior month

OneCare Connect enrollment was 14,984

- Unfavorable to budget by 681
- Increased 73 from prior month

OneCare enrollment was 1,380

- Unfavorable to budget by 30
- Increased 15 from prior month

PACE enrollment was 259

- Unfavorable to budget by 7
- Increased 6 from prior month

**CalOptima - Medi-Cal Total
Statement of Revenues and Expenses
For the Eleven Months Ended May 31, 2018**

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
765,751	787,600	(21,849)	(2.8%)	8,506,309	8,647,862	(141,553)	(1.6%)
191,737,320	227,550,701	(35,813,381)	(15.7%)	2,678,800,415	2,608,077,237	70,723,178	2.7%
191,737,320	227,550,701	(35,813,381)	(15.7%)	2,678,800,415	2,608,077,237	70,723,178	2.7%
85,549,782	86,787,061	1,237,279	1.4%	972,742,786	956,383,648	(16,359,138)	(1.7%)
45,156,094	44,925,598	(230,496)	(0.5%)	467,561,919	482,758,124	15,196,205	3.1%
28,684,519	15,010,811	(13,673,708)	(91.1%)	233,584,182	157,457,129	(76,127,053)	(48.3%)
39,133,568	38,333,175	(800,393)	(2.1%)	406,062,661	402,266,783	(3,795,878)	(0.9%)
(55,707,656)	33,189,270	88,896,926	267.8%	438,929,648	461,094,259	22,164,611	4.8%
3,142,048	3,449,592	307,544	8.9%	30,421,359	36,067,856	5,646,497	15.7%
816,387	315,017	(501,370)	(159.2%)	9,274,369	3,465,187	(5,809,182)	(167.6%)
146,774,741	222,010,524	75,235,783	33.9%	2,558,576,924	2,499,492,986	(59,083,938)	(2.4%)
44,962,580	5,540,177	39,422,403	711.6%	120,223,492	108,584,251	11,639,241	10.7%
5,995,885	6,433,775	437,890	6.8%	60,908,133	67,184,170	6,276,037	9.3%
171,980	319,516	147,536	46.2%	1,551,739	3,602,746	2,051,007	56.9%
1,151,212	1,243,115	91,902	7.4%	8,037,751	16,661,004	8,623,253	51.8%
163,246	401,230	237,984	59.3%	3,417,513	4,425,600	1,008,087	22.8%
401,841	461,246	59,405	12.9%	4,516,565	5,073,706	557,141	11.0%
1,796,344	1,478,191	(318,153)	(21.5%)	13,586,095	16,145,939	2,559,844	15.9%
(311,835)	(278,785)	33,050	11.9%	(3,723,397)	(3,066,635)	656,762	21.4%
9,368,673	10,058,288	689,614	6.9%	88,294,399	110,026,530	21,732,132	19.8%
10,745,233	0	10,745,233	0.0%	133,279,841	0	133,279,841	0.0%
10,745,233	0	(10,745,233)	0.0%	119,616,445	0	(119,616,445)	0.0%
0	0	0	0.0%	13,663,396	0	(13,663,396)	0.0%
0	0	0	0.0%	(0)	0	(0)	0.0%
162,356	291,249	(128,893)	(44.3%)	503,749	3,203,739	(2,699,990)	(84.3%)
130,263	258,276	128,014	49.6%	357,638	2,841,036	2,483,399	87.4%
33,675	32,973	(702)	(2.1%)	266,308	362,703	96,395	26.6%
(1,581)	0	(1,581)	0.0%	(120,196)	0	(120,196)	0.0%
(0)	0	0	0.0%	(0)	0	0	0.0%
130,658,597	0	130,658,597	0.0%	402,294,511	0	402,294,511	0.0%
130,658,597	0	(130,658,597)	0.0%	402,294,511	0	(402,294,511)	0.0%
(0)	0	0	0.0%	(0)	0	0	0.0%
912	0	912	0.0%	1,905	0	1,905	0.0%
35,593,237	(4,518,111)	40,111,348	887.8%	31,810,801	(1,442,279)	33,253,080	2,305.6%
76.5%	97.6%	21.0%	21.5%	95.5%	95.8%	0.3%	0.3%
4.9%	4.4%	-0.5%	-10.5%	3.3%	4.2%	0.9%	21.9%

MEDI-CAL INCOME STATEMENT – MAY MONTH:

REVENUES of \$191.7 million are unfavorable to budget by \$35.8 million, driven by:

- Unfavorable volume related variance of \$6.3 million
- Unfavorable price related variance of \$29.5 million due to:
 - \$38.6 million of fiscal year 2016 through 2018 Coordinated Care Initiative (CCI) revenue due to an update to member cohorts and true up of prior year revenue offset by:
 - \$2.9 million of fiscal year 2018 Proposition 56 revenue
 - \$3.0 million of fiscal year 2018 revenue for Applied Behavior Analysis (ABA)

MEDICAL EXPENSES: Overall \$146.8 million, favorable to budget by \$75.2 million due to:

- **Managed Long Term Services and Supports (MLTSS)** is favorable to budget \$88.9 million due to an update to the member cohorts for CCI
- **Provider Capitation** is favorable to budget by \$1.2 million due to Behavioral Health Treatment's (BHT) transition in-house offset by Proposition 56
- **Professional Claims** expense is unfavorable to budget \$13.7 million due to Proposition 56 and BHT transition in-house

ADMINISTRATIVE EXPENSES are \$9.4 million, favorable to budget \$0.7 million, driven by:

- **Salary & Benefits:** \$0.4 million favorable to budget
- **Printing & Postage:** \$0.2 million favorable to budget
- **Professional Fees:** \$0.1 million favorable to budget
- **Other Non-Salary:** \$0.1 million unfavorable to budget

CHANGE IN NET ASSETS is \$35.6 million for the month, favorable to budget by \$40.1 million

**CalOptima - OneCare Connect
Statement of Revenues and Expenses
For the Eleven Months Ended May 31, 2018**

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
14,984	15,665	(681)	(4.3%)	166,183	171,217	(5,034)	(2.9%)
Member Months				Member Months			
Revenues				Revenues			
(21,842,410)	4,077,323	(25,919,733)	(635.7%)	40,744,855	65,320,938	(24,576,083)	(37.6%)
21,425,698	15,627,839	5,797,859	37.1%	186,109,643	166,547,514	19,562,129	11.7%
6,325,680	5,261,781	1,063,899	20.2%	59,364,806	57,518,832	1,845,974	3.2%
Total Operating Revenue				Total Operating Revenue			
5,908,967	24,966,943	(19,057,976)	(76.3%)	286,219,304	289,387,284	(3,167,980)	(1.1%)
Medical Expenses				Medical Expenses			
13,628,800	8,925,387	(4,703,413)	(52.7%)	127,512,669	96,003,323	(31,509,346)	(32.8%)
4,537,451	5,310,142	772,691	14.6%	38,781,641	56,343,113	17,561,472	31.2%
606,348	653,393	47,045	7.2%	6,880,837	6,885,561	4,724	0.1%
(8,018,728)	2,458,941	10,477,669	426.1%	36,372,844	37,314,372	941,528	2.5%
5,933,606	5,559,457	(374,149)	(6.7%)	57,169,636	60,948,486	3,778,850	6.2%
1,076,295	1,251,065	174,770	14.0%	11,208,970	13,337,617	2,128,647	16.0%
246,743	122,873	(123,870)	(100.8%)	1,924,668	1,306,326	(618,342)	(47.3%)
Total Medical Expenses				Total Medical Expenses			
18,010,515	24,281,258	6,270,743	25.8%	279,851,267	272,138,798	(7,712,469)	(2.8%)
Gross Margin				Gross Margin			
(12,101,547)	685,685	(12,787,232)	(1,864.9%)	6,368,037	17,248,486	(10,880,449)	(63.1%)
Administrative Expenses				Administrative Expenses			
769,018	969,142	200,124	20.6%	8,457,446	10,183,749	1,726,303	17.0%
5,222	38,333	33,111	86.4%	264,011	421,668	157,656	37.4%
185,369	239,867	54,498	22.7%	1,921,151	2,638,650	717,498	27.2%
40,221	103,800	63,579	61.3%	657,889	1,141,806	483,917	42.4%
42,070	50,147	8,077	16.1%	464,145	553,446	89,301	16.1%
612,391	584,428	(27,963)	(4.8%)	7,132,901	6,428,708	(704,193)	(11.0%)
Total Administrative Expenses				Total Administrative Expenses			
1,654,291	1,985,717	331,426	16.7%	18,897,544	21,368,026	2,470,482	11.6%
Operating Tax				Operating Tax			
0	0	0	0.0%	0	0	0	0.0%
Total Net Operating Tax				Total Net Operating Tax			
Change in Net Assets				Change in Net Assets			
(13,755,838)	(1,300,032)	(12,455,806)	(958.1%)	(12,529,507)	(4,119,540)	(8,409,966)	(204.1%)
Medical Loss Ratio				Medical Loss Ratio			
304.8%	97.3%	-207.5%	-213.4%	97.8%	94.0%	-3.7%	-4.0%
Admin Loss Ratio				Admin Loss Ratio			
28.0%	8.0%	-20.0%	-252.0%	6.6%	7.4%	0.8%	10.6%

ONECARE CONNECT INCOME STATEMENT – MAY MONTH:

REVENUES of \$5.9 million are unfavorable to budget by \$19.1 million driven by:

- Unfavorable volume related variance of \$1.1 million
- Unfavorable price related variance of \$18.0 million due to prior year CCI true-up

MEDICAL EXPENSES of \$18.0 million are favorable to budget \$6.3 million due to:

- Favorable volume related variance of \$1.1 million
- Favorable price related variance of \$5.2 million

ADMINISTRATIVE EXPENSES of \$1.7 million are favorable to budget \$0.3 million

CHANGE IN NET ASSETS is (\$13.8) million, \$12.4 million unfavorable to budget

**CalOptima - OneCare
Statement of Revenues and Expenses
For the Eleven Months Ended May 31, 2018**

Month				Year - To - Date				
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
1,380	1,410	(30)	(2.1%)	15,047	14,990	57	0.4%	
				Member Months				
0	0	0	0.0%					
586,584	993,448	(406,864)	(41.0%)	0	0	0	0.0%	
587,918	507,272	80,646	15.9%	9,466,691	10,388,887	(922,196)	(8.9%)	
				Medicare Part C Revenue				
				Medicare Part D Revenue	4,767,386	5,284,868	(517,482)	(9.8%)
1,174,503	1,500,720	(326,217)	(21.7%)	Total Operating Revenue	14,234,078	15,673,755	(1,439,677)	(9.2%)
				Medical Expenses				
300,126	414,013	113,887	27.5%	Provider capitation	2,074,735	4,334,739	2,260,004	52.1%
369,988	463,637	93,649	20.2%	Inpatient	5,502,682	4,898,798	(603,884)	(12.3%)
66,087	51,065	(15,022)	(29.4%)	Ancillary	631,842	534,020	(97,822)	(18.3%)
26,694	44,889	18,195	40.5%	Skilled nursing facilities	283,680	464,191	180,511	38.9%
498,737	510,282	11,545	2.3%	Prescription drugs	4,920,231	5,328,213	407,982	7.7%
53,177	21,820	(31,357)	(143.7%)	Medical management	574,942	243,793	(331,149)	(135.8%)
6,481	8,625	2,144	24.9%	Other medical expenses	77,627	84,817	7,190	8.5%
1,321,290	1,514,331	193,041	12.7%	Total Medical Expenses	14,065,739	15,888,571	1,822,832	11.5%
(146,787)	(13,611)	(133,176)	(978.4%)	Gross Margin	168,339	(214,816)	383,155	178.4%
				Administrative Expenses				
22,345	21,462	(883)	(4.1%)	Salaries, wages & employee benefits	255,911	226,778	(29,133)	(12.8%)
13,334	13,334	0	0.0%	Professional fees	159,349	146,666	(12,683)	(8.6%)
18,196	11,990	(6,206)	(51.8%)	Purchased services	207,895	131,940	(75,955)	(57.6%)
1,622	19,287	17,666	91.6%	Printing and postage	70,842	219,665	148,823	67.7%
0	170	170	100.0%	Other operating expenses	(578)	1,934	2,512	129.9%
36,135	31,909	(4,226)	(13.2%)	Indirect cost allocation, Occupancy Expense	341,506	351,006	9,500	2.7%
91,631	98,152	6,521	6.6%	Total Administrative Expenses	1,034,924	1,077,989	43,065	4.0%
(238,418)	(111,763)	(126,655)	(113.3%)	Change in Net Assets	(866,586)	(1,292,805)	426,219	33.0%
112.5%	100.9%	-11.6%	-11.5%	Medical Loss Ratio	98.8%	101.4%	2.6%	2.5%
7.8%	6.5%	-1.3%	-19.3%	Admin Loss Ratio	7.3%	6.9%	-0.4%	-5.7%

**CalOptima - PACE
Statement of Revenues and Expenses
For the Eleven Months Ended May 31, 2018**

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
259	266	(7)	(2.6%)	Member Months			
Revenues				2,603	2,651	(48)	(1.8%)
1,429,280	1,389,222	40,058	2.9%	Revenues			
615,377	323,975	291,402	89.9%	13,967,438	13,615,612	351,826	2.6%
107,186	84,268	22,918	27.2%	3,925,069	3,207,787	717,282	22.4%
-----				995,463	844,174	151,289	17.9%
2,151,843	1,797,465	354,378	19.7%	Total Operating Revenues			
-----				18,887,971	17,667,573	1,220,398	6.9%
-----				Medical Expenses			
589,540	625,425	35,885	5.7%	5,907,474	6,541,001	633,527	9.7%
513,587	384,528	(129,059)	(33.6%)	Medical Management			
433,220	316,763	(116,457)	(36.8%)	3,616,842	3,763,946	147,104	3.9%
141,682	133,093	(8,589)	(6.5%)	4,132,281	3,103,172	(1,029,109)	(33.2%)
2,626	10,798	8,172	75.7%	Claims payments to hospitals			
333,558	109,889	(223,669)	(203.5%)	1,439,800	1,305,024	(134,776)	(10.3%)
0	0	0	0.0%	Prescription drugs			
(54,000)	10,000	64,000	640.0%	20,615	125,901	105,286	83.6%
-----				Long-term care facility payments			
1,960,213	1,590,496	(369,717)	(23.2%)	1,283,225	1,075,502	(207,723)	(19.3%)
-----				Patient Transportation			
191,630	206,969	(15,339)	(7.4%)	0	0	0	0.0%
-----				Reinsurance			
101,678	106,848	5,170	4.8%	10,000	70,000	60,000	85.7%
5,792	5,000	(792)	(15.8%)	Other Expenses			
32,425	21,136	(11,289)	(53.4%)	Total Medical Expenses			
10,846	5,548	(5,298)	(95.5%)	16,410,237	15,984,546	(425,691)	(2.7%)
2,074	2,052	(22)	(1.1%)	-----			
9,200	18,498	9,298	50.3%	Gross Margin			
3,152	2,864	(288)	(10.1%)	2,477,733	1,683,027	794,706	47.2%
-----				-----			
165,168	161,946	(3,222)	(2.0%)	Administrative Expenses			
-----				Salaries, wages & employee benefits			
3,616	0	3,616	0.0%	873,391	1,066,336	192,945	18.1%
3,616	0	(3,616)	0.0%	Professional fees			
-----				59,900	55,000	(4,900)	(8.9%)
0	0	0	0.0%	Purchased services			
26,462	45,023	(18,561)	(41.2%)	127,627	232,496	104,869	45.1%
=====				Printing and postage			
91.1%	88.5%	-2.6%	-2.9%	41,965	61,018	19,053	31.2%
7.7%	9.0%	1.3%	14.8%	Depreciation & amortization			
-----				23,400	22,572	(828)	(3.7%)
-----				Other operating expenses			
-----				134,417	203,538	69,121	34.0%
-----				Indirect cost allocation, Occupancy Expense			
-----				63,525	31,504	(32,021)	(101.6%)
-----				Total Administrative Expenses			
-----				1,324,226	1,672,464	348,238	20.8%
-----				Operating Tax			
-----				Tax Revenue			
-----				52,026	0	52,026	0.0%
-----				Premium tax expense			
-----				52,026	0	(52,026)	0.0%
-----				Total Net Operating Tax			
-----				0	0	0	0.0%
-----				Change in Net Assets			
-----				1,153,508	10,563	1,142,945	10,820.3%
-----				-----			
-----				Medical Loss Ratio			
-----				86.9%	90.5%	3.6%	4.0%
-----				Admin Loss Ratio			
-----				7.0%	9.5%	2.5%	25.9%

**CalOptima - Building 505 City Parkway
Statement of Revenues and Expenses
For the Eleven Months Ended May 31, 2018**

Actual	Month		% Variance
	Budget	\$ Variance	
0	0	0	0.0%
-----	-----	-----	-----
0	0	0	0.0%
-----	-----	-----	-----
31,829	23,186	(8,644)	(37.3%)
161,406	161,474	68	0.0%
15,816	9,117	(6,699)	(73.5%)
93,599	156,517	62,918	40.2%
29,594	1,605	(27,990)	(1,744.5%)
(332,245)	(333,055)	(810)	(0.2%)
-----	-----	-----	-----
0	18,843	18,843	100.0%
-----	-----	-----	-----
0	(18,843)	18,843	100.0%
=====	=====	=====	=====

	Year - To - Date			% Variance
	Actual	Budget	\$ Variance	
Revenues				
Rental income	155,426	42,774	112,652	263.4%
-----	-----	-----	-----	-----
Total Operating Revenue	155,426	42,774	112,652	263.4%
-----	-----	-----	-----	-----
Administrative Expenses				
Purchase services	374,397	255,044	(119,353)	(46.8%)
Depreciation & amortization	1,770,412	1,776,211	5,799	0.3%
Insurance expense	165,851	100,284	(65,568)	(65.4%)
Repair and maintenance	1,147,017	1,721,688	574,671	33.4%
Other Operating Expense	453,579	17,650	(435,929)	(2,469.9%)
Indirect allocation, Occupancy Expense	(3,809,932)	(3,663,604)	146,328	4.0%
-----	-----	-----	-----	-----
Total Administrative Expenses	101,324	207,272	105,949	51.1%
-----	-----	-----	-----	-----
Change in Net Assets	54,103	(164,498)	218,601	132.9%
=====	=====	=====	=====	=====

OTHER STATEMENTS – MAY MONTH:

ONECARE INCOME STATEMENT

CHANGE IN NET ASSETS is (\$238.4) thousand, \$126.7 thousand unfavorable to budget

PACE INCOME STATEMENT

CHANGE IN NET ASSETS for the month is \$26.5 thousand, \$18.6 thousand unfavorable to budget

505 CITY PARKWAY BUILDING INCOME STATEMENT

CHANGE IN NET ASSETS for the month is \$0.0 thousand, \$18.8 thousand favorable to budget

**CalOptima
BALANCE SHEET
May 31, 2018**

ASSETS

Current Assets	
Operating Cash	\$416,995,389
Investments	590,403,849
Capitation receivable	247,088,939
Receivables - Other	24,051,298
Prepaid Expenses	7,240,011
Total Current Assets	<u>1,285,779,486</u>

Capital Assets Furniture and equipment	34,328,849
Building/Leasehold improvements	6,185,215
505 City Parkway West	<u>49,743,943</u>
	90,258,007
Less: accumulated depreciation	<u>(40,262,505)</u>
Capital assets, net	<u>49,995,502</u>

Other Assets Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	28,083,335
Long term investments	<u>509,883,864</u>
Total Board-designated Assets	<u>537,967,199</u>
Total Other Assets	<u>538,267,199</u>

Deferred outflows of Resources - Pension Contributions	5,234,198
Deferred outflows of Resources - Difference in Experience	1,072,771
Deferred outflows of Resources - Excess Earnings	<u>5,270,171</u>

TOTAL ASSETS & OUTFLOWS	<u>1,885,619,326</u>
------------------------------------	-----------------------------

LIABILITIES & FUND BALANCES

Current Liabilities	
Accounts payable	\$39,048,232
Medical claims liability	868,297,017
Accrued payroll liabilities	13,301,706
Deferred revenue	46,052,012
Deferred lease obligations	127,176
Capitation and withholds	<u>117,866,467</u>
Total Current Liabilities	<u>1,084,692,610</u>

Other employment benefits liability	30,497,292
Net Pension Liabilities	16,117,748
Long Term Liabilities	100,000
TOTAL LIABILITIES	<u>1,131,407,650</u>

Deferred inflows of Resources - Excess Earnings	-
Deferred inflows of Resources - Changes in Assumptions	1,340,010
Tangible net equity (TNE)	83,086,428
Funds in excess of TNE	669,785,239

Net Assets	<u>752,871,667</u>
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TOTAL LIABILITIES, INFLOWS & FUND BALANCES	<u>1,885,619,326</u>
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CalOptima
Board Designated Reserve and TNE Analysis
as of May 31, 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	147,130,417				
	Tier 1 - Logan Circle	147,117,485				
	Tier 1 - Wells Capital	146,531,752				
Board-designated Reserve						
		440,779,654	308,300,393	476,037,603	132,479,261	(35,257,948)
TNE Requirement	Tier 2 - Logan Circle	97,187,544	83,086,428	83,086,428	14,101,116	14,101,116
Consolidated:		537,967,199	391,386,821	559,124,031	146,580,377	(21,156,832)
<i>Current reserve level</i>		1.92	1.40	2.00		

**CalOptima
Statement of Cash Flows
May 31, 2018**

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	25,792,145	39,413,275
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	565,321	6,310,377
Changes in assets and liabilities:		
Prepaid expenses and other	(295,384)	(1,585,364)
Catastrophic reserves		
Capitation receivable	(48,544,902)	272,408,498
Medical claims liability	(435,936,523)	(378,129,003)
Deferred revenue	(9,111,324)	(57,921,112)
Payable to providers	16,054,606	(462,973,244)
Accounts payable	11,585,297	2,585,562
Other accrued liabilities	261,092	2,528,331
Net cash provided by/(used in) operating activities	<u>(439,629,674)</u>	<u>(577,362,681)</u>
 GASB 68 CalPERS Adjustments	 -	 -
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Investments	34,058,075	492,021,903
Change in property and equipment	(145,393)	(2,004,852)
Change in Board designated reserves	(1,927,498)	(2,828,825)
Net cash provided by/(used in) investing activities	<u>31,985,184</u>	<u>487,188,226</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 (407,644,490)	 (90,174,456)
 CASH AND CASH EQUIVALENTS, beginning of period	 <u>824,639,879</u>	 <u>507,169,844</u>
 CASH AND CASH EQUIVALENTS, end of period	 <u>\$ 416,995,389</u>	 <u>\$ 416,995,389</u>

BALANCE SHEET:

ASSETS decreased \$391.4 million from April or 17.2%

- **Cash and Cash Equivalents** decreased by \$407.6 million due to DHCS recoupment of overpayments
- **Investments** decreased \$34.1 million due to month end cut-off and the timing of receipts and transfers for daily payments, along with the DHCS recoupment of overpayments
- **Net Capitation Receivables** increased \$47.0 million due timing of payments

LIABILITIES decreased \$417.2 million from April or 26.9%

- **Medical Claims Liability** by line of business decreased \$435.9 million due to due to DHCS recoupment of overpayments
- **Deferred Revenue** decreased \$9.1 million due to intergovernmental transfers (IGT) for Personal Care Coordinators
- **Capitation Payable** increased \$16.1 million due to IGT and risk sharing incentive pool
- **Accrued Expenses** increased \$10.3 million due to timing of sales tax payments

NET ASSETS are \$752.9 million, an increase of \$25.8 million from April

CalOptima Foundation
Statement of Revenues and Expenses
For the Eleven Months Ended May 31, 2018
Consolidated

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
<hr/>				<hr/>			
0	0	0	0.0%	0	0	0	0.0%
<hr/>				<hr/>			
Revenues				Revenues			
<hr/>				<hr/>			
Total Operating Revenue				Total Operating Revenue			
<hr/>				<hr/>			
Operating Expenditures				Operating Expenditures			
0	6,184	6,184	100.0%	0	68,026	68,026	100.0%
0	2,985	2,985	100.0%	0	32,833	32,833	100.0%
0	0	0	0.0%	0	0	0	0.0%
0	0	0	0.0%	0	0	0	0.0%
0	0	0	0.0%	0	0	0	0.0%
2,083	231,923	229,840	99.1%	22,913	2,551,153	2,528,240	99.1%
<hr/>				<hr/>			
2,083	241,092	239,009	99.1%	22,913	2,652,012	2,629,099	99.1%
<hr/>				<hr/>			
0	0	0	0.0%	0	0	0	0.0%
<hr/>				<hr/>			
(2,083)	(241,092)	(239,009)	(99.1%)	(22,913)	(2,652,012)	(2,629,099)	(99.1%)
<hr/>				<hr/>			
Program Income				Program Income			
<hr/>				<hr/>			

**CalOptima Foundation
Balance Sheet
May 31, 2018**

<u>ASSETS</u>		<u>LIABILITIES & NET ASSETS</u>	
Operating cash	2,868,139	Accounts payable-Current	22,913
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
Total Current Assets	<u>2,868,139</u>	Grants-Foundation	0
		Total Current Liabilities	<u>22,913</u>
		Total Liabilities	<u>22,913</u>
		Net Assets	<u>2,845,226</u>
TOTAL ASSETS	<u>2,868,139</u>	TOTAL LIABILITIES & NET ASSETS	<u>2,868,139</u>

CALOPTIMA FOUNDATION - MAY MONTH

INCOME STATEMENT:

OPERATING REVENUE

- No activity

OPERATING EXPENSES

- Audit Fees \$2.1 thousand

BALANCE SHEET:

ASSETS

- Cash--\$2.9 million remains from the FY14 \$3.0 million transferred by CalOptima for grants and programs in support of providers and community

LIABILITIES

- Accrued Payables--\$22.9 thousand for Audit fees

NET INCOME is (\$2.1) thousand, (\$22.9) thousand YTD

**Budget Allocation Changes
Reporting Changes for May 2018**

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	Medi-Cal	IS - Infrastructure - Professional Fee (Virtualization Architecture Assessment)	IS - Infrastructure - Professional Fee (On-Site Staff for the Phone System)	\$48,600	Re-Purpose \$48,600 from Professional Fees (Virtualization Architecture Assessment) to pay for an on-site staff for the phone system	2018
July	Medi-Cal	Facilities - Purchased Services (Restacking Services)	Facilities - Purchased Services (Reconfiguration Services)	\$15,000	Re-Purpose \$15,000 from Purchased Services (Restacking Services) to reconfiguration and breakdown of furniture for the mail room and the Rover Rock Offices and other related expenses	2018
August	Medi-Cal	Health Education & Disease Mgmt. - Purchased Services (Adult Weight Management Vendor)	Health Education & Disease Mgmt. - Purchased Services (Ansafone)	\$30,000	Re-Purpose \$30,000 from Purchased Services (Adult Weight Management Vendor) to pay for Ansafone services	2018
August	Medi-Cal	Health Education & Disease Mgmt. - Purchased Services (Pediatric Weight Management Vendor)	Health Education & Disease Mgmt. - Purchased Services (Captivate contract and other initiatives)	\$25,000	Re-Purpose \$25,000 from Purchased Services (Pediatric Weight Management Vendor) to pay for Captivate contract and other initiatives	2018
August	PACE	PACE Administrative - Purchased Services (Encounter Reporting & Translation Services)	PACE Administrative - Purchased Services (Satisfaction Survey)	\$12,208	Re-Purpose \$12,208 from Purchased Services (Encounter Reporting & Translation Services) to pay for Satisfaction Survey	2018
August	Medi-Cal	Facilities - Capital Project (Upgrade CalOptima and Building Access System)	Facilities - Capital Project (Mail Room/Basement/Property Management Office)	\$15,000	Reallocate \$15,000 from Capital Project (Upgrade CalOptima and Building Access System) to Capital Project (Mail Room/Basement/Property Management Office)	2018
September	Medi-Cal	Other G&A - Other Operating Expenses	Facilities - Building Repair and Maintenance	\$65,000	Reallocate \$65,000 from Other G&A (other operating expenses) to cover cost to conduct a review/study from soil engineer and the necessary repairs of the east entry sinkhole.	2018
September	OCC	Health Education & Disease Management - Member Communications	Health Education & Disease Management - Purchased Services	\$12,000	Reallocate \$12,000 within medical management activities budget for additional funding needed on CareNet in OneCare Connect.	2018
November	Medi-Cal	Human Resources - Purchased Services -Temporary Outsource Service	Human Resources - Purchased Services - General	\$10,000	Re-Purpose \$10,000 from Purchased Services (Temporary Outsource Service) to fund for training module design and other department initiatives in Purchased Services	2018
November	Medi-Cal	IS - Application Development capital project - Disaster Recovery	IS - Application Development capital project - Fraud, Waste and Abuse	\$27,500	Reallocate \$65,000 from Disaster Recovery project to cover additional funds needed for Fraud, Waste and Abuse project.	2018
January	Medi-Cal	10th Floor Building Improvement Project	Budget Planning Software Project	\$70,000	Reallocate \$70,000 from 10th Floor Building Improvement project for upgrade to BI 360 Budget Planning Tool	2018
January	PACE	PACE Clinic - Professional Claims - Emergent Transpiration	PACE Clinic - Professional Claims - Interpreters	\$15,000	Reallocate \$15,000 from Emergent Transportation medical expenses to cover for interpreting services	2018
March	Medi-Cal	Facilities - Replace Lights in Passenger Elevator Project	Facilities - Fire Proofing Project	\$40,000	Reallocate \$40,000 capital from Replace Lights in Passenger Elevator project to Fire Proofing project	2018
March	Medi-Cal	Facilities - Convert Pneumatic Controls Project	Facilities - Fire Proofing Project	\$10,000	Reallocate \$10,000 capital from Convert Pneumatic Controls project to Fire Proofing project	2018
March	Medi-Cal	Cultural & Linguistic Services - Member Communications - Mailings	Cultural & Linguistic Services - Member Communications - Newsletter	\$45,000	Reallocate \$45,000 from member communication mailings to member communication newsletters	2018
May	Medi-Cal	Facilities - 8th Floor HR Remodel	Facilities - Portable Sound Recording System	\$18,000	Reallocate \$18,000 from 8th Floor HR Remodel capital project to Portable Sound Recording System capital project	2018

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

Board of Directors Meeting August 2, 2018

Monthly Compliance Report

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

A. Updates on Regulatory Audits

1. OneCare

- Medicare Data Validation Audit (OneCare and OneCare Connect):

On an annual basis, the Centers for Medicare & Medicaid Services (CMS) require all plan sponsors to engage an independent consultant to conduct a validation audit of all Medicare Parts C and D data reported for the prior calendar year. The data validation audit consists of an in-depth review of the policies, procedures, systems and documentation that support the compilation of the Parts C and D measures. The virtual onsite audit took place on April 18, 2018, and CMS' contractor reviewed the following Medicare Parts C and D measures:

- Parts C and D Grievances
- Organization Determinations and Reconsiderations
- Coverage Determinations and Redeterminations
- Medicare Therapy Management (MTM) Program
- Special Needs Plan (SNP) Care Management
- Improving Drug Utilization Review (DUR) Controls

On June 28, 2018, CalOptima received the final results for the CMS Medicare Parts C and D data validation audit. CalOptima scored 100% across all Part C and Part D measures for both its OneCare and OneCare Connect programs.

2. OneCare Connect

- Performance Measure Validation (PMV) Audit for Medicare-Medicaid Plans (MMPs):

On May 21, 2018, CMS notified MMPs of upcoming efforts to validate that MMPs' reported data on performance measures are reliable, valid, complete, and comparable. The following elements will be validated for the 2017 measurement year for select core and state-specific performance measures:

- MMP Core 2.1: Members with an assessment completed within 90 days of enrollment.

- MMP CA 1.2: High-risk members with an Individualized Care Plan (ICP) within 30 working days after the completion of the initial Health Risk Assessment (HRA).
- MMP CA 1.4: Low-risk members with an Individualized Care Plan (ICP) within 30 working days after the completion of the initial Health Risk Assessment (HRA).

Validation activities will focus on enrollment and eligibility data processes, assessment and care plan completion processes, performance measure production, and primary source verification. CalOptima's PMV audit will be scheduled for a date between August and October 2018.

3. PACE

- 2018 PACE Audit:

On March 7, 2018, CMS notified CalOptima of its intent to conduct a focused audit of CalOptima's PACE program in the following areas --- Service Delivery Requests, Appeals and Grievances (SDAG), Clinical Appropriateness and Care Planning (CACP), Personnel Records, Onsite Review, and Quality Assessment. CMS and the DHCS conducted their onsite review from April 30, 2018 through May 3, 2018.

On June 29, 2018, CMS issued its draft audit report for CalOptima PACE, which included the following findings:

- Two (2) Immediate Corrective Actions Required (ICARs)
 - One (1) in the SDAG area
 - One (1) in the CACP area
- Nine (9) Corrective Actions Required (CARs)
 - Five (5) of the deficiencies are for the SDAG area
 - One (1) deficiency is for the CACP area
 - Three (3) of the deficiencies are related to the Personnel Records area

CalOptima anticipates receiving the final report in the coming weeks and will have thirty (30) calendar days from the issuance of the final report to submit corrective action plans.

4. Medi-Cal

- 2018 Medi-Cal Audit:

The Department of Health Care Services (DHCS) conducted its annual audit of CalOptima's Medi-Cal program from February 26, 2018 through March 9, 2018. The audit covered the period from February 1, 2017 through January 31, 2018. The audit consisted of an evaluation of CalOptima's compliance with its contract and regulations in the areas of utilization management, case management and care coordination, access and availability, member rights and responsibilities, quality improvement system, organization and administration of CalOptima, facility site reviews, and medical records review. CalOptima

2 a\ "N/A" indicates that the category is not applicable to that file type. "Nothing to Report" indicates that there were no files submitted for review for that file type.

is now waiting for DHCS to provide a draft audit report and schedule a formal exit conference.

B. Regulatory Notices of Non-Compliance

1. CalOptima did not receive any notices of non-compliance from its regulators for the months of May and June 2018.

C. Updates on Internal and Health Network Audits

1. Internal Audits: Medi-Cal ^{a\}

- Medi-Cal Utilization Management (UM): Prior Authorization (PA) Requests

Month	Timeliness for Urgents	Timeliness for Routine	Timeliness for Denials	Clinical Decision Making (CDM) for Denials	Letter Score for Denials	Timeliness for Modified	CDM for Modified	Letter Score for Modified
February 2018	0%	0%	70%	93%	98%	50%	100%	100%
March 2018	100%	100%	40%	93%	99%	70%	100%	82%
April 2018	100%	100%	100%	70%	99%	100%	100%	100%

- The lower score for clinical decision making for denials was for failure to use specific criteria for decision.

- Medi-Cal Claims: Family Planning Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
February 2018	100%	100%	100%	90%
March 2018	100%	100%	100%	90%
April 2018	100%	100%	100%	100%

- No significant trends to report.

3 a\ “N/A” indicates that the category is not applicable to that file type. “Nothing to Report” indicates that there were no files submitted for review for that file type.

- Medi-Cal Claims: Behavioral Health Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
February 2018	100%	100%	100%	100%
March 2018	100%	80%	100%	100%
April 2018	100%	100%	90%	100%

➤ No significant trends to report.

- Medi-Cal Claims: Provider Dispute Resolutions (PDRs)

Month	Letter Accuracy	Resolution Timeliness	Accurate PDR Determination	Acknowledgement Timeliness
February 2018	100%	100%	100%	100%
March 2018	100%	100%	95%	100%
April 2018	95%	95%	90%	100%

➤ No significant trends to report.

- Medi-Cal Claims: Behavioral Health Provider Dispute Resolutions (PDRs)

Month	Letter Accuracy	Resolution Timeliness	Accurate PDR Determination	Acknowledgement Timeliness
February 2018	100%	100%	100%	100%
March 2018	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report
April 2018	100%	90%	100%	100%

➤ No significant trends to report.

4 a\ “N/A” indicates that the category is not applicable to that file type. “Nothing to Report” indicates that there were no files submitted for review for that file type.

- Medi-Cal Customer Service: Call center activity is reviewed for appropriate classification, routing, and privacy handling.

Month	Medi-Cal Call Center	Member Liaison Call Center	Behavioral Health
February 2018	100%	94%	100%
March 2018	95%	94%	100%
April 2018	100%	100%	97%

➤ No significant trends to report.

- Medi-Cal: Exempt Grievances

Month	Classification/ Categorization	Document Score	Complete Resolution	Universe Submission
February 2018	100%	100%	100%	100%
March 2018	100%	100%	99%	100%
April 2018	100%	100%	100%	100%

➤ No significant trends to report.

- Medi-Cal: Standard Grievances

Month	Universe Submission	Timeliness	Categorization/ Classification	Language Preference	Complete Resolution	Member Notice Content
February 2018	100%	100%	100%	100%	100%	100%
March 2018	100%	100%	100%	100%	100%	100%
April 2018	100%	100%	100%	100%	100%	100%

➤ No significant trends to report.

5 a\ “N/A” indicates that the category is not applicable to that file type. “Nothing to Report” indicates that there were no files submitted for review for that file type.

- Medi-Cal: Appeals

Month	Timeliness	Categorization/ Classification	Language Preference	Complete Resolution	Member Notice Content
February 2018	100%	100%	100%	100%	100%
March 2018	100%	100%	100%	100%	90%
April 2018	100%	100%	100%	100%	67%

➤ The lower score for member notice content was due to unclear statement of criteria used in reaching the determination for the month of April.

- Medi-Cal: Pharmacy Decision Timeliness Review

Month	Timeliness	Clinical Decision Making	Categorization/ Classification	Language Preference	Member Notice	Provider Notice	Authorization
February 2018	100%	100%	100%	100%	100%	100%	100%
March 2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
April 2018	100%	100%	100%	100%	100%	100%	100%

➤ No significant trends to report.

- Medi-Cal: Pharmacy Denials

Month	Timeliness
February 2018	100%
March 2018	100%
April 2018	100%

➤ No significant trends to report.

6 a\ “N/A” indicates that the category is not applicable to that file type. “Nothing to Report” indicates that there were no files submitted for review for that file type.

2. Internal Audits: OneCare^{a\}

- OneCare Utilization Management: Prior Authorization (PA) Requests

Month	Timeliness for Expedited Initial Organization Determination (EIOD)	Timeliness for Standard Organization Determination (SOD)	Timeliness for Denials
February 2018	Nothing to Report	Nothing to Report	Nothing to Report
March 2018	Nothing to Report	Nothing to Report	Nothing to Report
April 2018	Nothing to Report	100%	Nothing to Report

➤ No significant trends to report.

- OneCare Claims: Hospital and Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
February 2018	90%	100%	100%	100%
March 2018	100%	100%	100%	100%
April 2018	100%	90%	100%	67%

➤ The compliance rate for denied claims accuracy decreased from 100% in March 2018 to 67% in April 2018 due to missing claim images for review and an inaccurate receipt date on claims.

- OneCare Claims: Provider Dispute Resolutions (PDRs)

Month	Determination Timeliness	Payment Accuracy	Letter Accuracy	Check Lag
February 2018	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report
March 2018	100%	100%	100%	100%
April 2018	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report

➤ No significant trends to report.

7 a\ “N/A” indicates that the category is not applicable to that file type. “Nothing to Report” indicates that there were no files submitted for review for that file type.

- OneCare Customer Service: Call center activity is reviewed for appropriate classification, routing, and privacy handling.

Month	OneCare Customer Service
February 2018	94%
March 2018	96%
April 2018	94%

➤ No significant trends to report.

- OneCare Grievance and Appeal Resolution Services (GARS): Part C Oral Grievances

Month	Timeliness	Categorization/ Classification	Documentation of Oral Notification	Complete Resolution Score
February 2018	100%	100%	100%	100%
March 2018	100%	100%	100%	100%
April 2018	100%	100%	100%	100%

➤ No significant trends to report.

- OneCare Grievance and Appeal Resolution Services (GARS): Part C Grievances

Month	Timeliness	Categorization/ Classification	Language Preference	Complete Resolution Score	Member Notice Content
February 2018	100%	100%	100%	100%	100%
March 2018	100%	100%	100%	98%	97%
April 2018	100%	100%	100%	100%	100%

➤ No significant trends to report.

8 | a\ “N/A” indicates that the category is not applicable to that file type. “Nothing to Report” indicates that there were no files submitted for review for that file type.

- OneCare Pharmacy: Pharmacy Decision Timeliness Review

Month	Standard Coverage Determinations	Standard Coverage Determination Exception Requests	Expedited Coverage Determinations	Expedited Coverage Determination Exception Requests	Standard Redeterminations	Expedited Redeterminations
February 2018	100%	100%	100%	100%	100%	100%
March 2018	100%	100%	100%	100%	N/A	100%
April 2018	100%	100%	100%	100%	100%	N/A

➤ No significant trends to report.

3. Internal Audits: OneCare Connect^{a\}

- OneCare Connect Utilization Management: Prior Authorization (PA) Requests

Month	Timeliness for Urgents	Timeliness for Routine	Timeliness for Denials	CDM for Denials	Letter Score for Denials
February 2018	0%	0%	93%	67%	96%
March 2018	100%	100%	80%	96%	92%
April 2018	100%	100%	100%	97%	86%

➤ The lower letter score for denials was due to the following reasons:

- Failure to describe why the request did not meet criteria in lay language
- Failure to provide language assistance program (LAP) insert with approved threshold languages

9 a\ “N/A” indicates that the category is not applicable to that file type. “Nothing to Report” indicates that there were no files submitted for review for that file type.

- OneCare Connect Claims: Hospital and Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
February 2018	100%	100%	100%	100%
March 2018	90%	100%	100%	100%
April 2018	100%	90%	100%	100%

➤ No significant trends to report.

- OneCare Connect Claims: Provider Dispute Resolutions (PDRs)

Month	Determination Timeliness	Payment Accuracy	Letter Accuracy	Check Lag
February 2018	100%	100%	100%	100%
March 2018	13%	100%	100%	N/A
April 2018	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report

➤ The compliance rate for determination timeliness decreased from 100% in February 2018 to 13% in March 2018 due to one (1) claim not processing timely.

- OneCare Connect Customer Service: Call center activity is reviewed for appropriate classification, routing, and privacy handling.

Month	OneCare Connect Customer Service
February 2018	94%
March 2018	98%
April 2018	96%

➤ No significant trends to report.

- OneCare Connect Grievance and Appeal Resolution Services (GARS): Part C Oral Grievances

Month	Timeliness	Categorization/ Classification	Documentation of Oral Notification	Complete Resolution	Universe Submission
February 2018	100%	100%	100%	100%	100%
March 2018	100%	100%	100%	100%	100%
April 2018	100%	100%	100%	100%	100%

➤ No significant trends to report.

- OneCare Connect Grievance and Appeal Resolution Services (GARS): Part C Grievances

Month	Universe Submission	Timeliness	Categorization/ Classification	Language Preference	Complete Resolution	Member Notice Content
February 2018	100%	100%	100%	100%	100%	100%
March 2018	100%	100%	100%	100%	100%	100%
April 2018	100%	100%	100%	100%	100%	100%

➤ No significant trends to report.

- OneCare Connect Grievance and Appeal Resolution Services (GARS): Part C Appeals – Effectuation Timeliness (ET) Approvals

Month	Universe Submission	Timeliness	Categorization/ Classification	Language Preference	Complete Resolution	Member Notice Content
February 2018	100%	50%	100%	100%	50%	100%
March 2018	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report
April 2018	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report

➤ No significant trends to report.

- OneCare Connect Grievance and Appeal Resolution Services (GARS): Part C Appeals – Clinical Decision Making (CDM) Denials

Month	Timeliness	Categorization/ Classification	Language Preference	Complete Resolution	Member Notice Content
February 2018	93%	100%	100%	96%	96%
March 2018	95%	100%	100%	100%	100%
April 2018	95%	100%	100%	97%	97%

➤ No significant trends to report.

- OneCare Connect Pharmacy: Pharmacy Decision Timeliness Review

Month	Standard Coverage Determinations	Standard Coverage Determination Exception Requests	Expedited Coverage Determinations	Expedited Coverage Determination Exception Requests	Standard Redeterminations	Expedited Redeterminations
February 2018	100%	100%	100%	100%	100%	100%
March 2018	100%	100%	100%	100%	100%	100%
April 2018	100%	100%	100%	100%	100%	100%

➤ No significant trends to report.

4. Internal Audits: PACE ^{a\}

- PACE Claims: Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
February 2018	100%	100%	100%	100%
March 2018	100%	100%	100%	90%
April 2018	100%	100%	100%	92%

➤ No significant trends to report.

- PACE Claims: Provider Dispute Resolutions (PDRs)

Month	Determination Accuracy	Letter Accuracy	Acknowledgement Timeliness	Check LAG
February 2018	0%	100%	100%	100%
March 2018	100%	100%	100%	N/A
April 2018	100%	100%	67%	N/A

➤ The compliance rate for acknowledgement timeliness decreased from 100% in March 2018 to 67% in April 2018 due to one (1) claim not processed timely.

13 | a\ “N/A” indicates that the category is not applicable to that file type. “Nothing to Report” indicates that there were no files submitted for review for that file type.

5. Health Network Audits: Medi-Cal ^{a\}

• Medi-Cal Utilization Management (UM): Prior Authorization (PA) Requests

Month	Timeliness for Urgent	Clinical Decision Making (CDM) for Urgent	Letter Score for Urgent	Timeliness for Routine	Timeliness for Denials	CDM for Denials	Letter Score for Denials	Timeliness for Modified	CDM for Modified	Letter Score for Modified	Timeliness for Deferrals	CDM for Deferrals	Letter Score for Deferrals
February 2018	63%	85%	77%	64%	66%	83%	82%	65%	81%	87%	98%	84%	98%
March 2018	74%	73%	85%	62%	78%	85%	90%	77%	92%	96%	53%	75%	73%
April 2018	86%	94%	92%	76%	78%	85%	89%	94%	94%	96%	78%	78%	98%

- The lower letter scores for denials were due to the following reasons:
 - Failure to describe why the request did not meet criteria in lay language
 - Failure to provide language assistance program (LAP) insert in approved threshold languages
 - Failure to provide member with information on how to file a grievance
 - Failure to provide letter in member’s primary language
 - Failure to provide letter with description of services in lay language
 - Failure to provide peer-to-peer discussion of the decision with medical reviewer
 - Failure to provide referral back to primary care provider (PCP) on denial letter
 - Failure to include name and contact information for health care professional responsible for the decision to deny

• Medi-Cal Claims: Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
February 2018	92%	98%	97%	95%
March 2018	89%	99%	96%	81%
April 2018	95%	97%	96%	86%

- The compliance rate for paid claims accuracy decreased from 99% in March 2018 to 97% in April 2018 due to incorrect interest amount applied on claim payments.

- Medi-Cal Claims: Hospital Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
February 2018	100%	95%	100%	100%
March 2018	100%	95%	100%	100%
April 2018	76%	100%	100%	100%

- The compliance rate for paid claims timeliness decreased from 100% in March 2018 to 76% in April 2018 due to non-contracted claims being paid outside of the 45-business day requirement.

6. Health Network Audits: OneCare ^{a\}

- OneCare Utilization Management (UM): Prior Authorization (PA) Requests

Month	Timeliness for Expedited Initial Organization Determination (EIOD)	Clinical Decision Making for EIOD	Letter Score for EIOD	Timeliness for Standard Organization Determination (SOD)	Letter Score for SOD	Timelines for Denials	Clinical Decision Making for Denials	Letter Score for Denials
February 2018	91%	100%	94%	76%	72%	100%	73%	94%
March 2018	77%	N/A	83%	89%	80%	80%	68%	87%
April 2018	100%	100%	80%	88%	63%	100%	83%	94%

- The lower scores for timeliness were due to misclassification of retrospective authorizations.
- The lower letter scores were due to a failure to use approved CMS letter templates.

- OneCare Claims: Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
February 2018	98%	85%	96%	99%
March 2018	99%	86%	100%	95%
April 2018	96%	91%	100%	99%

- The compliance rate for paid claims timeliness decreased from 99% in March 2018 to 96% in April 2018 due to claims being processing untimely.

7. Health Network Audits: OneCare Connect^{a\}

- OneCare Connect Utilization Management (UM): Prior Authorization (PA) Requests

Month	Timeliness for Urgents	Clinical Decision Making (CDM) for Urgents	Letter Score for Urgents	Timeliness For Routine	Letter Score for Routine	Timeliness for Denials	CDM for Denials	Letter Score for Denials	Timeliness for Modifieds	CDM for Modifieds	Letter Score for Modifieds
February 2018	89%	81%	89%	69%	81%	95%	87%	100%	100%	63%	86%
March 2018	78%	53%	71%	70%	73%	43%	87%	77%	63%	61%	69%
April 2018	82%	82%	87%	80%	84%	100%	73%	95%	70%	84%	93%

- The lower score for clinical decision making for denials was due to the following reasons:
 - Failure to obtain adequate clinical information
 - Failure to use criteria for decision
 - Failure to have appropriate professional make decision

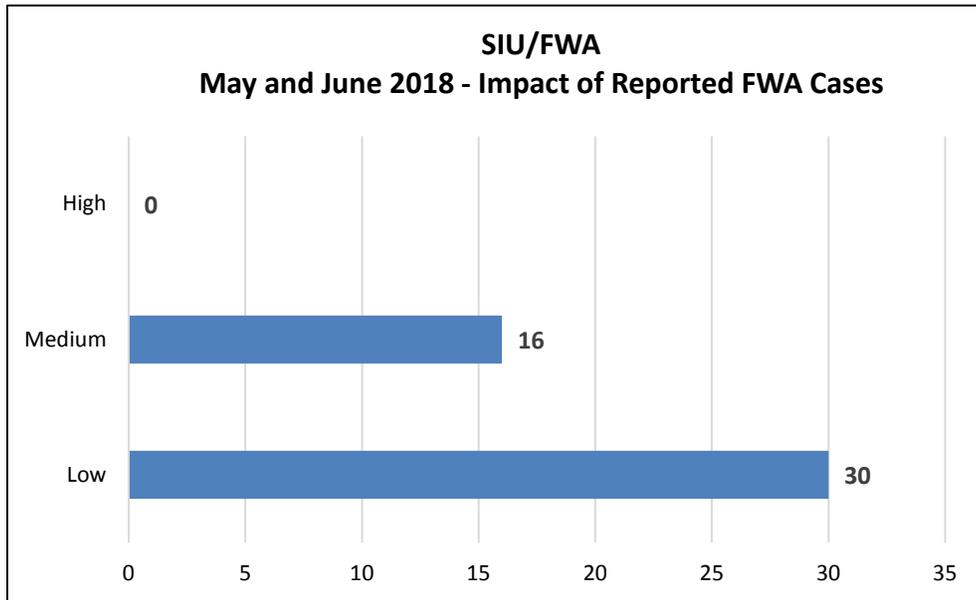
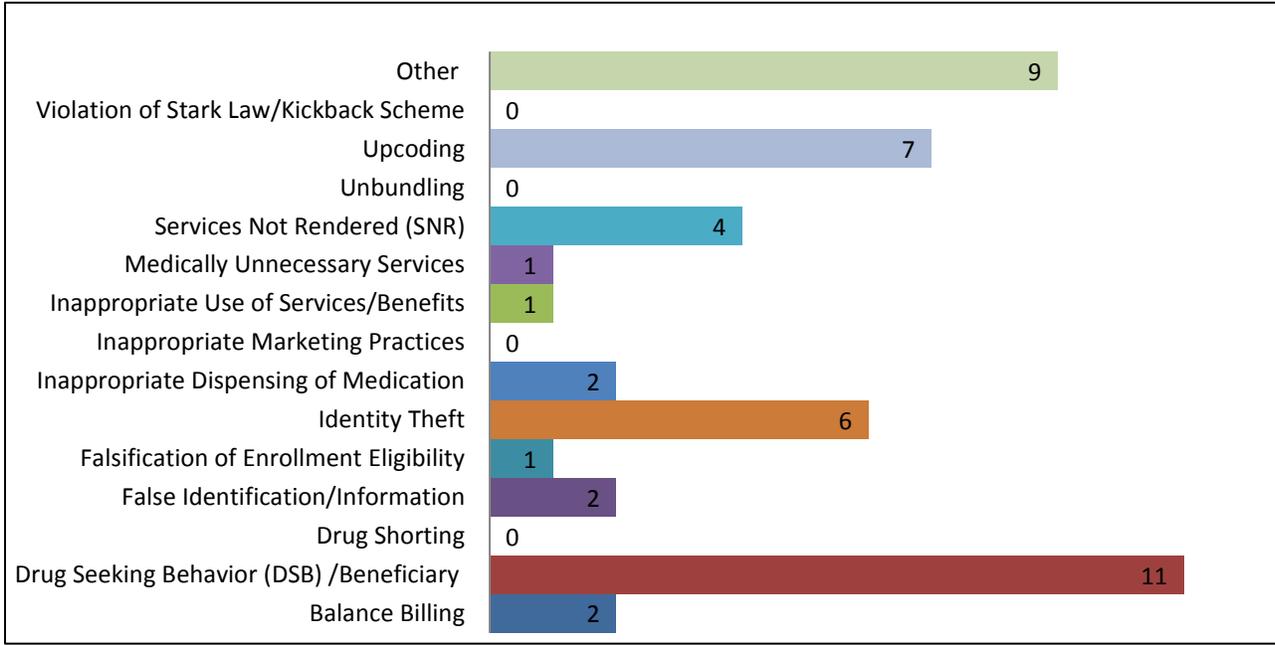
- OneCare Connect Claims: Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
February 2018	92%	99%	96%	93%
March 2018	91%	95%	98%	97%
April 2018	90%	92%	98%	87%

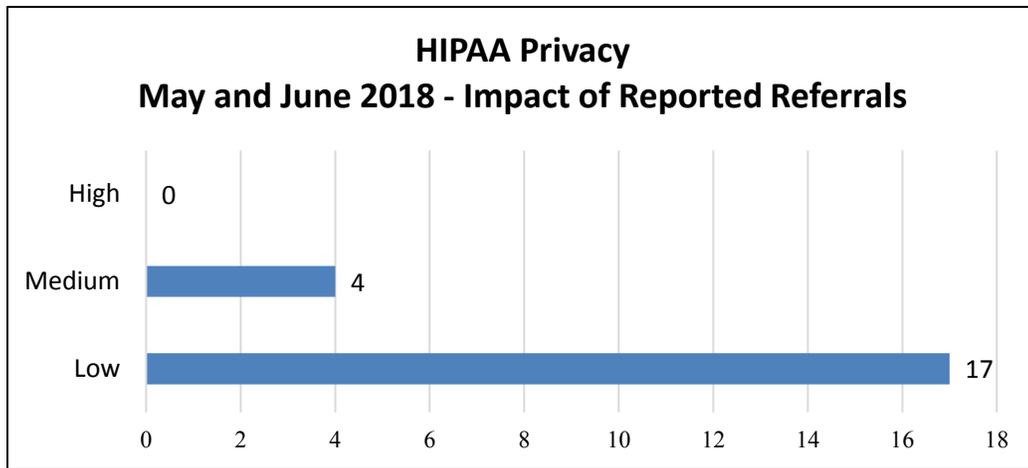
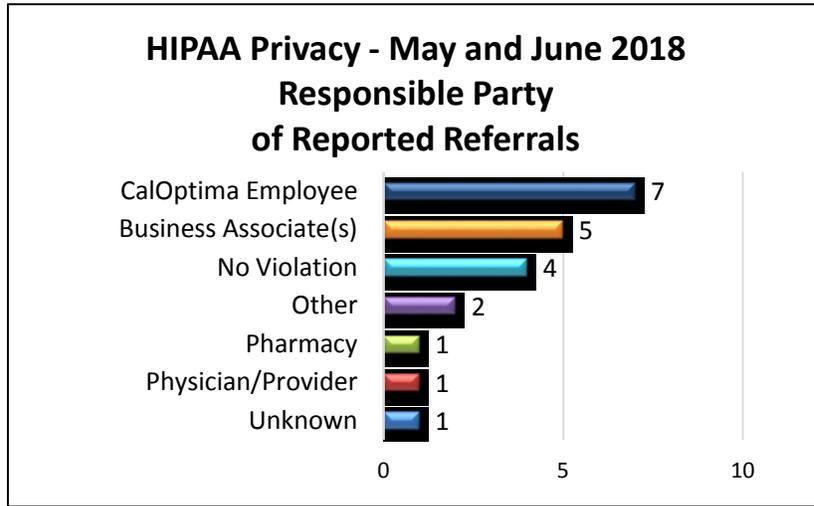
- The compliance rate for paid claims timeliness decreased from 91% in March 2018 to 90% in April 2018 due to untimely processing of claims.
- The compliance rate for paid claims accuracy decreased from 95% in March 2018 to 92% in April 2018 due to unauthorized services paid.
- The compliance rate for denied claims accuracy decreased from 97% in March 2018 to 87% in April 2018 due to missing dual logo on denial notices to member.

D. Special Investigations Unit (SIU) / Fraud, Waste & Abuse (FWA) Investigations

Types of FWA Cases: (Received in May and June 2018)



E. Privacy Update (May and June 2018)



PRIVACY STATISTICS

Total Number of Referrals Reported to DHCS (State)	17
Total Number of Referrals / Breaches Reported to DHCS and Office for Civil Rights (OCR)	4
Total Number of Referrals Reported	21



CalOptima
Better. Together.

Federal & State Legislative Advocate Reports

**Board of Directors Meeting
August 2, 2018**

Akin Gump Strauss Hauer & Feld / Edelstein Gilbert Robson & Smith

M E M O R A N D U M

July 12, 2018

To: CalOptima
From: Akin Gump Strauss Hauer & Feld, LLP
Re: July Board of Directors Report

Appropriators are racing to finish work on spending bills before the next fiscal year, even as Senate leaders craft comprehensive opioid legislation to conference with the House. Meanwhile, the nomination of a new Supreme Court justice could alter timelines for both of these priorities. This report provides an update on legislative activity through July 11, 2018.

FY 2019 Appropriations

Congress is moving quickly to pass a slew of spending bills before Fiscal Year (FY) 2019 begins on October 1. Both the House and Senate have passed their own versions of a three-bill minibuss combining the Military Construction-VA, Legislative Branch, and Energy-Water appropriations measures. The two respective packages will now be negotiated by a conference committee. The Interior-Environment and Financial Services measures may also come up for a House floor vote the week of July 16.

While the Senate Appropriations Committee has marked up all 12 appropriations bills this year, the House still has yet to complete work on the contentious Homeland Security and Labor-HHS-Education spending measures. The House Appropriations Committee is scheduled to mark up the Labor-HHS bill on July 11. The \$177 billion measure would provide \$89.2 billion in funding for the Department of Health and Human Services (HHS), up \$1.1 billion from FY 2018 but about \$2 billion lower than the Senate's version.

The timeline for appropriations could slip as Senate Republicans focus their efforts on confirming Supreme Court nominee Brett Kavanaugh in short order. In addition, the confirmation process is likely to stoke tensions over abortion, which could further complicate negotiations over the Labor-HHS bill.

Opioid Legislation

On June 22, the House voted 396-14 to pass the SUPPORT for Patients and Communities Act (H.R. 6), a sweeping proposal that combines nearly 60 bills considered individually by the chamber over the preceding two weeks. This includes the IMD CARE Act (H.R. 5797), legislation that would allow state Medicaid programs from 2019 through 2023 to remove the

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Institutions of Mental Diseases (IMD) exclusion for beneficiaries with an opioid use disorder. Specifically, Medicaid would be allowed to pay for up to 30 days of care in a residential treatment facility during a 12-month period.

H.R. 6 also makes a number of other changes to the Medicaid program. In particular, the bill:

- Expands Medicaid coverage for juvenile inmates and former foster care youth;
- Establishes a demonstration project to expand Medicaid provider treatment capacity;
- Requires states to establish drug management programs for certain at-risk beneficiaries;
- Sets forth standard Medicaid drug review and utilization requirements;
- Extends the enhanced federal matching rate for certain health homes for individuals with substance use disorders; and
- Requires state Medicaid plans to provide coverage for medication-assisted treatment (MAT).

The bill also includes provisions to ensure access to mental health and substance use disorder services for children and pregnant women under the Children's Health Insurance Program (CHIP).

While the White House urged the Senate to "swiftly pass" H.R. 6, the Senate is moving ahead on crafting its own opioid package which could be conferenced with the House bill at a later date. Following up on the Senate Health, Education, Labor and Pensions (HELP) Committee's Opioid Crisis Response Act (S. 2680), the Senate Finance Committee on June 12 advanced its own opioid package. The Helping to End Addiction and Lessen (HEAL) Substance Use Disorders Act, approved by a vote of 27-0, makes a number of changes to address opioid abuse and misuse in the Medicare and Medicaid programs. Among other changes, the bill would bar states from imposing lifetime limits on MAT in Medicaid; and allow Medicaid to cover prenatal care provided to people receiving substance use disorder treatment in a residential setting.

Senate HELP Committee Chairman Lamar Alexander (R-TN) is leading efforts to combine bills from the Senate HELP, Judiciary, Finance, and Commerce Committees into a single package for floor consideration. While Senate Majority Leader Mitch McConnell (R-KY) has not indicated when a floor vote will be held, a spokesperson stated that opioid legislation is a priority for this summer. Indeed, Leadership may seek to take up legislation in July or August. It is unclear whether amendments will be offered on the Senate floor.

Committee Activity

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With opioid legislation now passed out of the House, several committees are turning (or returning) their attention to other legislative priorities.

The House Energy and Commerce Committee's Health Subcommittee is scheduled to hold a hearing on July 11 to examine more than a dozen bills and discussion drafted related to the 340B Drug Pricing Program. H.R. 4392, introduced by Reps. David McKinley (R-WV) and Mike Thompson (D-CA), would reverse cuts to 340B drug discounts for hospitals included in the 2018 Hospital Outpatient Prospective Payment System (OPPS) Final Rule. H.R. 6071, introduced by Rep. Doris Matsui (D-CA), also would overturn the payment cuts, while clarifying the 340B program's intent and expanding eligibility to serve populations affected by the opioid crisis.

Other measures under consideration would clarify the patient definition under the 340B statute, require hospitals to report on how they use program savings, and give additional rulemaking authority to the Health Resources and Services Administration (HRSA). The Subcommittee also will examine legislation to establish a 340B user fee (H.R. 6240), as proposed in the President's Fiscal Year (FY) 2019 Budget Request. Similar proposals focused on transparency and hospital accountability also were included in the Administration's drug pricing "Blueprint."

Meanwhile, the House Ways and Means Committee announced a July 11 hearing to mark up a number of bills related to health savings accounts and consumer-directed health care, including legislation to establish a moratorium on the Affordable Care Act's employer mandate and suspend the so-called Cadillac tax through 2020.

Rescissions Package

The Senate put an end to the White House's months-long rescissions campaign on June 20, rejecting a House-passed bill to cut \$14.7 billion in unspent federal funds. Two Republicans – Sens. Richard Burr (R-NC) and Susan Collins (R-ME) – voted with all Democrats to kill the package, which included about \$7 billion in proposed cuts to CHIP. Reports indicate Sens. Mike Lee (R-UT) and Lisa Murkowski (R-AK) were planning an amendment to strip the controversial CHIP cuts from the package. Sen. Burr objected to a proposal to cut \$16 million from the Land and Water Conservation Fund.

With the deadline passed to pass the measure with a simple majority in the Senate, Republicans are unlikely to advance any rescissions bill this year.

Program for All-Inclusive Care for the Elderly (PACE) Regulations

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CalOptima also continued to push the Centers for Medicare & Medicaid Services (CMS) to finalize its outdated regulations governing the PACE program. The PACE program has been proven to deliver high-quality, comprehensive, and coordinated community-based care exclusively to older Americans and those living with disabilities. In exchange for capitated payments from Medicaid and/or Medicare as well as private payers, PACE organizations provide their participants a fully-integrated benefit encompassing all Medicare and Medicaid covered services.

Unfortunately, CMS still has not released the PACE final rule, despite issuing a proposed rule in 2016. The revisions to the PACE program contained in the final rule would be the first updates to the program since 2006, when the current regulation was issued. Until a final rule is issued, PACE organizations must continue to function under decade-old regulations that constrain growth, increase operating costs and limit beneficiary access to this cost-effective and innovative model of care for high-cost, high-need Medicare and/or Medicaid beneficiaries.

On June 20, 2018, nearly 70 Members of the House sent a letter to CMS Administrator Seema Verma, strongly urging her to “prioritize promulgating a final rule soon so that PACE programs may be afforded the operational flexibility needed to expand and serve more frail seniors and those living with disabilities.” CalOptima, Akin Gump, and the National PACE Association coordinated to significantly increase support for this letter over previous letters. In November 2017, a similar letter from Members of the House secured only 48 signatures. Representatives Sanchez (CA-38), Royce, (CA-39), Correa (CA-46), and Lowenthal (CA-47) all signed the June letter. Representatives Royce and Correa were new supporters, having declined to sign the November 2017 letter.

A reply from CMS has not yet been received by the leaders of the letter, Representatives Chris Smith (R-NJ), Earl Blumenauer (D-OR), Lynn Jenkins (R-KS), and Ron Kind (D-WI).



**CalOptima Legislative Report
July 9, 2018
By Don Gilbert and Trent Smith**

The Legislature adjourned on July 5 for its month-long summer break. Prior to returning to their districts, legislators participated in various policy committees to debate hundreds of bills. Many of these committees conducted marathon hearings necessary to process bills before the next deadline. At this point in the legislative process, the Senate committees were tasked with reviewing Assembly bills, while Assembly committees reviewed Senate bills. Senators are usually more willing to vote NO on Assembly bills compared to bills authored by their Senate colleagues. The same is true for Assembly members when they vote on Senate bills. Thus, more bills are usually defeated – or not brought up for a vote – at this point in the legislative process. However, a vast majority of bills still passed and moved on to the Appropriations Committees, where they are evaluated for potential costs to the State. This is yet another point in the legislative process where many bills die.

When Legislators return to Sacramento on August 6 for the final month of legislative work, the Appropriations Committees in both the Senate and Assembly will conclude their work. The last two weeks of the Legislative Session will be dedicated to floor sessions. The Legislature will adjourn for the year at midnight on August 31.

The State Budget was finalized by the Legislature on June 14 and the Governor signed it into law on June 26, well before the July 1 start of the new fiscal year. The state enjoys a budget surplus of almost \$16 billion. Most of that surplus was stashed away in rainy day funds that can be used at a future date when the state falls on hard economic times. Some of the surplus was earmarked for various one-time funding projects. Ultimately, the final budget allocated \$2 billion more in state spending compared to what the Governor proposed in the May Revise.

The final budget included an allocation of \$1 billion in Proposition 56 funds and \$1.25 billion in federal funds for supplemental payments for preventive services provided by physicians and dentists as follows:

\$500 million for payments to physicians and \$210 million for payments to dentists;

Increases rates for home health services, pediatric day health care, and pediatric free-standing subacute facilities;

\$220 million for educational loan repayments for physicians (\$190 million) and dentists (\$30 million) and establishes a loan repayment program.

Other interesting elements of the budget include the authorization of a dental integration pilot program to be operated by the Health Plan of San Mateo.

The budget also includes \$60 million in one-time funding and to establish the California Health Care Cost Transparency Database to collect information on the costs of health care in order to create transparency on health care costs, and to inform policy decisions, reduce disparities, and reduce costs.

Legislative leadership has called for more spending to expand health care services. However, as outlined above the final budget deal includes only minor increases in health care spending.

The bigger budget news is what did not make it into the final deal. Despite a strong push by the Democrat legislative leadership, no funding was provided for health care for undocumented immigrants. Nor did the budget include funding to restore or add benefits under the Medi-Cal program. Instead of expanding access to health care in the form of state funded universal care, the budget only allocated \$5 million to study the issue. The Governor clearly got his way on these large spending proposals.

The Legislature did have some small victories, as they rejected the Governor's proposal to eliminate the 340B Pharmaceutical Programs. Negotiations continue between the clinics, public hospitals, health plans, and DHCS on language to require new reporting requirements intended to bring more transparency to the program.

One additional newsworthy event came out of the Governor's office with the announcement that Diana Dooley will assume the Executive Secretary/Chief of Staff role for the Governor. Ms. Dooley had been the Secretary of the Health and Human Services Agency since 2011 and had previously worked for Governor Brown during his first round as Governor.

We continue to monitor AB 2472 by Assemblyman Wood (D-Healdsburg). This measure was part of a package of health care bills introduced by the Assembly Democratic Caucus as an alternative to the single payer health care proposal currently pending in the State Assembly. AB 2472 requires Medi-Cal managed care plans to negotiate with Covered California regarding offering individual products on the Exchange in the health plan's service areas that overlap with counties where there are two or fewer health plans offering products on the Exchange as of 2018. The author's goal is to get more health plans to participate in the Exchange in underserved areas. The author has expressed his intention to excluded County Organized Health Systems (COHS). This measure also requires the Exchange Board to prepare an analysis and evaluation to determine the feasibility of a public health insurance plan option to increase competition and choice for health care consumers. AB 2472 is awaiting a hearing in the Senate Appropriations Committee.

Also of interest is AB 2965 by Assemblyman Arambula (D- Fresno), which would extend eligibility for full-scope Medi-Cal benefits to individuals under the age of 26 who are otherwise eligible for those benefits but for their immigration status. The author continues to pursue AB 2965, although a similar proposal offering Medi-Cal benefits to illegal immigrants of all ages was rejected in the budget process. AB 2965 awaits a hearing in the Senate Appropriations Committee.

Assembly Arambula is also authoring AB 2275. This measure requires the Department of Health Care Services (DHCS) to establish a Quality Assessment and Performance Improvement program for all Medi-Cal Managed Care (MCMC) plans, through which the MCMC plans, commencing January 1, 2021, would be required to meet a minimum performance level that improves quality and reduces health disparities. The MCMC plans would be required to meet the performance targets to receive specified financial incentives. AB 2275 is currently in the Senate Appropriations Committee and will be heard in early August.

Assemblyman Arambula's AB 2499 is another bill of interest, as it originally increased the minimum Medical Loss Ratio (MLR) percentages applicable to health care service plans and health insurers by five percent, from 80 percent to 85 percent. This meant that health plans, included MCMC, would have to spend 85 percent of its funding directly on patient care. Most COHS already meet this standard, so we were not directly involved in lobbying the bill. The bill was recently amended to remove the specific MLR requirements and instead links the state MLR to federal standards.

2017–18 Legislative Tracking Matrix

FEDERAL BILLS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
H.R. 6 Walden	Opioids – Prescription Controls, Education/Prevention, and Provider Incentives: The Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act is a bipartisan effort in response to the national opioid crisis. The bill includes a broad range of provisions from multiple bills that were previously advanced through the House Energy and Commerce and Ways and Means Committees. There are several provisions relevant to the Medicaid and Medicare programs, including proposals to implement controls on pharmaceuticals to prevent inappropriate dispensation of opioids, expand access to effective addiction treatment, increase opioid misuse education and prevention efforts, and provide incentives to discourage physicians from over prescribing opioids.	06/26/2018 Read in the Senate and placed on the Senate Legislative Calendar 06/22/2018 Passed the House 6/13/2018 Introduced	Watch
H.R. 6082 Mullin	Confidentiality Regulations: Would align the federal Confidentiality of Substance Use Disorder Patient Records regulations (42 USC 290dd-2 and 42 CFR Part 2) with the Health Insurance Portability and Accountability Act (HIPAA) as they relate to the disclosure of substance use disorder (SUD) treatment. This bill would authorize the disclosure of SUD patient records to a covered entity, such as CalOptima, for treatment, payment, and health care operations without a patient's written consent, which is required under current law. This change would simplify the process of coordinating behavioral and physical health services by allowing health plans and providers treating the same patient to access their member's SUD treatment information.	06/20/2018 Passed the House and ordered to the Senate 06/13/2018 Introduced	Watch CalOptima provided feedback to members of OC congressional delegation
H.R. 1625 Royce	FY 2018 Federal Budget/Omnibus Spending Bill: Funds the federal government for the remainder of the 2018 budget year, through September 30. The bill includes: <ul style="list-style-type: none"> • \$1.3 trillion in overall spending • \$403 billion in Medicaid spending (an increase of \$25 billion or 7 percent, accounting for 1.8 million more Medicaid beneficiaries and an increase in opioid related funding, among other factors) • \$3.6 billion for opioid-addiction and mental health services (an increase of \$2.55 billion or 244 percent) <p>Of note, the bill did not include any stabilization measures for the individual market, such as the cost-sharing reduction payments or a federal reinsurance program.</p>	03/22/2018 Signed into law	Watch
H.R. 1892 Larson	FY 2018 Federal Budget/Previous Spending Levels Continued: <ul style="list-style-type: none"> • Establishes a two-year budget framework and continues current federal spending levels until March 23, 2018. • Permanently reauthorizes Dual Eligible Special Needs Plans (including CalOptima's OneCare program). • Extends reauthorization for the Children's Health Insurance Program (CHIP) until 2027. • Extends the Community Health Center Fund (CHCF) for two years. 	02/09/2018 Signed into law	CalOptima sent letter of support for CHIP, D-SNP and CHCF

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
H.R. 195 Russell	FY 2018 Federal Budget/Previous Spending Levels Continued: Extends current federal discretionary spending until February 8, 2018. Also authorizes CHIP funding for six years, until 2023, and gradually phases down the enhanced federal matching rate – 88/12 federal/state, to the regular CHIP rate – 65/35 federal/state in FY 2021.	01/22/2018 Signed into law	CalOptima sent letter of support for CHIP
H.R. 4957 Sanchez	Improving Alzheimer’s Care: Among other provisions, would establish Alzheimer’s models of care based on a comprehensive continuum of care, similar to care delivery in the Program of All-Inclusive Care for the Elderly (PACE).	02/09/2018 Referred to House Committee on Energy and Commerce and House Committee on Ways and Means 02/07/2018 Introduced in the House	Watch
H.R. 1 Brady	Tax Cuts and Jobs Act: Amends portions of the Internal Revenue Code that address corporate and individual tax rates and deductions. It also eliminates the Affordable Care Act’s (ACA) individual mandate, effective December 31, 2018.	12/22/2017 Signed into law	Watch
H.R. 3922 Walden	Five Year CHIP Re-authorization: Would have extended federal CHIP funding, which expired on September 30, 2017, for five years. Would have retained the current ACA mandated state/federal CHIP matching rate (88/12 for California) for two years, reduced it by 11.5 percent for one year (76.5/23.5), and reverted to pre-ACA levels for two years (65/35). Also included spending offsets such as increasing Medicare premiums for beneficiaries who make more than \$500,000 annually, requiring Medicaid beneficiaries to report lottery winnings as income, and decreasing funding for the ACA-enacted Prevention and Public Health Fund. Of note, H.R. 1892, referenced above, extends federal CHIP funding until 2027, and was signed into law on 02/09/2018.	11/03/2017 Passed House, ordered to Senate 02/09/2018 10-year reauthorization of CHIP funding included as part of H.R. 1892 (Larson)	CalOptima sent letter of support for CHIP
H. Concurrent Resolution 71 Black	FY 2018 Budget Resolution: The annual budget resolution sets the budgetary framework for the upcoming fiscal year and allows Congress to pass reconciliation legislation, which requires 51 votes to pass the Senate rather than the normal 60-vote threshold. While the budget resolution is non-binding and does not appropriate federal dollars, it does outline spending priorities for the remainder of the unfunded fiscal year (December 9, 2017 - September 30, 2018).	10/26/2017 Passed House and Senate (Budget resolutions do not require a Presidential signature)	Watch
H.R. 601 Lowey	FY 2018 Federal Budget/Previous Spending Levels Continued: Extends current federal discretionary spending (\$1.24 trillion overall) and raises the debt ceiling through December 8, 2017. Ensures funding for federal agencies such as the U.S. Department of Health and Human Services (HHS) continues at approximately \$65 billion per year. Mandatory spending (\$2.54 trillion overall) for programs such as Medicare and Medicaid continues at previous levels, less a small percentage, as required by the terms of the Budget Control Act of 2011.	09/08/2017 Signed into law	Watch

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
Bipartisan Health Care Stabilization Act of 2017 Alexander/Murray	<p>Marketplace Stabilization: Would fund cost-sharing reductions (CSRs) – federal payments to marketplace insurers to reduce deductibles and co-pays for consumers earning between 139-250 percent of the federal poverty level (FPL) who have a “silver” level plan – through 2019. Also, would increase flexibility and streamline the state waiver approval process, among other changes.</p> <p>While this bill does not impact Medicaid directly, it is of interest to CalOptima because of its impact on the health care system, and, because it is common for Medicaid members to “churn” between Medicaid and the individual market.</p>	10/19/2017 Draft bill text released	Watch
S. 1804 Sanders	<p>Medicare for All: Would replace the current U.S. health care system with a single-payer system, known as “Medicare for All.” This system would provide comprehensive health care services for all U.S. residents, sunset the current Medicare and Medicaid programs, as well as most forms of private insurance, and enroll all eligible individuals into the new universal plan.</p>	09/13/2017 Referred to Senate Committee on Finance	Watch
H.R. 676 Ellison	<p>Medicare for All: Similar to S. 1804, would replace the current U.S. health care system with a single-payer system, known as “Medicare for All.” This system would provide comprehensive health care services for all U.S. residents, sunset the current Medicare and Medicaid programs as well as most forms of private insurance. The program would be funded via existing sources of government revenues for health care and by increasing personal income taxes on the top five percent of income earners, among other measures.</p>	01/24/2018 Referred to House Committee on Energy and Commerce, House Committee on Ways and Means, and the House Committee on Natural Resources	Watch

STATE BILLS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
<p>SB 840 Mitchell</p>	<p>Budget Act of 2018: Funds the state government for the 2018-2019 fiscal year. The Medi-Cal allocation is \$104.4 billion, including \$23 billion general fund. The following allocations impact the Medi-Cal program:</p> <ul style="list-style-type: none"> • Medi-Cal Expansion Population: \$18.7 billion (\$1.7 billion GF) • Coverage for children regardless of immigration status: \$365.2 million (\$287.7 million GF) • Breast and Cervical Cancer Treatment Coverage: \$8.4 million GF • Supplemental Provider Payment: \$710 million (from Proposition 56) <p><i>The Budget Act is the predominant method by which appropriations are made to fund the state government. A budget bill is introduced by January 10 and the Legislature is required to pass the budget bill by June 15. The Budget Bill becomes the Budget Act upon the Governor's signature.</i></p>	<p>06/27/2018 Signed into law by the Governor</p>	<p>Watch</p>
<p>SB 856 Senate Budget Committee</p>	<p>Junior Budget Bill: Makes changes and corrections to the Budget Act of 2018, such as appropriating Proposition 56 tobacco tax revenue and related federal funds for Medi-Cal, among other provisions. This bill allocates up to \$500 million for supplemental payments for physician services and directs the Department of Health Care Services (DHCS) to develop the methodology for distributing these payments as well as post the proposed payment structure on its website by September 30, 2018.</p> <p><i>The Junior Budget Bill is the method by which amendments are made to the chaptered Budget Act.</i></p>	<p>06/27/2018 Signed into law by the Governor</p>	<p>Watch</p>
<p>SB 849 Senate Budget Committee</p>	<p>Medi-Cal Trailer Bill: Budget trailer bill that makes appropriations related to Proposition 56 supplemental payments (in conjunction with SB 856) and creates a dental integration pilot program in San Mateo County (carving dental into managed care), among other provisions.</p> <p><i>When budget changes proposed by the Governor require changes to existing law, the legislation introduces separate legislation, called "trailer bills," which are heard concurrently with the Budget Bill.</i></p>	<p>06/27/2018 Signed into law by the Governor</p>	<p>Watch</p>
<p>SB 850 Senate Budget Committee</p>	<p>Homeless Emergency Aid program and Orange County Shelter: Would establish the Homeless Emergency Aid program to provide local governments with one-time flexible block grant funds to address their immediate homelessness challenges. The bill would require the Business, Consumer Services, and Housing Agency to allocate a total of \$500 million among local governments, with funding allocated according to homeless point-in-time counts, proportionate share of total homeless population, as well as direct allocations to cities and counties with populations over 330,000. This bill would also require DHCS to allocate \$5 million to the Bridges at Kraemer Place emergency shelter in Orange County to create a homeless navigation center.</p>	<p>06/27/2018 Signed into law by the Governor</p>	<p>Watch</p>

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
RN 1802014 Trailer Bill – 340B Drug Program	<p>340B Drug Purchasing Program: Would prohibit the use of 340B discounted drugs in Medi-Cal starting July 1, 2019, pending approval from CMS. Section 340B of the Public Health Service Act allows certain hospitals and clinics to purchase pharmaceuticals at discounted prices.</p> <p>Federal and state agencies have found inconsistencies with the program’s implementation. According to DHCS, these inconsistencies create a substantial administrative burden on the state. As such, the Department’s proposed trailer bill language seeks to prohibit the use of 340B drugs in Medi-Cal. In the event that CMS does not grant the state permission to entirely exclude 340B drugs from Medi-Cal, the state will seek CMS approval for limiting the use of 340B drugs in Medi-Cal.</p> <p>Although this trailer bill language was not included in the final Budget deal, DHCS is likely to continue efforts to reform the 340B program through the regulatory process.</p>	<p>05/15/2018 Heard in Senate Budget Subcommittee No. 3: Health and Human Services</p> <p>01/16/2018 Trailer bill language published on the Department of Finance website</p>	<p>Watch</p> <p>CalOptima provided feedback as part of the CAHP and LHPC comment letters to DHCS</p>
AB 2331 Weber	<p>Medi-Cal Eligibility Redetermination: Would allow developmentally disabled individuals receiving services at regional centers to remain continuously eligible for Medi-Cal. Rather than the beneficiary being responsible for ensuring that annual redetermination is performed, counties will use information provided by the California Department of Developmental Services (DDS) and DHCS to ensure that they meet Medi-Cal eligibility criteria.</p>	<p>05/25/2018 Held under submission in Assembly Appropriations Committee</p> <p>02/13/2018 Introduced</p>	<p>CalOptima sent letter of support</p> <p>LHPC: Support</p>
AB 1963 Waldron	<p>Opioids – Treatment: Would increase provider reimbursement rates for Medication-Assisted Treatments (MAT). MAT requires that patients receive counseling, behavioral therapies, and recovery support services in combination with prescribed medication, such as buprenorphine/naloxone, methadone, buprenorphine, and naltrexone. These therapies have proven to be very effective in treating opioid addiction. There is a significant shortage of providers certified to administer MAT treatments. Depending on how the reimbursement structure is constructed, a rate increase could potentially help CalOptima expand access to MAT services in Orange County.</p>	<p>05/25/2018 Held under submission in Assembly Appropriations Committee</p> <p>01/30/2018 Introduced</p>	<p>Watch</p> <p>CalOptima provided feedback to the bill author</p>
AB 2741 Burke	<p>Opioids – Supply Limit: Would prohibit providers from prescribing more than a five-day opioid supply to a minor, except in the case of pain associated with cancer, palliative or hospice care, chronic pain, and emergency services and care; and require parental consent for opioid prescriptions.</p>	<p>06/18/2018 Held in the Senate Business, Professions and Economic Development Committee at the request of the author</p> <p>05/07/2018 Passed Assembly Floor and ordered to the Senate</p> <p>02/16/2018 Introduced</p>	<p>Watch</p> <p>CalOptima provided feedback to the bill author</p>

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
AB 1998 Rodriguez	Opioids – Prescription Controls: Would institute more stringent prescription controls related to opioids, including limiting opioid prescriptions to amounts sufficient for not more than three days.	08/06/2018 Scheduled for hearing in the Senate Appropriations Committee 05/30/2018 Passed Assembly Floor and ordered to the Senate 02/01/2018 Introduced	Watch
AB 2430 Arambula	Medi-Cal Eligibility for Seniors: Would adjust the income threshold for seniors eligible for Medi-Cal under the Aged and Disabled Federal Poverty Level Program from 123 percent FPL to 138 percent FPL, bringing it in line with other Medi-Cal programs for adult beneficiaries. Currently, seniors with income levels above 123 percent FPL are only eligible for Medi-Cal if they pay an added out of pocket expense known as “share of cost.” Under share of cost, beneficiaries must take full responsibility for health care expenses up to a predetermined amount (share of cost) for the month in which they receive services. Once they meet their share of cost, Medi-Cal pays for any additional covered services for that month. This bill aims to ensure that low-income seniors have access to Medi-Cal at the same income level as most other adult beneficiaries, without incurring extra financial burdens.	07/02/2018 Heard in Senate Appropriations Committee and placed in Suspense File 05/29/2018 Passed Assembly Floor and ordered to the Senate 02/14/2018 Introduced	Watch CAHP: Support LHPC: Support
SB 945 Atkins	Breast and Cervical Cancer Treatment Program (BCCTP): Would remove the 18 to 24-month cap on coverage under the state Breast and Cervical Cancer Treatment Program (BCCTP), which would allow members to remain in the program and CalOptima to continue receiving adequate reimbursement for the duration of their treatment. Currently, DHCS administers BCCTP, which provides cancer treatment coverage to individuals diagnosed with breast and/or cervical cancer that meet certain screening and income eligibility criteria. Currently, for individuals enrolled in the state BCCTP program, treatment coverage is limited to 18 months for breast cancer and 24 months for cervical cancer. Provisions from SB 945 were included as trailer bill language in AB 1810 (Committee on Budget, Assembly) which was signed into law eliminating the treatment term limits. The Budget includes \$8.4 million General Fund allocation for this purpose.	06/26/2018 Held in the Assembly Health Committee at the request of the author 05/29/2018 Passed Senate Floor and ordered to the Assembly 01/29/2018 Introduced	Watch LHPC: Support

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
AB 2275 Arambula	Medi-Cal Quality Requirements: Would create new quality requirements for Medi-Cal managed care plans, which would be a significant departure from the state’s current quality assurance and performance improvement program. Amended language allows National Committee for Quality Assurance (NCQA) accredited plans, like CalOptima, to submit survey data collected annually as part of the NCQA accreditation.	08/06/2018 Scheduled for hearing in the Senate Appropriations Committee 05/30/2018 Passed Assembly Floor and ordered to the Senate 02/13/2018 Introduced	Watch CAHP: Oppose CalOptima provided feedback to the bill author
AB 2299 Chu	Materials for Medi-Cal Members: Requires all Medi-Cal managed care plans’ (MCPs) written health education and informational materials to meet a readability and suitability checklist established by DHCS. The materials would also be required to go through a “community review” process prior to submission to DHCS. Under current state policy, MCPs are already required to meet readability and suitability standards for all written materials. Currently, CalOptima’s Health Education and Cultural Linguistic Services departments already review all informational materials released to members in all threshold languages. This bill would add an additional step – the community review process – on top of the current process. This additional step could delay the release of member materials for an additional 60 days. According to analysis conducted by staff, while the intent of the bill appears to benefit members, these added requirements would create unnecessary delays in releasing information to members.	08/06/2018 Scheduled for hearing in the Senate Appropriations Committee 05/29/2018 Passed Assembly Floor and ordered to the Senate 02/13/2018 Introduced	Watch CAHP: Oppose LHPC: Oppose CalOptima provided feedback to the bill author
AB 2579 Burke	WIC to Medi-Cal Express Lane: Would establish an “express lane” eligibility pathway for pregnant women and children from the California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to Medi-Cal. WIC 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.	08/06/2018 Scheduled for hearing in the Senate Appropriations Committee 05/30/2018 Passed Assembly Floor and ordered to the Senate 02/15/2018 Introduced	Watch CAHP: Support LHPC: Support
SB 1125 Atkins	Access to Mental Health at FQHCs: Would allow a Federally Qualified Health Center (FQHC) to be reimbursed by the state for a mental health visit that occurs on the same day as a medical face-to-face visit. Currently, a patient must seek mental health treatment on a subsequent day for an FQHC to receive reimbursement for that service. This bill would give members access to both primary care and on-site mental health care on the same day, while ensuring that clinics are appropriately reimbursed for both services. Currently, approximately 138,000 CalOptima members receive care at FQHCs.	06/27/2018 Passed Assembly Health Committee and referred to Appropriations Committee 05/30/2018 Passed Senate Floor and ordered to the Assembly 02/13/2018 Introduced	CalOptima sent letter of support LHPC: Support

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
AB 2029 Garcia	Billable Visits for Service Outside the FQHC's Four Walls: Among other provisions, this bill would align state and federal regulations to allow FQHCs to bill for services provided to CalOptima members outside the FQHC's four walls. Current federal law allows FQHCs to provide services to patients at temporary shelters, a beneficiary's residence, a location of another provider, or any location approved by the U.S. Health Resources and Services Administration (HRSA). Allowing FQHCs to bill for services outside their four walls would expand access to care for CalOptima members who are homebound, require specialized transportation or reside in temporary shelters.	08/06/2018 Scheduled for hearing in Senate Appropriations Committee 02/05/2018 Introduced	Watch CalOptima provided feedback as part of LHPC comment letter to the bill author
AB 2965 Arambula	Medi-Cal Eligibility: Extends full scope Medi-Cal coverage to eligible individuals who are under 26 years of age, regardless of immigration status.	08/06/2018 Scheduled for hearing in the Senate Appropriations Committee 05/30/2018 Passed Assembly Floor and ordered to the Senate 02/16/2018 Introduced	Watch CAHP: Support
SB 974 Lara	Medi-Cal Eligibility: Extends full scope Medi-Cal coverage to eligible individuals who are 65 years of age or older, regardless of immigration status.	06/20/2018 Passed Assembly Health Committee and referred to Appropriations Committee 05/30/2018 Passed Senate Floor and ordered to the Assembly 02/01/2018 Introduced	Watch LHPC: Support
AB 2718 Friedman	Transitional Medi-Cal Eligibility for CalWORKs Recipients: Extends Medi-Cal eligibility from six months to twelve months for families transitioning off the California Work Opportunity and Responsibility to Kids program (CalWORKs). Current state policy allows for a six-month extension of coverage after a family exits the program, and an additional six months if their income remains at or below 185 percent FPL. This bill would allow families to retain access to Medi-Cal coverage for twelve months, regardless of income, by requiring the state to implement the federally allowable twelve-month period option.	07/02/2018 Heard in Senate Appropriations Committee and placed in Suspense File 05/30/2018 Passed Assembly Floor and ordered to the Senate 02/15/2018 Introduced	Watch

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
AB 2203 Gray	Medi-Cal Provider Rates: Beginning July 1, 2019, would require DHCS to increase Medi-Cal primary care provider rates to the rate paid for those services under the federal Medicare program.	05/25/2018 Held under submission in Assembly Appropriations Committee 02/12/2018 Introduced	Watch
AB 2122 Reyes	Pediatric Blood Lead Testing: Would require DHCS to notify parents of children enrolled in Medi-Cal of lead testing requirements and inform them when their children have missed the test. Under current law, children are to be tested at 12 months of age and again at 24 months. This bill would require DHCS to report its progress in meeting the lead testing requirements on an annual basis. Medi-Cal managed care plans would be required to notify and educate health care providers that fail to blood test at least eighty percent of enrolled children. According to the bill language, a disproportionate number of children who test positive for lead-poisoning are enrolled in Medi-Cal.	08/06/2018 Scheduled for hearing in the Senate Appropriations Committee 06/14/2018 Amended to include provider notification and education and re-referred to Senate Health Committee 05/31/2018 Passed Assembly Floor and ordered to the Senate 02/08/2018 Introduced	Watch CalOptima provided feedback to the bill author
AB 2472 Wood	Medi-Cal Public Purchasing Feasibility Study and Negotiation with Covered California: Would require Covered California to prepare a feasibility study to assess the possibility of establishing a public health insurance plan. The plan would permit individuals whose income is greater than 138 percent of the federal poverty level to purchase Medi-Cal coverage. This bill would also require Medi-Cal managed care plans to negotiate with Covered California regarding offering products on the California Health Benefit Exchange, also known as Covered California, in counties where only two or fewer plans are available for purchase through the Exchange. According to the bill author, County Organized Health Systems (COHS) like CalOptima, are exempt from the provisions of the bill.	08/06/2018 Scheduled for hearing in the Senate Appropriations Committee 06/07/18 Amended to merge AB 2416 language regarding requirement for Medi-Cal managed care plans to negotiate with the Exchange Re-referred to Senate Health Committee 02/14/2018 Introduced	Watch

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
AB 3175 Rubio	Child Life Specialist: Would require that services provided by certified child life specialists be covered under the California Children's Services (CCS) program. CCS provides diagnostic and treatment services, medical case management, and physical and occupational therapy services to children under age 21 with specialized health care conditions such as cystic fibrosis, hemophilia, cerebral palsy, heart disease, cancer, traumatic injuries, among others. CCS-eligible children living in select counties, including Orange County, will transition from fee-for-service to Medi-Cal managed care as part of the Whole Child Model (WCM), established as part of SB 586 (Chapter 625, Statutes of 2016). In Orange County, the CCS WCM transition is scheduled to take place in January 2019. Certified child life specialists are allied health care professionals that support children and families coping with the stress and uncertainty of life altering healthcare crises.	05/25/2018 Held under submission in Assembly Appropriations Committee 02/16/2018 Introduced	Watch
SB 906 Beall	Medi-Cal Mental Health Services Peer Certification: Would require DHCS to establish a statewide certification program for peer and family support specialists and to include as a service to be reimbursed under the Medi-Cal program. Among other responsibilities, a peer and family support specialist would provide individualized support services to members with mental health care needs and substance use disorders.	06/20/2018 Passed Assembly Health Committee and referred to Appropriations 05/30/2018 Passed Senate Floor and ordered to the Assembly 01/17/2018 Introduced	Watch
SB 399 Portantino	Autism Spectrum Disorder Treatment: Would make changes to current law related to the treatment of Autism Spectrum Disorder, such that managed care plans would be required to cover certain treatment protocols that are not currently covered, such as the Developmental Individual-difference Relationship (DIR) model and "Floortime." These therapies are intended to be spontaneous play sessions between a child with autism and an adult. Also, this bill would reduce the required educational levels of autism service paraprofessionals.	06/19/2018 Passed Assembly Health Committee and referred to Appropriations Committee 01/29/2018 Passed Senate Floor and ordered to the Assembly 02/15/2017 Introduced	Watch CAHP: Oppose LHPC: Oppose
AB 2565 Chiu	Covered California Premium Assistance: Would require Covered California to offer enhanced premium assistance to individuals between 200 percent and 400 percent FPL who enroll in health care coverage through the Exchange. The enhanced premium assistance would be in addition to the current federal subsidies. According to the bill author, the cost to the state would be \$300 million, and would increase financial assistance to approximately 550,000 people enrolled in Covered California. While this bill does not impact Medi-Cal directly, it is of interest to CalOptima because individuals often "churn" between Medi-Cal and the individual market.	08/06/2018 Scheduled for hearing in the Senate Appropriations Committee 05/30/2018 Passed Assembly Floor and ordered to the Senate 02/15/2018 Introduced	Watch

2017–18 Legislative Tracking Matrix *(continued)*

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes
SB 171 Hernandez	<p>Medicaid Managed Care Final Rule (“Mega Reg”): Implements certain provisions of the Mega Reg by making changes at the state level regarding Medi-Cal managed care plans. Specifically, this bill changes the way public hospitals receive supplemental payments and creates a new, across-the-board Medical Loss Ratio (MLR) standard for Medi-Cal managed care plans.</p> <p>DHCS received federal approval for the new public hospitals directed payment structure, comprised of the Enhanced Payment Program (EPP) and the Quality Incentive Program (QIP), in April 2018.</p>	10/13/2017 Signed into law	Watch
SB 608 Hernandez	<p>Hospital Quality Assurance Fee (QAF): Would modify the QAF to bring it into compliance with CMS Medicaid Managed Care Final Rule requirements. The current language of the bill only reflects a portion of the California Hospital Association’s proposal to reform the QAF.</p> <p>DHCS received federal approval for the new Private Hospital Directed Payment (PHDP) structure in March 2018. The new structure begins a 10-year phase out of the current QAF structure and phase in of the PHDP.</p>	09/01/2017 Held under submission	Watch

CAHP: California Association of Health Plans

LHPC: Local Health Plans of California

2017–18 Legislative Tracking Matrix (continued)

2018 Federal Legislative Dates

January 3	116 th Congress convenes 1st session
March 26–April 9	Spring recess
July 27–September 3	Summer recess
November 6	General Election

2018 State Legislative Dates

January 3	Legislature reconvenes
February 16	Last day for legislation to be introduced
April 27	Last day for policy committees to hear and report bills to fiscal committees
May 11	Last day for policy committees to hear and report non-fiscal bills to the floor
May 25	Last day for fiscal committees to report fiscal bills to the floor
May 29–June 1	Floor session only
June 1	Last day to pass bills out of their house of origin
June 5	Statewide Primary Election
June 15	Budget bill must be passed by midnight
June 28	Last day for a legislative measure to qualify for the Nov. 6 General Election ballot
July 6–August 5	Summer recess
August 7	Special Election for CA Senate District 32
August 17	Last day for fiscal committees to report bills to the floor
August 20 – 31	Floor session only
August 31	Last day for bills to be passed. Final recess begins upon adjournment
September 30	Last day for Governor to sign or veto bills passed by the Legislature
November 6	General Election
November 30	Adjournment <i>Sine Die</i> at midnight
December 3	Convening of the 2019-20 session

Sources: 2018 State Legislative Deadlines, California State Assembly: <http://assembly.ca.gov/legislativedeadlines>

Board of Directors Meeting August 2, 2018

CalOptima Community Outreach Summary — June and July 2018

Background

CalOptima is committed to serving our community by sharing information with current and potential members and strengthening relationships with our community partners. One of the ways CalOptima accomplishes this is through our participation in public events. CalOptima participates in public activities that meet at least one of the following criteria:

- Member interaction/enrollment: The event/activity attracts a significant number of CalOptima members and/or potential members who could enroll in a CalOptima program.
- Branding: The event/activity promotes awareness of CalOptima in the community.
- Partnerships: The event/activity has the potential to create positive visibility for CalOptima and create a long-term collaborative partnership between CalOptima and the requesting entity.

We consider requests for sponsorship based on several factors as indicated pursuant to Policy AA. 1223: Participation in Community Events Involving External Entities, including, but not limited to: the number of people the activity/event will reach; the marketing benefits for CalOptima; the strength of the partnership or level of involvement with the requesting entity; past participation; staff availability; and budget availability.

In addition to participating in community events, CalOptima staff actively participates in several community meetings including coalitions/collaboratives, committees and advisory groups focused on community health issues related to improving access to health care, reducing health disparities, strengthening the safety net system and promoting a healthier Orange County.

Community Alliances Forum

In support of our members' mental health needs, the Community Relations Department collaborated with our Advisory Committee to host a Community Alliances Forum on June 6, 2018; focusing on Mental Health in Orange County: Signs, Services, and Supports. Experts in the field provided information on the common mental health conditions for children, adolescents, adults and older adults and well as the early warning signs of these common mental health conditions and the community resources available to support mental health.

Dr. Donald Sharps, Medical Director of CalOptima's Behavioral Health Integration Department kicked off the event by providing a presentation on mental health services for CalOptima members. Our esteemed panel was also comprised of Dr. Heather Huszti, PhD, Chief Psychologist at CHOC Children's Hospital, Dr. Nefta Pereda, Founder and President of Season 5 Community Consulting and Director of Parenting Education at Olive Crest, and Dr. Adam Crits, Board Certified Psychiatrist, and Associate Medical Director of OC Health Care Agency Behavioral Health Services Adult and Older Adult Division. Dr. Edwin Poon, Director of CalOptima's Behavioral Health Integration Department joined the panel for the Questions and Answers portion of the event.

A resource fair component was also incorporated in the event to increase knowledge and understanding of mental health resources. Fifteen community-based, government and non-profit organizations providing free and low-cost mental health services and supports were invited to share information about their programs and services.

One hundred seventy-nine community partners attended the event. Evaluations collected revealed that nearly all participants agreed or strongly agreed that they found the information presented to be valuable and they gained a better understanding of mental health conditions, early warning signs, and resources available to support mental health.

The Community Alliances Forum was established to strengthen, develop and sustain positive relationships with community-based organizations, health care providers, policy makers, and other individuals/organizations that are invested in community health. Participants have an opportunity to network while learning about health care issues that impact our community.

For additional information or questions, please contact Tiffany Kaaiakamanu, manager of Community Relations, at **657-235-6872** or email tkaaiakamanu@caloptima.org.

Summary of Public Activities

During June and July 2018, CalOptima participated in 62 community events, coalitions and committee meetings:

TARGET AUDIENCE: HEALTH AND HUMAN SERVICES PROVIDERS

Date	Events/Meetings
6/01/18	<ul style="list-style-type: none">• Covered Orange County General Meeting• Help Me Grow Advisory Meeting
6/04/18	<ul style="list-style-type: none">• Orange County Health Care Agency Mental Health Services Act Steering Committee Meeting
6/06/18	<ul style="list-style-type: none">• Anaheim Human Services Network• Orange County Healthy Aging Initiative
6/08/18	<ul style="list-style-type: none">• Orange County Visitation Council Quarterly Meeting
6/11/18	<ul style="list-style-type: none">• Fullerton Collaborative Meeting• Orange County Veterans and Military Families Collaborative Meeting
6/12/18	<ul style="list-style-type: none">• Orange County Strategic Plan for Aging – Social Engagement Committee
6/14/18	<ul style="list-style-type: none">• FOCUS Collaborative Meeting
6/13/18	<ul style="list-style-type: none">• Buena Park Collaborative Meeting• Anaheim Homeless Collaborative Meeting
6/16/18	<ul style="list-style-type: none">• Infectious Disease Conference for Prenatal and Pediatric Providers hosted by Orange County Health Care Agency

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- 6/19/18
 - Placentia Community Collaborative Meeting
- 6/20/18
 - Covered Orange County Steering Committee Meeting
 - Minnie Street Family Resource Center Professional Roundtable
 - Orange County Promotoras Meeting
 - La Habra Move More, Eat Healthy Campaign Meeting
- 6/21/18
 - Orange County Children’s Partnership Committee
 - Surf City Senior Providers Network Meeting
 - Orange County Women’s Health Project Advisory Board Meeting
- 6/25/18
 - Community Health Research and Exchange
 - Stanton Collaborative Meeting
- 6/26/18
 - Orange County Senior Roundtable
 - Santa Ana Building Healthy Communities
- 6/27/18
 - Association of California Cities Orange County Homelessness Task Force Meeting
- 6/28/18
 - Disability Coalition of Orange County
 - Orange County Care Coordination for Kids
- 7/2/18
 - Orange County Health Care Agency Mental Health Services Act Steering Committee Meeting
- 7/3/18
 - Orange County Recovery Collaboration Meeting
- 7/6/18
 - Covered Orange County Steering Committee Meeting
- 7/10/18
 - Orange County Strategic Plan for Aging – Social Engagement Committee
 - Buena Clinton Collaborative Meeting
- 7/11/18
 - Buena Park Collaborative Meeting
 - Anaheim Homeless Collaborative Meeting
 - Health Care Task Force Meeting
- 7/12/18
 - FOCUS Collaborative Meeting
 - State Council on Developmental Disabilities Regional Advisory Committee Meeting
- 7/17/18
 - Placentia Community Collaborative Meeting
- 7/18/18
 - Covered Orange County Steering Committee Meeting
 - Minnie Street Family Resource Center Professional Roundtable
 - Orange County Promotoras Meeting
 - La Habra Move More, Eat Healthy Campaign Meeting

- 7/19/18
 - Orange County Children’s Partnership Committee
 - Orange County Women’s Health Project Advisory Board Meeting

- 7/24/18
 - Orange County Senior Roundtable
 - Santa Ana Building Healthy Communities

- 7/26/18
 - Disability Coalition of Orange County
 - Orange County Care Coordination for Kids

TARGET AUDIENCE: MEMBERS/POTENTIAL MEMBERS

Date	# Staff to Attend	Events/Meetings
6/02/18	2	<ul style="list-style-type: none"> • Orange County Iranian Health Expo hosted by Orange County Iranian American Chamber of Commerce (Sponsorship Fee: \$3,200 included agency's logo on all print advertisements, on e-blasts, on website homepage, credit toward annual membership or renewal, spotlight on Facebook page, 60 second video about agency online, speaking opportunity, recognition as a sponsor at the event and a table for outreach.)
	2	<ul style="list-style-type: none"> • Annual Track and Field Day Resource Fair hosted by CHOC Children's Breathmobile
	2	<ul style="list-style-type: none"> • Health Fair hosted by River Church
6/07/18	3	<ul style="list-style-type: none"> • Orange County Wraparound Resource Fair hosted by Wraparound Orange County and Family Support Network
	2	<ul style="list-style-type: none"> • Sailing into the Future hosted by Buena Clinton Youth and Family Center (Sponsorship Fee: \$500 included one resource table at the event and recognition of sponsorship from Garden Grove City Council.)
6/09/18	1	<ul style="list-style-type: none"> • 40th Anniversary Family Fun Day & Resource Fair hosted by TASK (Sponsorship Fee: \$1,000 included logo on event fliers, banner, email newsletters and blasts, six Facebook posts and Tweets, host website for one year, mentioned in press release, on-site vendor space in good location, and opportunity to distribute promotional materials to event attendees.)
6/15/18	4	<ul style="list-style-type: none"> • World Elder Abuse Awareness Day hosted by Orange County Aging Services Collaborative, Orange County Social Services Agency and North Orange County Senior Collaborative (Sponsorship Fe: \$1000 included logo placement on promotional materials, recognition on presentation slides, event program and during welcome remarks and one resource table at event.)
6/21/18	2	<ul style="list-style-type: none"> • Annual Senior Expo hosted by the Center at Founders Village (Sponsorship Fee: \$1,000 included premiere booth location, logo displayed on street banners, event banner, flyer and all printed materials, website, Channel 3 TV slide and listed in press releases, announcement of sponsorship during event, and two outreach tables.)

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|---------|---|--|
| 6/23/18 | 1 | <ul style="list-style-type: none">• Annual Community Health Fair hosted by Anaheim Indoor Marketplace (Registration Fee: \$500 included one resource table at the event.) |
| | 2 | <ul style="list-style-type: none">• Annual Community Resource Event – Family Fun Day hosted by Rancho Santiago Community College District Child Development Services |
| 7/01/18 | 2 | <ul style="list-style-type: none">• Wellness, Education, Resource and Health Fair hosted Harbage Consultants, AltaMed, St. Anne's Catholic Church & TodoMedicare |
| 7/28/18 | 2 | <ul style="list-style-type: none">• Back to School Outreach Fair hosted Anaheim Union High School District and Collaborative to Assist Motel Families (Sponsorship Fee: \$1,500 included name/logo on event banner, recognition and mentioned of sponsorship throughout event and post event wrap-up items and a resource table at event) |
| | 2 | <ul style="list-style-type: none">• Carnival for Kids hosted by Illumination Foundation (Sponsorship Fee: \$1,000 included recognition in all printed and event materials, four All-Day Ride and Games wristbands, four VIP Hospitality Tent Wristbands, recognition on social media platforms, event sponsor certificate and resource booth at event) |

CalOptima organized or convened the following four community stakeholder events, meetings and presentations:

TARGET AUDIENCE: MEMBERS/POTENTIAL MEMBERS

Date	Events/Meetings/Presentations
6/06/18	<ul style="list-style-type: none">• Community Alliance Forum — Mental Health in Orange County: Signs, Services, and Supports
6/15/18	<ul style="list-style-type: none">• County Community Service Center Health Seminar — Topic: Father’s Day Celebration: Self Care for Fathers (Vietnamese)
6/27/18	<ul style="list-style-type: none">• County Community Service Center Health Seminar — Topic: How to Manage Stress, Anxiety and Depression (Vietnamese)
7/12/18	<ul style="list-style-type: none">• Community-based Organization Presentation for the Senior Citizens Advisory Council Housing and Transportation Committee — Topic: CalOptima’s Transportation Benefit

CalOptima provided two endorsements for events during this reporting period (e.g., letters of support, program/public activity event with support, or use of name/logo).

1. Letter of support for the Orange County Housing Authority application for a funding opportunity for the 2017 Mainstream Voucher Program for non-elderly homeless persons with disabilities to the U.S. Department of Housing and Urban Development.
2. Letter of Support for Access California Services for services they provide to CalOptima’s members and under-served communities.

CalOptima Board of Directors Community Activities

For more information on the listed items, contact Tiffany Kaaiakamanu, Manager of Community Relations, at 657-235-6872 or by email at tkaaiakamanu@caloptima.org.

<h1>August</h1>				
Date and Time	Event Title	Event Type/Audience	Staff/Financial Participation	Location
Wednesday, 8/1 9-10:30am	++OC Aging Services Collaborative	Steering Committee Meeting: Open to Collaborative Members	N/A	Alzheimer's OC 2515 McCabe Way Irvine
Wednesday, 8/1 10am-12pm	++Anaheim Human Services Network	Steering Committee Meeting: Open to Collaborative Members	N/A	OC Family Justice Center 150 W. Vermont Anaheim
Wednesday, 8/1 10:30am-12pm	++OC Healthy Aging Initiative	Steering Committee Meeting: Open to Collaborative Members	N/A	Alzheimer's OC 2515 McCabe Way Irvine
Thursday 8/2 9-11am	++Homeless Provider Forum	Steering Committee Meeting: Open to Collaborative Members	N/A	Covenant Presbyterian Church 1855 Orange Olive Rd. Orange
Friday, 8/3 10-11am	++Help Me Grow Advisory Meeting	Steering Committee Meeting: Open to Collaborative Members	N/A	Help Me Grow 2500 Redhill Ave. Santa Ana
Saturday, 8/4 10am-2pm	+Santa Ana Unified School District 130th Anniversary Back to School Celebration	Health/Resource Fair Open to the Public	Sponsorship \$1,000 2 Staff	Santa Ana Public Schools Sports Complex- 1801 S. Greenville St. Santa Ana

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+ Exhibitor/Attendee
++ Meeting Attendee

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Monday, 8/6 1-4pm	++OCHCA Mental Health Services Act Steering Committee	Steering Committee Meeting: Open to Collaborative Members	N/A	Delhi Center 505 E. Central Ave. Santa Ana
Wednesday, 8/8 10-11:30am	++Buena Park Collaborative	Steering Committee Meeting: Open to Collaborative Members	N/A	Buena Park Library 7150 La Palma Ave. Buena Park
Wednesday, 8/8 12-1:30pm	++Anaheim Homeless Collaborative	Steering Committee Meeting: Open to Collaborative Members	N/A	Anaheim Central Library 500 W. Broadway Anaheim
Thursday, 8/9 11:30am-12:30pm	++FOCUS Collaborative Meeting	Steering Committee Meeting: Open to Collaborative Members	N/A	Magnolia Park Family Resource Center 11402 Magnolia St. Garden Grove
Friday, 8/10 9am-12pm	+Office of Congresswoman Linda Sanchez Annual Senior Fair	Health/Resource Fair Open to the Public	2 Staff	Cerritos College 11110 Alondra Blvd. Norwalk
Saturday, 8/11 9am-12pm	+Institute for Healthcare Advancement Back to School Health Fair	Health/Resource Fair Open to the Public	2 Staff	Portola Park 301 S. Euclid St. La Habra
Saturday, 8/11 8:30am-3:30pm	+St. Joseph's Heath OC Asian and Pacific Islander Mental Health Summit	Conference Health/Resource Fair Open to the Public	2 Staff	Mile Square Park Freedom Hall 10500 Edinger Ave. Fountain Valley
Monday, 8/13 1-2:30pm	+OC Veterans and Military Families Collaborative	Steering Committee Meeting: Open to Collaborative Members	N/A	Child Guidance Center 525 N. Cabrillo Park Dr. Santa Ana
Monday, 8/13 2:30-3:30pm	++Fullerton Collaborative	Steering Committee Meeting: Open to Collaborative Members	N/A	Fullerton Library 353 W. Commonwealth Ave. Fullerton
Tuesday, 8/14 9-10:30am	++Orange County Strategic Plan for Aging-Social Engagement Committee	Steering Committee Meeting: Open to Collaborative Members	N/A	Alzheimer's OC 2515 McCabe Way Irvine

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++ Meeting Attendee

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Wednesday, 8/15 11am-1pm	++Minnie Street Family Resource Center Professional Roundtable	Steering Committee Meeting: Open to Collaborative Members	N/A	Minnie Street Family Resource Center 1300 McFadden Ave. Santa Ana
Wednesday, 8/15 1-4pm	++Orange County Promotoras	Steering Committee Meeting: Open to Collaborative Members	N/A	Location Varies
Wednesday, 8/15 1:30-3pm	++La Habra Move More, Eat Health Campaign	Steering Committee Meeting: Open to Collaborative Members	N/A	Friends of Family Community Clinic 501 S. Idaho St. La Habra
Thursday, 8/16 8:30-10am	++OC Children's Partnership Committee	Steering Committee Meeting: Open to Collaborative Members	N/A	Orange County Hall of Administration 10 Civic Center Plaza Santa Ana
Thursday, 8/16 2:30-4:30pm	++Surf City Senior Providers Network and Lunch	Steering Committee Meeting: Open to Collaborative Members	N/A	Senior Center Central Park 18041 Goldenwest St. Huntington Beach
Thursday, 8/16 2:30-4:30pm	++OC Women's Health Project Advisory Board Meeting	Steering Committee Meeting: Open to Collaborative Members	N/A	The Village 1505 E. 17 th St. Santa Ana
Saturday, 8/18 9am-1pm	+City of Buena Park Senior Center Super Senior Saturday	Health/Resource Fair Open to the Public	Registration Fee \$150 2 Staff	Buena Park Senior Activity Center 8150 Knott Ave. Buena Park
Tuesday, 8/21 10-11:30am	++Placentia Community Collaborative	Steering Committee Meeting: Open to Collaborative Members	N/A	Trinity Center Placentia Presbyterian Church 849 Bradford Ave. Placentia
Tuesday, 8/21 10-11:30am	++OC Cancer Coalition	Steering Committee Meeting: Open to Collaborative Members	N/A	American Cancer Society 1940 E. Deere Ave. Santa Ana
Thursday, 8/23 8:30-10am	++Disability Coalition of Orange County	Steering Committee Meeting: Open to Collaborative Members	N/A	Dayle McIntosh Center 501 N. Brookhurst St.

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				Anaheim
Tuesday, 8/23 10-11:30am	*CalOptima Health Education Event AES Workshop	Steering Committee Meeting: Open to Collaborative Members	N/A	CalOptima Conference Rm 109
Thursday, 8/23 1-3pm	++Orange County Care Coordination for Kids	Steering Committee Meeting: Open to Collaborative Members	N/A	Help Me Grow 2500 Red Hill Ave. Santa Ana
Saturday, 8/25 11am-4pm	+Depression and Bipolar Support Alliance Ridiculous Goodness Event	Health/Resource Fair Open to the Public	2 Staff	Tri-City Park - 2301 Kraemer Blvd. Placentia
Monday, 8/27 9-11am	++Community Health Research and Exchange	Steering Committee Meeting: Open to Collaborative Members	N/A	Healthy Smiles for Kids 2101 E. Fourth St. Santa Ana
Tuesday, 8/28 7:30-9am	++OC Senior Roundtable	Steering Committee Meeting: Open to Collaborative Members	N/A	Orange Senior Center 170 S. Olive Orange
Tuesday, 8/28 7:30-9am	++Santa Ana Building Healthy Communities	Steering Committee Meeting: Open to Collaborative Members	N/A	KidWorks 1902 W. Chestnut Ave. Santa Ana

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+ Exhibitor/Attendee

++ Meeting Attendee

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