



**NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS'
PROVIDER ADVISORY COMMITTEE**

**THURSDAY, NOVEMBER 14, 2019
8:00 A.M.**

**CALOPTIMA
505 CITY PARKWAY WEST, SUITE 109-N
ORANGE, CALIFORNIA 92868**

AGENDA

This agenda contains a brief, general description of each item to be considered. The Committee may take any action on all items listed. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda.

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

I. CALL TO ORDER

Pledge of Allegiance

II. ESTABLISH QUORUM

III. APPROVE MINUTES

A. [Approve Minutes of the September 12, 2019 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee.](#)

IV. PUBLIC COMMENT

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

V. CEO AND MANAGEMENT REPORTS

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

VI. INFORMATION ITEMS

- A. [CHOC Children's Autism Center](#)
- B. Proposition 56 Tobacco Tax Update
- C. [Health Network Quality Rating Methodology](#)
- D. [Federal and State Legislative Update](#)
- E. [Provider Advisory Committee Member Updates](#)

VII. COMMITTEE MEMBER COMMENTS

VIII. ADJOURNMENT

MINUTES

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

September 12, 2019

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, September 12, 2019, at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

John Nishimoto, O.D., PAC Chair, called the meeting to order at 8:05 a.m. Tina Bloomer led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: John Nishimoto, O.D., Chair; Teri Miranti, Vice Chair; Donald Bruhns; Tina Bloomer, MHNP; Junie Lazo-Pearson, Ph.D.; Craig Myers; Jacob Sweden, M.D.; Dr. Anja Batra, (8:14 A.M); Dr. John Kelly; Dr. Loc Tran; Jena Jensen.

Members Absent: Pat Patton, MSN

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; David Ramirez, M.D., Chief Medical Officer; Nancy Huang, Interim Chief Financial Officer; Gary Crockett, Chief Counsel; Michelle Laughlin, Executive Director, Network Operations; Betsy Ha, Executive Director, Quality and Population Health Management; Tracy Hitzeman, Executive Director, Clinical Operations; Shamiq Hussain, Sr. Policy Advisor, Government Affairs/Legislative Affairs; Samantha Fontenot, Program Assistant.

On behalf of the PAC, Chair Nishimoto recognized former PAC members Steve Flood, Long Term Services and Supports Representative, and Mary Pham, Pharm D., Pharmacy Representative for their six years of service on the PAC.

MINUTES

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

Action: On motion of Member Sweidan, seconded and carried, the Committee approved the minutes of the August 8, 2019 meeting. (Motion carried 11-0-0; Member Patton absent)

PUBLIC COMMENTS

1. Michael Weiss M.D., Children's Hospital of Orange County - Oral re: Agenda Item VI. A. Network Strategy Project
2. Sam Roth, Tenet Healthcare – Oral re: Agenda Item VI. A. Network Strategy Project

CEO and MANAGEMENT REPORTS

Chief Executive Officer Update

Michael Schrader, Chief Executive Officer, introduced Tim Reilly of Pacific Health Consulting Group (PHCG) who would be providing the Network Strategy Presentation.

INFORMATION ITEMS

Network Strategy Project Presentation

Tim Reilly, Founder and Partner of PHCG presented on CalOptima's Network Strategy Project. Mr. Reilly's presentation was similar to the one that was presented at the CalOptima Board meeting on September 5, 2019. After considerable discussion, the PAC asked that PHCG return to the November 14, 2019 PAC meeting with the recommendations in order for PAC members to have an opportunity to provide additional feedback prior to the Board taking action.

Federal and State Budget Update

Shamiq Hussain, Sr. Policy Advisor, Government and Legislative Affairs provided a verbal update on the Federal and State Budgets. He noted that the Department of Health Care Services (DHCS) was in the midst of implementing an expansion of full-scope Medi-Cal for the undocumented population for ages 19-25, which is the majority of the remaining uninsured in California. He also noted that the 2019-2020 budget continues current payments and funds new payments via Proposition 56 (Tobacco Tax) dollars. These new payments are designed to incentivize the delivery of specific services, such as well-child visits, tobacco-use screening, and behavioral health treatment. Mr. Hussain also noted that DHCS continues to work on the transition of the Medi-Cal pharmacy benefit from managed care to state-administered fee-for-service, including a request for proposal process to procure a statewide pharmacy services administration as well as a stakeholder feedback process.

PAC Member Updates

Chair Nishimoto reminded the PAC members of their upcoming annual compliance training, and also noted that the next meeting will be a joint meeting which will include members from the Member Advisory Committee, OneCare Connect Member Advisory Committee and the Whole Child Model Family Advisory Committee to hear information on CalOptima's proposed Strategic Plan. The joint meeting is scheduled for October 10, 2019 at 8:00 a.m.

ADJOURNMENT

There being no further business, Chair Nishimoto adjourned the meeting at 9:21 a.m.

/s/ Cheryl Simmons

Cheryl Simmons
Staff to the Advisory Committees

Approved: November 14, 2019

MEMORANDUM

DATE: October 30, 2019

TO: CalOptima Board of Directors

FROM: Michael Schrader, CEO

SUBJECT: CEO Report — November 7, 2019, Board of Directors Meeting

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

Executive Team Welcomes Chief Financial Officer, Deputy Chief Medical Officer

I am pleased to announce that the CalOptima executive team now includes Nancy Huang and Emily Fonda, M.D., two dedicated leaders who were promoted to higher roles this month. Following a comprehensive search and interviews with external candidates, Ms. Huang was named Chief Financial Officer. As Controller since April 2014, she twice successfully served as CalOptima's Interim Chief Financial Officer (January–October 2017 and February–October 2019). Ms. Huang has a bachelor's degree and MBA from California State University, Fullerton. Moving from Medical Director to Deputy Chief Medical Officer, Dr. Fonda has been a respected member of the Medical Affairs team for almost six years. During that time, she has contributed to many successful initiatives that have enabled CalOptima to maintain our leadership position in Medi-Cal quality. Previously, Dr. Fonda was in private practice for nearly 20 years and held leadership positions with multiple health care organizations, including Hoag Memorial Hospital Presbyterian. She received her medical degree from UC Irvine and earned a Master of Medical Management degree from University of Southern California.

Speakers Celebrate Be Well OC's Promise of Improved Mental Health Care at Groundbreaking Ceremony

On October 16, a large, distinguished group of state and local elected officials and health care leaders assembled for a groundbreaking event at the Be Well OC Regional Mental Health and Wellness Campus in Orange. Sacramento Mayor Darrell Steinberg, co-chair of California's Homeless and Supportive Housing Advisory Task Force and author of the landmark Mental Health Services Act of 2004, spoke, praising Orange County's effort to lead the way in improving mental health care. Tom Insel, M.D., Gov. Gavin Newsom's special advisor on mental health, also shared positive remarks. All five Orange County Supervisors spoke as well. Based on CalOptima's prepayment for services at the Be Well OC campus, I was included among the speakers. I emphasized the value of Be Well OC as an easier-to-access location where Medi-Cal members can receive care with fewer barriers. The 60,000-square-foot facility is scheduled to open in fall 2020.

California Advancing and Innovating Medi-Cal (CalAIM) Initiative Unveiled; Large-Scale Changes to Be Studied by Five Workgroups

On October 28, the Department of Health Care Services (DHCS) unveiled CalAIM. The multiyear initiative is designed to drive broad delivery system, program and payment reforms in Medi-Cal in light of the expiration of the Section 1115 and 1915(b) waivers in 2020. DHCS'

announcement said: “CalAIM recognizes the opportunity to provide non-clinical interventions focused on a population health, whole person care approach that targets the social determinants of health and reduces health disparities and inequities in order to improve health outcomes for all Californians.” A robust stakeholder engagement process is planned from now until February 2020, working through DHCS’ existing advisory committees as well as five new workgroups established for these key CalAIM areas:

CalAIM Area	Workgroup Focus
Population Health Management and Annual Health Plan Open Enrollment	Provide input on the proposal to require Medi-Cal managed care plans to develop and maintain population health management strategies and provide input on the proposal to implement annual Medi-Cal health plan open enrollment.
National Committee for Quality Assurance (NCQA) Accreditation	Provide input on the proposal to require Medi-Cal managed care plans to obtain NCQA accreditation, and offer feedback on the NCQA Medicaid module, the Long-Term Services and Supports Distinction survey, and accreditation deeming policies.
Enhanced Care Management	Provide input on the proposal to implement an enhanced care management benefit statewide and incorporate “in lieu of” services (ILOS) as part of Medi-Cal managed care plan population health management strategies. (ILOS may include recuperative and respite care; long-term assisted living; supplemental personal care services; medically tailored meals; tenancy support and stability services; and minor home repairs, modification and adaptive equipment.)
Behavioral Health	Provide input on the proposal to integrate county-level mental health and substance use disorder (SUD) programs under a single contract; proposed revisions to the medical necessity criteria for behavioral health services; and the possibility of pursuing the Institution for Mental Diseases waiver opportunity. A sub-workgroup will provide input on proposed changes to the reimbursement structure of county-level mental health and SUD services.
Full Integration Pilots	Discuss the full integration of physical health, behavioral health and oral health under one entity.

CalOptima’s associations, California Association of Health Plans (CAHP) and Local Health Plans of California (LHPC), will be participating in CalAIM activities through recent staff appointments to four of the five workgroups. I plan to leverage my leadership positions in both organizations to influence CalAIM on behalf of CalOptima.

Health Plans to Have Key Role in Upcoming Behavioral Health Integration (BHI) Projects
 Gov. Newsom’s FY 2020 budget includes \$140 million (\$70 million in Proposition 56 funds) for a value-based payment program for BHI. The three-year effort will be implemented through Medi-Cal managed care plans and offer incentive payments to BHI providers for improving care. The goal is to begin delivery system reform through provider-based BHI programs. DHCS is working with CAHP and LHPC on program design, and the intent is to give health plans significant authority. Plans will be responsible for reviewing applications, making award recommendations to DHCS, monitoring project implementation and making payments to providers. Regarding timing, provider applications will be due to health plans by January 21,

2020, and providers will implement their integration projects over two-and-a-half years, through 2022. Once more information is available, CalOptima will begin to develop an Orange County-specific response to this opportunity.

Executive Order on Pharmacy Carve-Out Moving Forward Despite Health Plan Concerns
California will take the next step in carving out pharmacy from Medi-Cal managed care plans by selecting a pharmacy benefit manager (PBM) soon. The state and PBM are expected to execute a contract in November, and the PBM is anticipated to assume some duties on January 1, 2020, in preparation for a January 1, 2021, launch. Stakeholders have requested a delay, given the abbreviated timeframes, but health plan associations warn that it does not seem likely. DHCS' workgroup is continuing to meet regularly to plan for implementation.

Healthy California for All Commission to Study Transition to Single Payer
Gov. Newsom's former Council on Health Care Delivery Systems was recently renamed the Healthy California for All Commission. The responsibilities of the commission have been refocused on exploring a transition to a single payer health care financing system in California. According to the California Health and Human Services Agency, the commission's first report, due July 2020, will analyze California's existing health care delivery system and offer options in preparation for a single-payer system. The second report, due February 2021, will detail key system design considerations, such as eligibility and enrollment, benefits, provider participation and payments, cost containment, governance and administration, information technology investments, and the integration of federal spending on health care in California.

Legislative Hearing to Focus on Medi-Cal Managed Care Quality
On November 4, the Senate and Assembly Health Committees will hold a Joint Informational Hearing regarding Medi-Cal quality. The hearing will address two State Auditor reports published earlier this year. One audit covered children's preventive services, finding that in general, children were not receiving all the Medi-Cal-covered preventive services to which they are entitled. The other audit covered Medi-Cal in regional model counties, which does not impact Orange County.

CalOptima Focuses on OneCare Connect (OCC) During Medicare Enrollment Season
To build awareness of and enrollment in OCC, CalOptima held a member retention/outreach event on October 11 and has two appearances on Vietnamese cable television planned for October 30 and November 13. For the event at the Downtown Anaheim Community Center, CalOptima invited OCC members as well as dual-eligible individuals living within a 6-mile radius. Sixty-six current and prospective members attended. The program consisted of an overview of OCC and 2020 benefits as well as a Q&A session with subject matter experts in customer service, pharmacy, Denti-Cal and other areas. Participants had an opportunity to visit resource tables that featured nearly 20 health networks, vendors, CalOptima departments and community-based organizations. For the October 30 television appearance, I will provide an overview of CalOptima and OCC. On November 13, OneCare Customer Service Supervisor Tammy Nguyen will cover the details of OCC and the 2020 benefits.

Draft of CalOptima's Three-Year Strategic Plan to Come Before the Board in November
CalOptima's draft 2020–2022 Strategic Plan was vetted broadly by numerous stakeholders in October. Chapman Consulting, our Strategic Plan consultant, presented the draft document

during a special joint meeting that combined the four Board advisory committees and during a separate session for contracted health networks. On November 7, Chapman Consulting will share the draft plan with the Board for review and feedback. Our intention is to bring a final version to the Board for approval in December, which would be on time for implementation starting January 2020.

CalOptima Adjusts Timing of Delivery System Study to Obtain More Provider Feedback

Work continues on the comprehensive study of CalOptima's health care delivery system, which is being conducted by Pacific Health Consulting Group (PHCG). To date, PHCG has made five public presentations about the study's background and methodology but has not yet shared the analysis or recommendations. Since the study has the potential to affect their organizations, some health networks requested the opportunity to meet individually with PHCG to provide input on the recommendations in advance. Given the importance of our provider partnerships, CalOptima supports this further stakeholder engagement. Therefore, staff is presenting an action item at the November 7 Board meeting to seek authorization and funding for PHCG's additional work. If approved, individual health network meetings will occur in November, and draft study results will be shared with the Board and Provider Advisory Committee in December. PHCG will present the final study in February 2020. While these actions extend the project, ensuring provider involvement now will mean better results and greater acceptance of potential delivery system changes your Board may adopt in the future.





**Thompson Autism Center at CHOC
Children's:
Caring for Children with ASD and Their
Families**

November 14, 2019

Overview

- ASD Defined
- Prevalence and need for services
- Filling the service gap through the Thompson Autism Center

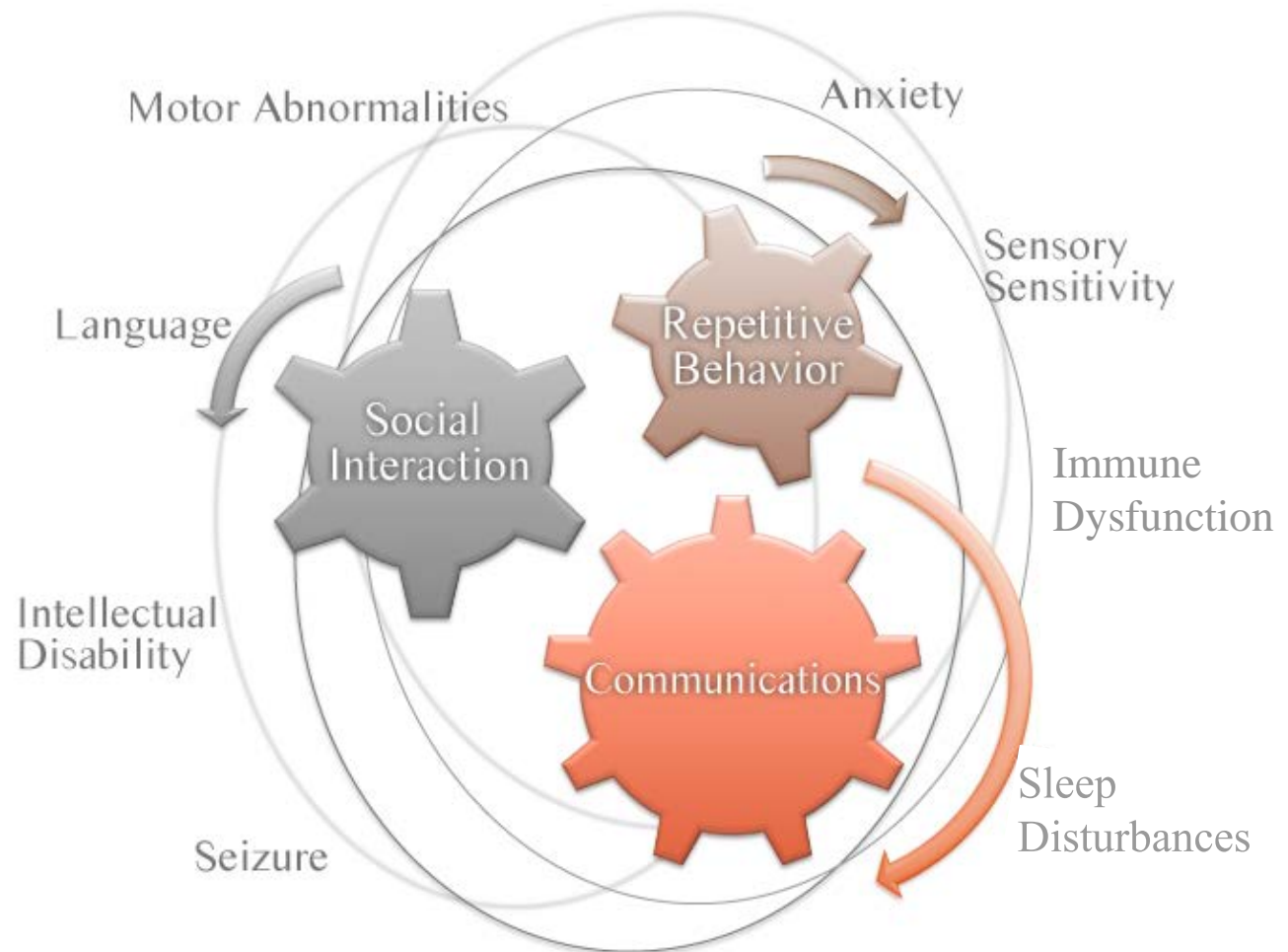


Autism Defined: Core Symptoms

- Deficits in social communication and social interaction
 - Restrictive or repetitive patterns of behavior, interests, or activities
-
- Symptoms must be present during the developmental period
 - Symptoms cause clinically significant impairment
 - Symptoms not better explained by intellectual disability or global developmental delay



ASD: Core Symptoms and Associated Challenges



Nationwide Prevalence

- ASD prevalence rate: 1 in 59 children
- ASD occurs in all racial, ethnic, and socioeconomic groups.
- ASD is about 4 times more common among boys than among girls.
- About 1 in 6 children in the United States had a developmental disability in 2006-2008.

• From: <https://www.cdc.gov/ncbddd/autism/data.html>; KidsData.org and the California Department of Education, 2018

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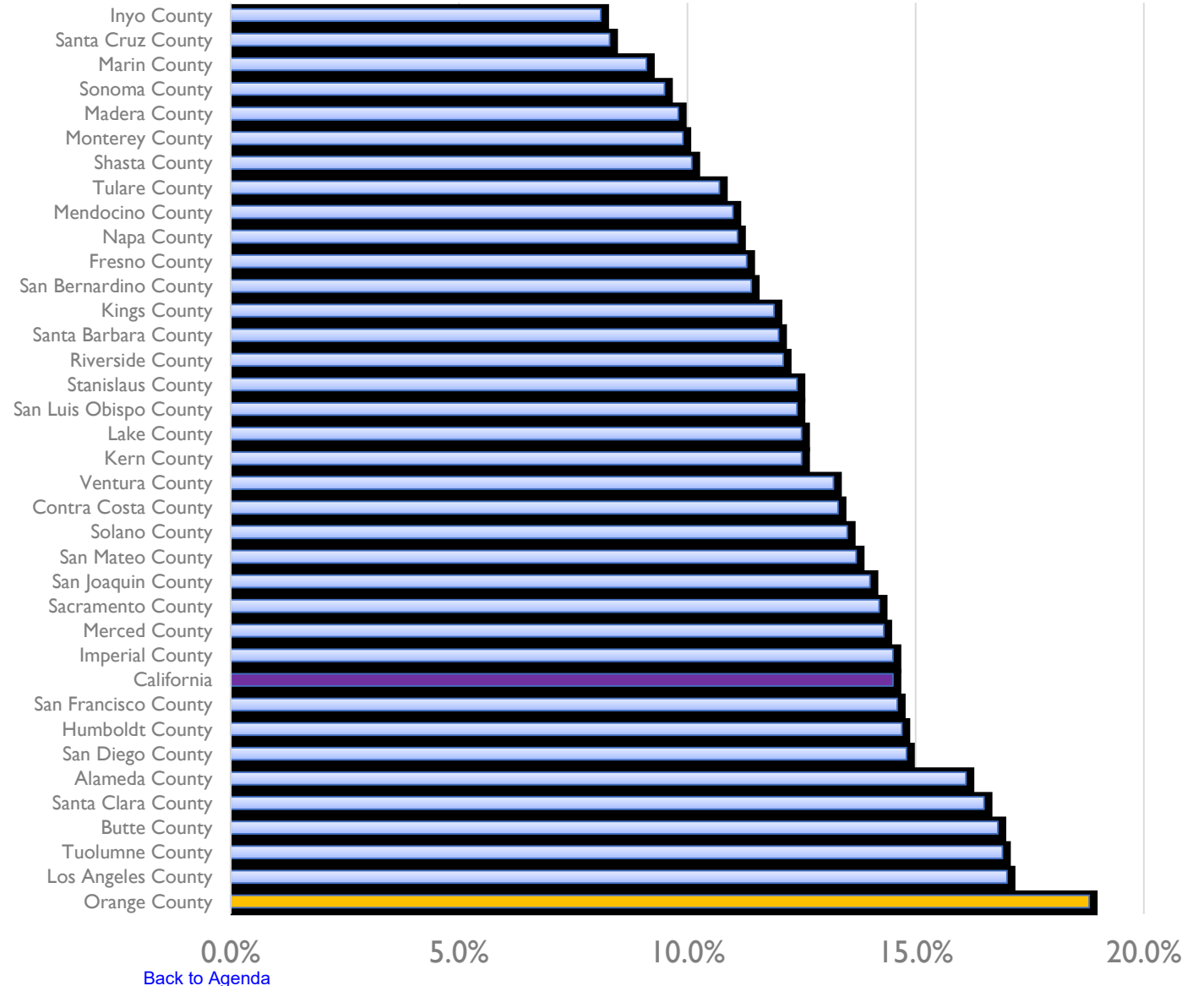
Orange County Prevalence

Highest rate in the state

1.5% of children enrolled in public schools.

1 in 5 children in Special Education

Percentage of Special Education Students Diagnosed with Autism by County, 2018



The Service Gap

Time to diagnosis

- Reliable diagnosis possible by age 2
- Average age of diagnosis is 4 years

Managing challenging behavior

- High rates of emergency department referrals

Co-Morbid Conditions

- Lack of specialists that specialize in autism
- Need for interdisciplinary care

Thompson Autism Center

Aiming to fill service gaps for children with ASD and their families in 3 key areas

- Access to diagnostic evaluations
 - *Assessment Clinic*
- Managing difficult behaviors
 - *Challenging Behavior Unit*
- Comprehensive care for comorbid conditions
 - *Co-Occurring Clinic*



Assessment Clinic

Using multi-disciplinary teams to conduct best-practice assessment and expedite access to early intervention

- Serving children 6 and younger
 - Family receives diagnostic impressions and recommendations same day
- Comprehensive Assessment
 - Psychologist-led
 - Full day evaluation
 - Team includes psychologist, psychological assistant, specialized physician, speech-language pathologists, occupational therapists, and BCBA (as appropriate)
- Confirmatory Assessment
 - Physician-led
 - Brief evaluation to reduce wait time for assessment when diagnosis is clear
 - Team includes specialized physician, psychologist, and other members as appropriate





Challenging Behavior Unit

Addressing the needs of children and families with refractory disabilities or challenging behaviors

- Treatment of challenging behaviors that cannot be safely managed in other settings
 - Property destruction, self-injury, aggression
- Toilet training
 - Promote the acquisition of this crucial adaptive skill by supporting families in implementing evidence-based toilet training interventions
- Consultation services for community-based ABA providers
 - Ensure children have access to effective ABA-services by partnering with current providers and developing effective programming for children who aren't progressing

Co-Occurring Clinic

Become a medical home for children with ASD by meeting their medical, emotional, and behavioral needs

- Consultation and treatment with specialized physicians with expertise in ASD
 - GI, neurology, psychiatry, sleep
- Evidence-based psychological services for children in need of individual or group therapy
 - Treating common mental health concerns including ADHD, depression, anxiety, and OCD
- Providing targeted social skills groups to promote the development of healthy social relationships in children and teens with ASD





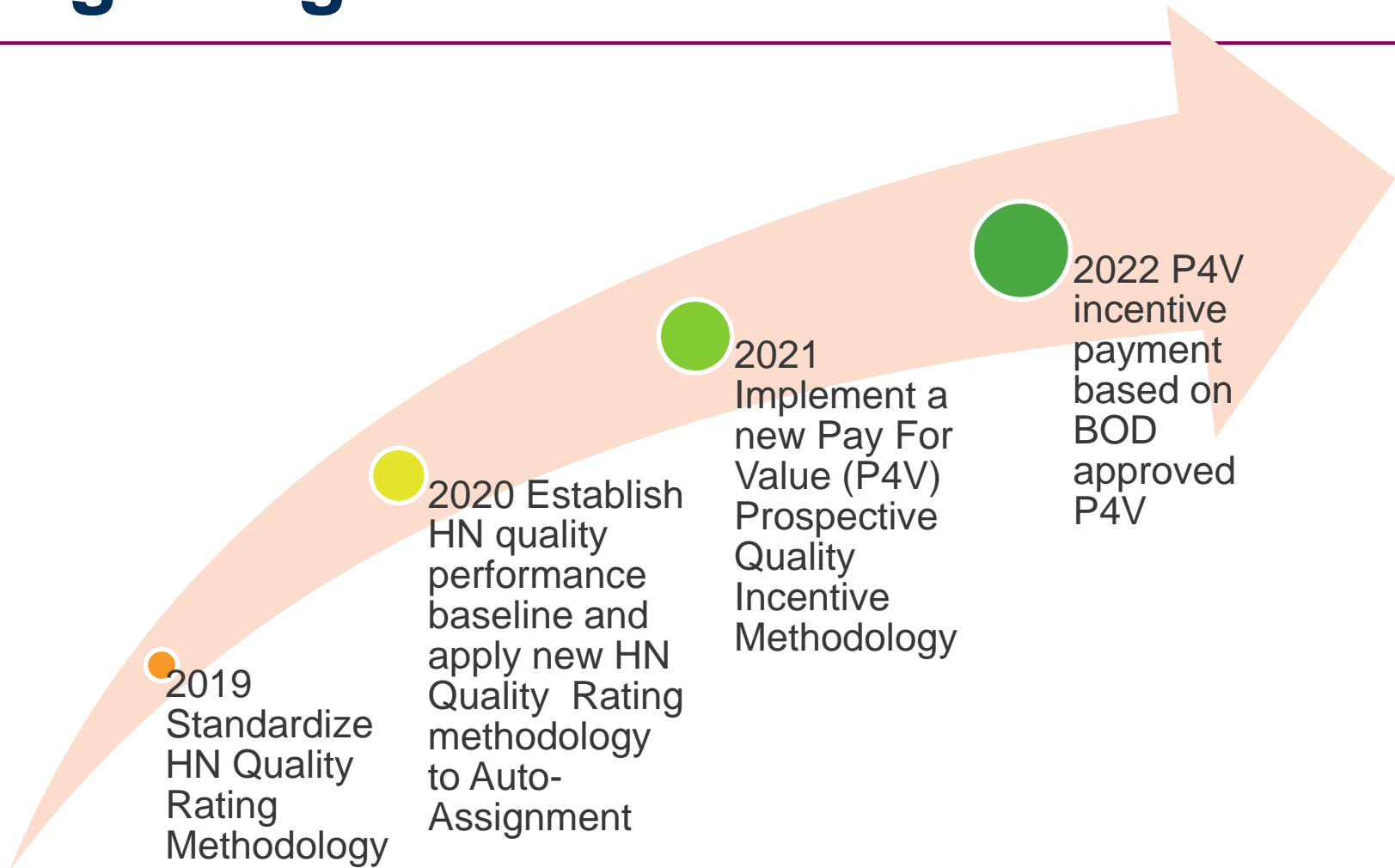
CalOptima
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Health Network Quality Rating Methodology

**Provider Advisory Committee
November 14, 2019**

**Betsy Chang Ha, RN, MS, LSSMBB
Executive Director of Quality & Population Health Management**

Migrating to Value Based Care



Guiding Principles for Proposed Changes

- Align with Department of Health Care Services (DHCS) changes in Managed Care Accountability Sets (MCAS).
- Shift from “ranking” winner and loser thinking to a tiered rating system.
- Raise the tide of quality performance across all health networks (HN) to promote win-win thinking.
- Align with industry National Committee for Quality Assurance (NCQA) methodology.
- Promote administrative simplification and transparency by using a consistent measurement system across programs

MCAS

- Due to the governor's recent focus on increased accountability for managed care plan performance on select measures, CalOptima is proposing a health network rating methodology and measurement set for measurement year (MY) 2020.
- Effective immediately, DHCS will require Managed Care Plans to perform at least as well as 50 percent of Medicaid plans in the US.
 - We must achieve the 50th National Medicaid Benchmark for each measure to avoid sanctions.
 - To achieve the new minimum performance levels, we propose adopting new health network rating methodology and MCAS measures to the Pay for Value (P4V) program to incentivize health networks for the additional quality metrics required by DHCS.

Health Network (HN) Rating Methodology

- NCQA Health Plan Rating method adopted for HN rating:
 - Each HN is assessed a quality score between 1 and 5.
 - Score is based on HN performance on the list of DHCS Minimum Performance Level (MPL) Medicaid measures on 1–5 (5 is highest) scale.
 - Healthcare Effectiveness Data and Information Set (HEDIS) measures will be weighted 1.0.
 - Member Experience measures: Consumer Assessment of Healthcare Providers and Systems (CAHPS) will be weighted 1.5.
 - Hybrid measures: the additional percentage from medical records collection (difference of CalOptima’s hybrid and admin result) will be added to each HN result.
 - Measures having small denominator (HEDIS < 30; CAHPS <100) will be assigned “NA,” and the measure will not be used in the calculation.

Proposed New Scoring

- Score calculation is based on HN Medicaid HEDIS/Member Experience results.
- NCQA Quality Compass Medicaid national percentiles are used as benchmarks.
- Score points
 - 5 > = 90th percentile
 - 4 > = 66th but <90th percentile
 - 3 > = 33rd but <66th percentile
 - 2 > = 10th but <33rd percentile
 - 1 < 10th percentile

Proposed Measures for MY 2020

- Children's Health

- * **Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents — Body Mass Index (WCC BMI)**
- * Childhood Immunization Status — Combo 10 (CIS 10)
- * Well Child Visits in the first 15 months of life (W15)
- * Well Child Visits in the Third, Fourth, Fifth and Sixth years of life (W34)
- * **Immunizations for Adolescents (IMA 2)**
- * Adolescents Well-Care Visits (AWC)

- Behavioral Health

- **Antidepressant Medication Management (AMM Acute phase)**
- **Antidepressant Medication Management (AMM Continuation phase)**

* Measure rate may include findings from medical record review.

Measures highlighted in bold are proposed new measures for P4V MY2020.

Proposed Measures for MY 2020 (cont.)

- Women's Health
 - *Cervical Cancer Screening (CCS)
 - **Chlamydia Screening in Women Ages 21–24 (CHL)**
 - Breast Cancer Screening (BCS)
 - *Prenatal and Postpartum Care (PPC-Pre)
 - *Prenatal and Postpartum Care (PPC-Post)
- Acute and Chronic Disease Management
 - *Adult Body Mass Index Assessment (Adult BMI)
 - *Comprehensive Diabetes Care HbA1c Testing (CDC HT)
 - *Comprehensive Diabetes Care HbA1c Poor Control (CDC H9)
 - Asthma Medication Ratio Ages 19–64 (AMR)
- Readmissions
 - **Plan All-Cause Readmissions (PCR)**

* Measure rate may include findings from medical record review.

Measures highlighted in bold are proposed new measures for P4V MY2020.

Member Satisfaction Measures

- Member Experience Performance remains an important metric (and required by DHCS)
- CAHPS measures
 - Rating of Health Care
 - Rating of Health Network
 - Rating of PCP
 - Rating of Specialist
 - Getting Needed Care
 - Getting Care Quickly
 - Care Coordination
 - Customer Service

Health Network Quality Rating Tiers

Overall Rating

Based on 2018 Performance and Proposed Measures

HEDIS + CAHPS + Accreditation Bonus Rating

Health Network Name (alphabetical order for tied tiers)

Stars

Kaiser Permanente

★ ★ ★ ★ ½

AltaMed Health Services

★ ★ ★ ★

AMVI Care Health Network
 Arta Western Health Network
 CalOptima Overall
 CHOC Health Alliance
 Monarch Family HealthCare
 Talbert Medical Group
 United Care Medical Group

★ ★ ★ ½

CCN
 Family Choice Health Network
 Noble Mid-Orange County
 Prospect Medical Group

★ ★ ★

Heritage – Regal Medical Group

★ ★ ½

Health Network Quality Rating

Based on 2018 Performance and Proposed Measures

Health Network Name	HEDIS	Member Experience	Overall Rating
AltaMed Health Services	★★★★	★★½	★★★★
AMVI Care Health Network	★★★★	★	★★★½
Arta Western Health Network	★★★½	★½	★★★½
CalOptima Overall	★★★★	★½	★★★½
CCN	★★★	★★	★★★
CHOC Health Alliance	★★★	★★	★★★½
Family Choice Health Network	★★★½	★	★★★
Heritage – Regal Medical Group	★★★	★½	★★½
Kaiser Permanente	★★★★½	★★★★	★★★★½
Monarch Family HealthCare	★★★½	★½	★★★½
Noble Mid-Orange County	★★½	★½	★★★
Prospect Medical Group	★★★½	★	★★★
Talbert Medical Group	★★★½	★★½	★★★½
United Care Medical Group	★★★½	★½	★★★½

Next Steps

- Propose HN Quality Rating Methodology for Board approval in December 2019.
- Maintain existing P4V Program and 2020 HN incentive payment schedule.
- Update Auto-assignment policy and algorithm based on the Board-approved HN Quality Rating Methodology.
- Establish HN quality performance baseline in 2020
- Proposed a new P4V Prospective Incentive Methodology leverage evidence-based behavior economics for next fiscal year
- Strive for NCQA 4.5 Health Plan Rating in 2020

CalOptima's Mission

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



A Public Agency

CalOptima

Better. Together.



A Public Agency

Medi-Cal

CalOptima

Better. Together.



A Public Agency

OneCare (HMO SNP)

CalOptima

Better. Together.



A Public Agency

OneCare Connect

CalOptima

Better. Together.



A Public Agency

PACE

CalOptima

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2019–20 Legislative Tracking Matrix

BUDGET BILLS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
H.R. 3877	Bipartisan Budget Act of 2019: Will enact a two-year framework for the federal budget (through fiscal year 2021). This bill gives a broad blueprint for federal spending and prevents the implementation of automatic spending cuts – also known as sequestration – that are triggered, generally, when Congress misses budget deadlines. Of note, the passing of the Bipartisan Budget Act of 2019 removed proposed spending cuts to Medicaid.	08/02/2019 Signed into law	CalOptima: Watch
AB 74	FY 2019-20 California State Budget: Will enact a \$214.8 billion spending plan for FY 2019-20, with General Fund (GF) spending at \$147.8 billion. The following included within the state budget will have a direct impact to Medi-Cal: <ul style="list-style-type: none"> ■ Updates on the Pharmacy Services carve-out ■ Revisions to the expansion of Medi-Cal ■ Proposition 56 supplemental payment funding ■ Funding to respond to the homelessness crisis 	06/30/2019 Signed into law	CalOptima: Watch
AB 101	Housing Development and Financing Budget: Will enact housing trailer bills in the California 2019-2020 budget. Housing Development and Financing budget trailer bills include policy changes related to the housing and homeless services budget, including: <ul style="list-style-type: none"> ■ \$650 million in grant funding for homeless services ■ Bypassing certain California Environmental Quality Act (CEQA) regulations to expedite the establishment of homeless shelters 	07/31/2019 Signed into law	CalOptima: Watch
AB 115	Managed Care Organization (MCO) Tax Renewal: Proposes a renewal of, until 12/31/2022, and new structure for the MCO tax, which would be effective retroactive to 7/1/2019.	09/26/2019 Signed into law 09/12/2019 Passed Senate floor 09/12/2019 Passed Assembly floor 12/03/2018 Introduced	CalOptima: Watch CAHP: Support LHPC: Support
SB 78	Health Budget: Will enact health care trailer bills in the California 2019-2020 budget. <ul style="list-style-type: none"> ■ Prop 56 Value Based Payment (VBP) Behavioral Health integration program ■ Optional benefit restoration (optician and optical services, audiology, speech therapy, podiatry, and incontinence creams) ■ Health Homes Program (HHP) funding extension until 7/1/2024 ■ State-based Individual Mandate ■ Managed Care Organization (MCO) Tax renewal intent language 	06/27/2019 Signed into law	CalOptima: Watch

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
SB 104	<p>Health Budget: Will enact health care trailer bills in the California 2019-2020 budget.</p> <ul style="list-style-type: none"> ■ Expansion of full-scope Medi-Cal ages 19-25 regardless of immigration status ■ Eligibility expansion for low-income seniors (122% FPL to 138% FPL) ■ Extension of maternal-mental health Medi-Cal coverage ■ Implementation of a PACE rate adjustment 	<p>07/09/2019 Signed into law</p>	CalOptima: Watch

BEHAVIORAL HEALTH

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 577 Eggman	<p>Maternal Mental Health Care Services: Extends eligibility for an individual to receive maternal mental health care services through the Medi-Cal Access Program for women below 213% federal poverty level from 60 days post-pregnancy to 12 months post-pregnancy or the diagnosis of a maternal mental health condition. Medi-Cal postpartum care services are covered for any individual who was pregnant and experienced child birth, delivery or miscarriage. Of note, the extension of maternal mental health services was included in the Governor's May Revision budget and signed into law with the passing of SB 104.</p>	<p>10/12/2019 Signed into law</p> <p>09/03/2019 Passed Senate floor</p> <p>05/24/2019 Passed Assembly floor</p> <p>02/14/2019 Introduced</p>	CalOptima: Watch
AB 1175 Wood	<p>Medi-Cal Mental Health Services Data Sharing: Would have required the monthly exchange of member data between a County Specialty Mental Health Plan (MHP) and a Medi-Cal Managed Care Plan (MCP) for any member that has received or is receiving specialty mental health services. The use of a data exchange system was to be mutually agreed upon between the MHP and MCP. Data collected was to be used to improve care coordination for those with mild, moderate or severe mental health needs. Any disputes regarding covered mental health services between the MHP and MCP would have been required to be resolved by the Department of Health Care Services within 30 calendar days.</p>	<p>10/13/2019 Vetoed</p> <p>09/04/2019 Passed Senate floor</p> <p>05/28/2019 Passed Assembly floor</p> <p>02/21/2019 Introduced</p>	CalOptima: Watch
SB 10 Beall	<p>Mental Health Support Services Certificate: Would have created the Certified Support Specialist (CSS) certificate program, which would have allowed parents, peers, and family to become a CSS. A CSS would have been able to provide non-medical mental health and substance abuse support services. Additionally, SB 10 would have required the Department of Health Care Services (DHCS) to include CSS as a provider type, covered by Medi-Cal. The certificate program would have been funded through Mental Health Services Act funds and, if federally approved, the peer-support program would have been funded through Medi-Cal reimbursement.</p>	<p>10/13/2019 Vetoed</p> <p>09/05/2019 Passed Assembly floor</p> <p>05/21/2019 Passed Senate floor</p> <p>12/03/2018 Introduced</p>	CalOptima: Watch LHPC: Support

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
SB 163 Portantino	Autism Spectrum Disorder (ASD) Treatment: Would have revised and expanded the definitions of those providing care and support to individuals with Autism Spectrum Disorder (ASD) and redefined the minimum qualifications of autism service professionals. Additionally, ASD treatment such as the Developmental Individual-differences, and Relationship-based model (DIR), or “DIRFloortime,” not currently covered by Medi-Cal, would have been authorized to be provided at any time or location, in an unscheduled and unstructured setting, by a qualified autism provider. The authorization of ASD treatment services would not have been denied or limited if a parent or caregiver is unable to participate.	10/12/2019 Vetoed 09/09/2019 Passed Assembly floor 05/22/2019 Passed Senate floor 01/24/2019 Introduced	CalOptima: Watch CAHP: Oppose AHIP: Oppose

COVERED BENEFITS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 678 Flora	Podiatric Services as a Medi-Cal Covered Benefit: Modifies authorizations of services so that a podiatrist would no longer be required to submit prior authorization for services during the patient’s visit if a physician and surgeon providing the same services would not be required to submit prior authorization. Additionally, removes the limit on how many visits the patient can make to a podiatrist. Permits a podiatrist to bill Medi-Cal the same rate that a physician or surgeon would bill for the same services.	10/02/2019 Signed into law 08/15/2019 Passed Senate floor 05/23/2019 Passed Assembly floor 02/15/2019 Introduced	CalOptima: Watch
AB 781 Maienschein	Pediatric Day Health Care (PDHC) Services: Expands PDHC service hours to any day of the week and at any time of the day, so long the number of respite hours allocated are available. Would allow no more than 23 hours per calendar day of covered services. Currently, a parent or guardian may seek PDHC services up to 30 calendar days each year and for no more than 24 hours at a time. PDHC services are required to be provided by a facility licensed through the Department of Public Health and include both physical and social services. The PDHC benefit is not included in the scope of covered services provided by Medi-Cal managed care plans and is a benefit provided through fee-for-service Medi-Cal.	07/09/2019 Signed into law 06/27/2019 Passed Senate floor 06/17/2019 Passed Assembly floor 02/19/2019 Introduced	CalOptima: Watch
AB 848 Gray	Continuous Medi-Cal Coverage for Glucose Monitors: Would have included glucose monitors as a Medi-Cal covered benefit, to be funded through state reimbursement rates. Cost of the glucose monitoring devices is unknown at this time. The Department of Health Care Services estimated this benefit would have cost \$100.8 million total funds (\$31.9 million General Fund (GF), \$68.9 million Federal Fund (FF)) the first year and \$92.7 million total funds (\$29.4 million GF, \$63.3 million FF) the second year.	10/13/2019 Vetoed 09/04/2019 Passed Senate floor 05/22/2019 Passed Assembly floor 02/20/2019 Introduced	CalOptima: Watch

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

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 1004 McCarty	Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program Developmental Screening Services: Requires developmental screenings services as part of the EPSDT program for children 0-3 years of age. Recommends developmental screenings take place for children at the age of 9 months, 18 months, and 30 months. All screenings are to be in compliance with developmental screening guidelines set in place by the American Academy of Pediatrics. AB 1004 allows DHCS to adjust capitation rates for providers, with the use of value-based purchasing, as an incentive to improve EPSDT outcomes.	09/30/2019 Signed into law 09/05/2019 Passed Senate floor 05/23/2019 Passed Assembly floor 02/21/2019 Introduced	CalOptima: Watch

ELIGIBILITY

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
H.R. 1839 Ruiz	Medicaid Services Investment and Accountability Act of 2019: Extends spousal impoverishment protections when a spouse is receiving skilled nursing care, provides states the ability to provide coordinated care for children with special needs through the use of health home services, and would require drug manufacturers to disclose drug product information and pay a fine for the misclassification of prescribed medications.	04/18/2019 Signed into law 04/02/2019 Passed the Senate 03/25/2019 Passed the House 03/21/2019 Introduced	CalOptima: Watch
AB 1088 Wood	Medi-Cal Eligibility without a Share-of-Cost: Effective July 1, 2021 through the use of a State Plan Amendment or Waiver, eliminates the "Share of Cost (SOC)" and maintains eligibility for Medi-Cal, for individuals who are aged, blind, or disabled, once the Department of Health Care Services (DHCS) begins to pay for the individual's Medicare Part B premium. Currently, individuals in this eligibility category with income levels above 100 percent FPL are only eligible for Medi-Cal if they pay an added out of pocket expense known as SOC. Under SOC, beneficiaries must take full responsibility for health care expenses up to a predetermined amount for the month in which they receive services or risk losing Medi-Cal eligibility. This bill ensures that individuals have access to Medi-Cal without incurring extra financial burdens.	10/02/2019 Signed into law 09/05/2019 Passed Senate floor 05/29/2019 Passed Assembly floor 02/21/2019 Introduced	CalOptima: Watch CAHP: Support LHPC: Support

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
SB 29 Durazo	Medi-Cal Eligibility Expansion: Would extend eligibility for full-scope Medi-Cal to eligible individuals ages 65 years or older, regardless of their immigration status. The Assembly Appropriations Committee projects this expansion would cost approximately \$134 million each year (\$100 million General Fund, \$21 federal funds) by expanding full-scope Medi-Cal to approximately 25,000 adults who are undocumented and 65 years of age and older.	<p>09/13/2019 Held in Assembly</p> <p>08/30/2019 Passed Assembly Committee on Appropriations</p> <p>05/29/2019 Passed Senate floor</p> <p>12/03/2018 Introduced</p>	CalOptima: Watch

HOMELESSNESS

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

2019–20 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
S. 923 Feinstein	<p>Fighting Homelessness Through Services and Housing Act: Similar to H.R. 1978, would establish a federal grant program within the Health Resources and Services Administration to fund comprehensive homeless support services through the appropriation of \$750 million each year for five years, beginning in FY 2020. Included would be a one-time grant of \$100,000 to support program planning for existing programs serving those who are homeless or at risk of being homeless. Each eligible entity would be able to receive up to \$25 million each year for up to five years.</p> <p>Government entities eligible to apply for grant funding would include counties, cities, regional or local agencies, Indian tribes or tribal organizations. Each agency would be able to enter partnerships to meet eligibility status. Additionally, comprehensive homeless support services, such as mental health services, supportive housing, transitional support, and case management must be provided by the agency to be considered to receive grant funding. Individuals eligible to receive comprehensive homeless support services through this program include persons who are homeless or are at risk of becoming homeless, including families, individuals, children and youths.</p>	<p>03/28/2019 Introduced; Referred to Committee on Health, Education, Labor, and Pensions</p>	<p>CalOptima: Watch</p>
AB 143 Quirk-Silva	<p>Homeless Shelter Crisis: Extends existing law, AB 932 (2017), until January 1, 2023, allowing designated cities or counties to establish a shelter crisis that exempts the construction of a homeless shelter from the California Environmental Quality Act (CEQA). Adds to the list of designated municipalities the County of Alameda, the County of Orange, and the City of San Jose. Requires transition plans for permanent housing for participants within the operational plans of each shelter. Additionally, this exemption only applies to the construction of a homeless shelter owned by either a state agency, city, county, or government-owned land.</p>	<p>09/26/2019 Signed into law</p> <p>09/05/2019 Passed Senate floor</p> <p>05/09/2019 Passed Assembly floor</p> <p>12/13/2018 Introduced</p>	<p>CalOptima: Watch County of Orange: Support</p>
AB 1199 Petrie-Norris	<p>Use of Fairview Developmental Center: Requires a public hearing and public comments regarding the use of the Fairview Developmental Center in Costa Mesa, CA.</p>	<p>10/12/2019 Signed into law</p> <p>09/05/2019 Passed Senate floor</p> <p>05/16/2019 Passed Assembly floor</p> <p>02/21/2019 Introduced</p>	<p>CalOptima: Watch</p>
SB 450 Umberg	<p>Motel Conversion for Supportive and Transitional Housing: Exempts developers from following California Environmental Quality Act (CEQA) steps in order to expedite the development of motel rooms into supportive and transitional housing units.</p>	<p>09/26/2019 Signed into law</p> <p>09/09/2019 Passed Assembly floor</p> <p>05/06/2019 Passed the Senate</p> <p>02/21/2019 Introduced</p>	<p>CalOptima: Watch County of Orange: Support</p>

MEDI-CAL MANAGED CARE PLAN OVERSIGHT

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 1642 Wood	Medi-Cal Managed Care Plans: Requires Medi-Cal managed care plans (MCPs) to provide assistance with transportation services for long-distance medical appointments and scheduling for out-of-network providers that may be necessary due to network adequacy deficiencies. Broadens and clarifies the authority of the Department of Health Care Services (DHCS) to levy sanctions on both MCPs and Mental Health Plans.	10/02/2019 Signed into law 09/04/2019 Passed Senate floor 05/29/2019 Passed Assembly floor 02/22/2019 Introduced	CalOptima: Watch
SB 503 Pan	Subcontracts: Would have required Medi-Cal managed care plans (MCPs) to conduct annual audits, with at least 10 percent being conducted as surprise audits, of subcontractors who perform delegated functions involving medical review and decision making. Would have required the Department of Health Care Services (DHCS) to establish an audit tool to be used by the MCP, beginning January 1, 2021. Audits of subcontractors would have begun no sooner than January 1, 2022 and would have required audit results to be reported to DHCS, including the identification of the subcontractor being audited. Additionally, if more than one MCP subcontract with the same subcontracted provider, those MCPs would have been able to conduct a joint audit.	10/13/2019 Vetoed 09/09/2019 Passed Assembly floor 05/22/2019 Passed Senate 02/21/2019 Introduced	CalOptima: Watch

MEMBER MATERIALS

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
AB 318 Chu	Materials for Medi-Cal Members: Would have required Medi-Cal managed care plans' (MCPs) specific written health education and information materials to be reviewed through "field testing" to ensure all materials meet readability and suitability standards. Materials required for field testing were to include: "Enrollment and disenrollment forms and information, new member welcome packets, member handbooks, appointment notices and reminders, forms and information regarding grievance or complaint procedures and information regarding external review of plan decisions, and notices of action." Field testing could have been conducted internally by the MCP or by an external entity, but must be done by a native speaker of the language being reviewed. The findings of the field testing were to be reported to the Department of Health Care Services (DHCS). Additionally, would have required DHCS to establish a workgroup of advocates and MCPs to measure the readability of member-facing materials used by MCPs, such as the <i>Rights and Responsibilities Form</i> and the <i>Medi-Cal Request for Information Form</i> .	10/13/2019 Vetoed 09/05/2019 Passed Senate floor 05/23/2019 Passed Assembly floor 01/30/2019 Introduced	CalOptima: Watch CAHP: Oppose LHPC: Oppose

PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
ACR 131 Petrie-Norris	Programs of All-Inclusive Care for the Elderly (PACE) Month: Assembly Concurrent Resolution that recognizes September 2019 as PACE Month in California.	09/09/2019 Resolution adopted in the Senate 08/30/2019 Resolution adopted in the Assembly 08/19/2019 Introduced	CalOptima: Watch CalPACE: Support; Sponsor
AB 1128 Petrie-Norris	Programs of All-Inclusive Care (PACE) Licensing: Exempts a primary care clinic, adult day health care center, or home health agency from the Department of Public Health (DPH) licensing requirements. Applies to agencies solely serving PACE participants, effective upon agreement of the Department of Health Care Services (DHCS), but no later than January 1, 2021. This will streamline the licensing process by having the clinic licensing, adult day services licensing, or home health licensing under the responsibility of DHCS. Additionally, authorizes a primary care clinic, adult day health care center, or home health agency to provide services to a Medi-Cal beneficiary during the PACE enrollment eligibility period, for no more than 60 days, when that center solely serves PACE participants.	10/12/2019 Signed into law 09/10/2019 Passed Senate floor 05/28/2019 Passed Assembly floor 02/21/2019 Introduced	CalOptima: Watch CalPACE: Support; Sponsor

REIMBURSEMENT RATES

Bill Number (Author)	Bill Summary	Bill Status	Position/Notes*
SB 66 Atkins/McGuire	Federally Qualified Health Center (FQHC) Reimbursement: Would allow an FQHC to be reimbursed by the state for a mental health or dental health visit that occurs on the same day as a medical face-to-face visit. Currently, California is one of the few states that do not allow an FQHC to be reimbursed for a mental or dental and physical health visits on the same day. A patient must seek mental health or dental treatment on a subsequent day for an FQHC to receive reimbursement for that service. This bill would distinguish a medical visit through the member's primary care provider and a mental health or dental visit as two separate visits, regardless if at the same location on the same day. As a result, the patient would no longer have to wait a 24-hour time period in order to receive medical and dental or mental health services, while ensuring that clinics are appropriately reimbursed for both services. Additionally, acupuncture services would be included as a covered benefit when provided at an FQHC.	09/13/2019 Moved to inactive file; Two-year bill at the request of the author 08/30/2019 Passed Assembly Committee on Appropriations 05/23/2019 Passed Senate floor 01/08/2019 Introduced	CalOptima: Watch CAHP: Support LHPC: Support; Cosponsor

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

CAHP: California Association of Health Plans

CalPACE: California PACE Association

LHPC: Local Health Plans of California

NPA: National PACE Association

Last Updated: October 14, 2019

2019 Federal Legislative Dates

January 3	116 th Congress convenes 1st session
April 15–26	Spring recess
July 29–September 6	Summer recess
September 30–October 11	Fall recess

2019 State Legislative Dates

January 7	Legislature reconvenes
February 22	Last day for legislation to be introduced
April 26	Last day for policy committees to hear and report bills to fiscal committees
May 3	Last day for policy committees to hear and report non-fiscal bills to the floor
May 17	Last day for fiscal committees to report fiscal bills to the floor
May 28–31	Floor session only
May 31	Last day to pass bills out of their house of origin
June 15	Budget bill must be passed by midnight
July 12–August 9	Summer recess
August 30	Last day for fiscal committees to report bills to the floor
September 3–13	Floor session only
September 13	Last day for bills to be passed. Final recess begins upon adjournment
October 13	Last day for Governor to sign or veto bills passed by the Legislature
December 2	Convening of the 2020–21 session

Sources: 2019 State Legislative Deadlines, California State Assembly: <http://assembly.ca.gov/legislativedeadlines>

About CalOptima

CalOptima is a county organized health system that administers health insurance programs for low-income children, adults, seniors and people with disabilities. As Orange County's community health plan, our mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner. We provide coverage through four major programs: Medi-Cal, OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan), OneCare (Medicare Advantage Special Needs Plan), and the Program of All-Inclusive Care for the Elderly (PACE).



CalOptima
Better. Together.

Financial Summary

September 2019

Nancy Huang
Chief Financial Officer

FY 2019-20: Consolidated Enrollment

September 2019 MTD

Overall enrollment was 728,074 members

- Actual lower than budget 21,298 members or 2.8% mainly caused by prior year (PY) eligibility logic correction of approximately 17,000 members
 - Medi-Cal unfavorable variance to budget of 21,416 members or 2.9%
 - Temporary Assistance for Needy Families (TANF) unfavorable variance of 15,545 members
 - Medi-Cal Expansion (MCE) unfavorable variance of 4,636 members
 - Whole Child Model (WCM) unfavorable variance of 1,085 members
 - Seniors and Persons with Disabilities (SPD) unfavorable variance of 145 members
 - Long-Term Care (LTC) unfavorable variance of 5 members
 - OneCare Connect favorable variance to budget of 51 members or 0.4%
- 33,958 decrease from August
 - Medi-Cal decrease of 34,084 members
 - OneCare Connect increase of 96 members
 - OneCare increase of 19 members
 - PACE increase of 11 members

FY 2019-20: Consolidated Enrollment (cont.)

September 2019 YTD

Overall enrollment was 2,245,999 member months

- Actual lower than budget 7,290 members or 0.3%
 - Medi-Cal unfavorable variance of 7,439 members or 0.3%
 - MCE unfavorable variance of 7,134 members
 - WCM unfavorable variance of 3,096 members
 - SPD favorable variance of 2,262 members
 - TANF favorable variance of 540 members
 - LTC unfavorable variance of 11 members
 - OneCare Connect favorable variance of 6 members
 - OneCare favorable variance of 151 members or 3.4%
 - PACE unfavorable variance of 8 members or 0.8%

FY 2019-20: Consolidated Revenues

September 2019 MTD

- Actual higher than budget \$100.8 million or 33.9%
 - Medi-Cal favorable to budget \$100.4 million or 37.3%
 - Unfavorable volume variance of \$7.9 million
 - Favorable price variance of \$108.3 million
 - \$104.3 million recognized for fiscal year (FY) 2018 Directed Payments (DP)
 - \$3.0 million of Coordinated Care Initiative (CCI) revenue
 - OneCare Connect favorable to budget \$0.2 million or 1.0%
 - Favorable volume variance of \$86.2 thousand
 - Favorable price variance of \$0.1 million
 - OneCare favorable to budget \$0.2 million or 10.9%
 - Favorable volume variance of \$72.6 thousand
 - Favorable price variance of \$0.1 million
 - PACE unfavorable to budget \$30.3 thousand or 1.1%
 - Favorable volume variance of \$7.8 thousand
 - Unfavorable price variance of \$38.1 thousand

FY 2019-20: Consolidated Revenues (cont.)

September 2019 YTD

- Actual higher than budget \$106.0 million or 11.9%
 - Medi-Cal favorable to budget \$103.2 million 12.8%
 - Unfavorable volume variance of \$2.7 million
 - Favorable price variance of \$105.9 million due to \$104.3 million of DP revenue
 - OneCare Connect favorable to budget \$2.2 million or 3.1%
 - Favorable volume variance of \$10.1 thousand
 - Favorable price variance of \$2.2 million due to favorable Medicare capitation rates

FY 2019-20: Consolidated Medical Expenses

September 2019 MTD

- Actual higher than budget \$103.7 million or 37.1%
 - Medi-Cal unfavorable variance of \$103.9 million or 41.2%
 - Favorable volume variance of \$7.4 million
 - Unfavorable price variance of \$111.2 million
 - Reinsurance and Other expenses unfavorable variance of \$103.4 million related to FY 2018 DP expenses recognized
 - Provider Capitation expenses unfavorable variance of \$3.2 million
 - Facilities expenses unfavorable variance of \$2.1 million
 - MLTSS expenses unfavorable variance of \$2.0 million
 - Due to claim lag and limited information available, most of WCM medical expenses were estimated based on budget assumptions in September 2019
 - OneCare Connect favorable variance of \$43.5 thousand or 0.2%
 - Unfavorable volume variance of \$83.6 thousand
 - Favorable price variance of \$0.1 million

FY 2019-20: Consolidated Medical Expenses (cont.)

September 2019 YTD

- Actual higher than budget \$113.8 million or 13.4%
 - Medi-Cal unfavorable variance of \$112.7 million or 14.7%
 - Favorable volume variance of \$2.6 million
 - Unfavorable price variance of \$115.3 million
 - Reinsurance and Other expenses unfavorable variance of \$99.2 million due to DP
 - Professional Claims expenses unfavorable variance of \$9.6 million
 - Facilities expenses unfavorable variance of \$6.0 million
 - Provider Capitation expenses unfavorable variance of \$1.9 million
 - Medical Management expenses favorable variance of \$3.1 million
 - OneCare Connect unfavorable variance of \$1.5 million or 2.2%
 - Unfavorable volume variance of \$9.9 thousand
 - Unfavorable price variance of \$1.5 million

Medical Loss Ratio (MLR)

- September 2019 MTD: Actual: 96.2% Budget: 94.0%
- September 2019 YTD: Actual: 96.3% Budget: 95.0%

FY 2019-20: Consolidated Administrative Expenses

September 2019 MTD

- Actual lower than budget \$1.8 million or 13.8%
 - Salaries, wages and benefits: favorable variance of \$0.8 million
 - Other categories: favorable variance of \$0.9 million

September 2019 YTD

- Actual lower than budget \$5.9 million or 15.2%
 - Salaries, wages and benefits: favorable variance of \$3.3 million
 - Other categories: favorable variance of \$2.6 million

Administrative Loss Ratio (ALR)

- September 2019 MTD: Actual: 2.7% Budget: 4.3%
- September 2019 YTD: Actual: 3.3% Budget: 4.4%
 - Actual ALR (excluding DP revenue) is 3.7% MTD and 3.7% YTD

FY 2019-20: Change in Net Assets

September 2019 MTD

- \$5.6 million change in net assets
- \$0.9 million unfavorable to budget
 - Higher than budgeted revenue of \$100.8 million
 - Higher than budgeted medical expenses of \$103.7 million
 - Lower than budgeted administrative expenses of \$1.8 million
 - Higher than budgeted investment and other income of \$0.2 million

September 2019 YTD

- \$12.7 million change in net assets
- \$3.8 million favorable to budget
 - Higher than budgeted revenue of \$106.0 million
 - Higher than budgeted medical expenses of \$113.8 million
 - Lower than budgeted administrative expenses of \$5.9 million
 - Higher than budgeted investment and other income of \$5.6 million

Enrollment Summary: September 2019

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
65,215	65,451	(236)	(0.4%)	Aged	195,935	195,959	(24)	(0.0%)
503	615	(112)	(18.2%)	BCCTP	1,630	1,845	(215)	(11.7%)
43,999	43,796	203	0.5%	Disabled	133,994	131,493	2,501	1.9%
269,741	284,825	(15,084)	(5.3%)	TANF Child*	857,654	858,645	(991)	(0.1%)
86,674	87,135	(461)	(0.5%)	TANF Adult	264,396	262,865	1,531	0.6%
3,399	3,404	(5)	(0.1%)	LTC	10,201	10,212	(11)	(0.1%)
230,582	235,218	(4,636)	(2.0%)	MCE	698,257	705,391	(7,134)	(1.0%)
11,855	12,940	(1,085)	(8.4%)	WCM**	35,724	38,820	(3,096)	(8.0%)
711,968	733,384	(21,416)	(2.9%)	Medi-Cal	2,197,791	2,205,230	(7,439)	(0.3%)
14,186	14,135	51	0.4%	OneCare Connect	42,533	42,527	6	0.0%
1,564	1,498	66	4.4%	OneCare	4,639	4,488	151	3.4%
356	355	1	0.3%	PACE	1,036	1,044	(8)	(0.8%)
728,074	749,372	(21,298)	(2.8%)	CalOptima Total	2,245,999	2,253,289	(7,290)	(0.3%)

* TANF Child actuals include approximately 13.8 thousand prior year adjustments

** Whole Child Model (WCM) was budgeted based on initial implementation date. Enrollment for WCM was transferred from the other seven aid categories.

Financial Highlights: September 2019

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Budget	% Budget		Actual	Budget	\$ Budget	% Budget
728,074	749,372	(21,298)	(2.8%)	Member Months	2,245,999	2,253,289	(7,290)	(0.3%)
398,264,420	297,453,331	100,811,089	33.9%	Revenues	998,746,772	892,785,343	105,961,429	11.9%
383,232,533	279,530,367	(103,702,165)	(37.1%)	Medical Expenses	962,256,443	848,487,225	(113,769,218)	(13.4%)
10,902,541	12,652,832	1,750,291	13.8%	Administrative Expenses	33,185,300	39,130,227	5,944,927	15.2%
4,129,347	5,270,131	(1,140,785)	(21.6%)	Operating Margin	3,305,029	5,167,891	(1,862,862)	(36.0%)
1,473,566	1,250,000	223,566	17.9%	Non Operating Income (Loss)	9,382,523	3,750,000	5,632,523	150.2%
5,602,913	6,520,131	(917,218)	(14.1%)	Change in Net Assets	12,687,552	8,917,891	3,769,661	42.3%
96.2%	94.0%	(2.3%)		Medical Loss Ratio	96.3%	95.0%	(1.3%)	
2.7%	4.3%	1.5%		Administrative Loss Ratio	3.3%	4.4%	1.1%	
1.0%	1.8%	(0.7%)		Operating Margin Ratio	0.3%	0.6%	(0.2%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		
3.7%	4.3%	0.5%		Administrative Loss Ratio (excluding Directed Payments)*	3.7%	4.4%	0.7%	

*CalOptima updated the categorization of Directed Payments per DHCS instructions

Consolidated Performance Actual vs. Budget: September 2019 (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>
4.5	6.2	(1.7)	Medi-Cal	4.9	9.4	(4.5)
(0.8)	(1.1)	0.3	OCC	(2.7)	(4.2)	1.5
0.3	(0.1)	0.3	OneCare	0.7	(0.4)	1.1
<u>0.1</u>	<u>0.2</u>	<u>(0.1)</u>	<u>PACE</u>	<u>0.4</u>	<u>0.4</u>	<u>0.0</u>
4.1	5.3	(1.1)	Operating	3.3	5.2	(1.9)
<u>1.5</u>	<u>1.3</u>	<u>0.2</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>9.4</u>	<u>3.8</u>	<u>5.6</u>
1.5	1.3	0.2	Non-Operating	9.4	3.8	5.6
5.6	6.5	(0.9)	TOTAL	12.7	8.9	3.8

Consolidated Revenue & Expense: September 2019 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
MEMBER MONTHS	469,531	230,582	11,855	711,968	14,186	1,564	356	728,074
REVENUES								
Capitation Revenue	200,142,788	\$ 146,129,939	\$ 23,301,266	\$ 369,573,994	\$ 24,132,068	\$ 1,828,294	\$ 2,730,064	\$ 398,264,420
Other Income	-	-	-	-	-	-	-	-
Total Operating Revenue	200,142,788	146,129,939	23,301,266	369,573,994	24,132,068	1,828,294	2,730,064	398,264,420
MEDICAL EXPENSES								
Provider Capitation	39,831,132	46,365,275	8,076,462	94,272,868	11,313,633	492,799	-	106,079,300
Facilities	21,087,906	22,279,581	4,861,030	48,228,517	3,126,361	379,962	511,542	52,246,382
Ancillary	-	-	-	-	585,907	27,360	-	613,268
Professional Claims	14,271,472	7,163,498	1,907,376	23,342,346	-	-	514,647	23,856,993
Prescription Drugs	17,215,263	19,119,448	5,598,978	41,933,689	5,288,089	475,142	227,675	47,924,595
MLTSS	32,932,047	2,676,931	1,692,990	37,301,968	1,319,399	4,019	30,817	38,656,203
Medical Management	1,954,091	1,070,515	244,689	3,269,296	970,891	33,866	702,943	4,976,995
Quality Incentives	839,867	470,861	52,656	1,363,384	269,920	-	4,450	1,637,754
Reinsurance & Other	61,605,242	44,904,434	31,575	106,541,251	252,832	-	446,959	107,241,042
Total Medical Expenses	189,737,021	144,050,543	22,465,755	356,253,319	23,127,031	1,413,149	2,439,033	383,232,533
Medical Loss Ratio	94.8%	98.6%	96.4%	96.4%	95.8%	77.3%	89.3%	96.2%
GROSS MARGIN	10,405,767	2,079,397	835,511	13,320,675	1,005,036	415,146	291,031	15,031,887
ADMINISTRATIVE EXPENSES								
Salaries & Benefits				6,139,434	673,935	59,120	129,573	7,002,062
Professional fees				305,950	205,813	15,000	220	526,983
Purchased services				693,038	182,025	18,652	11,758	905,473
Printing & Postage				288,326	114,807	19,302	6	422,441
Depreciation & Amortization				366,016	-	-	2,092	368,108
Other expenses				1,281,154	35,061	348	5,108	1,321,671
Indirect cost allocation & Occupancy				(294,185)	578,548	48,860	22,581	355,804
Total Administrative Expenses				8,779,733	1,790,189	161,282	171,338	10,902,541
Admin Loss Ratio				2.4%	7.4%	8.8%	6.3%	2.7%
INCOME (LOSS) FROM OPERATIONS				4,540,942	(785,153)	253,864	119,693	4,129,347
INVESTMENT INCOME								1,473,295
NET RENTAL INCOME								1
TOTAL GRANT INCOME				151				151
OTHER INCOME				120				120
CHANGE IN NET ASSETS				\$ 4,541,213	\$ (785,153)	\$ 253,864	\$ 119,693	\$ 5,602,913
BUDGETED CHANGE IN NET ASSETS				6,214,458	(1,061,738)	(82,449)	199,860	6,520,131
VARIANCE TO BUDGET - FAV (UNFAV)				\$ (1,673,245)	\$ 276,585	\$ 336,313	\$ (80,167)	\$ (917,218)

Consolidated Revenue & Expense: September 2019 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
MEMBER MONTHS	1,463,810	698,257	35,724	2,197,791	42,533	4,639	1,036	2,245,999
REVENUES								
Capitation Revenue	488,424,669	\$ 352,892,873	\$ 70,054,269	\$ 911,371,811	\$ 73,803,816	\$ 5,475,007	\$ 8,096,139	\$ 998,746,772
Other Income	-	-	-	-	-	-	-	-
Total Operating Revenue	<u>488,424,669</u>	<u>352,892,873</u>	<u>70,054,269</u>	<u>911,371,811</u>	<u>73,803,816</u>	<u>5,475,007</u>	<u>8,096,139</u>	<u>998,746,772</u>
MEDICAL EXPENSES								
Provider Capitation	118,181,074	136,053,499	28,453,314	282,687,887	33,516,813	1,437,817	-	317,642,516
Facilities	70,102,658	68,537,089	11,537,467	150,177,215	11,063,789	1,138,984	2,101,066	164,481,053
Ancillary	-	-	-	-	1,961,240	131,119	-	2,092,358
Professional Claims	50,474,996	23,646,937	4,337,916	78,459,849	-	-	1,604,193	80,064,042
Prescription Drugs	52,115,664	61,674,062	18,537,391	132,327,117	16,650,099	1,516,011	652,563	151,145,790
MLTSS	100,737,474	8,221,761	2,842,782	111,802,017	4,155,598	22,556	92,342	116,072,513
Medical Management	6,079,664	3,415,077	778,090	10,272,830	3,132,077	118,308	2,050,564	15,573,779
Quality Incentives	2,537,536	1,415,531	424,849	4,377,915	821,340	-	13,312	5,212,567
Reinsurance & Other	62,802,458	45,913,876	72,948	108,789,282	504,959	-	677,585	109,971,825
Total Medical Expenses	<u>463,031,523</u>	<u>348,877,832</u>	<u>66,984,756</u>	<u>878,894,112</u>	<u>71,805,913</u>	<u>4,364,794</u>	<u>7,191,624</u>	<u>962,256,443</u>
Medical Loss Ratio	94.8%	98.9%	95.6%	96.4%	97.3%	79.7%	88.8%	96.3%
GROSS MARGIN	25,393,146	4,015,040	3,069,513	32,477,699	1,997,903	1,110,213	904,514	36,490,329
ADMINISTRATIVE EXPENSES								
Salaries & Benefits				18,648,526	2,114,229	165,870	410,837	21,339,461
Professional fees				584,603	184,344	45,000	469	814,416
Purchased services				2,411,682	549,845	54,187	38,268	3,053,982
Printing & Postage				808,732	182,344	14,438	734	1,006,247
Depreciation & Amortization				1,165,857	-	-	6,276	1,172,133
Other expenses				4,605,920	12,810	348	10,146	4,629,224
Indirect cost allocation & Occupancy				(598,242)	1,618,132	120,038	29,908	1,169,836
Total Administrative Expenses				<u>27,627,077</u>	<u>4,661,704</u>	<u>399,880</u>	<u>496,638</u>	<u>33,185,300</u>
Admin Loss Ratio				3.0%	6.3%	7.3%	6.1%	3.3%
INCOME (LOSS) FROM OPERATIONS				4,850,622	(2,663,801)	710,333	407,876	3,305,029
INVESTMENT INCOME								9,382,387
OTHER INCOME				135				135
CHANGE IN NET ASSETS				<u>\$ 4,850,756</u>	<u>\$ (2,663,801)</u>	<u>\$ 710,333</u>	<u>\$ 407,876</u>	<u>\$ 12,687,552</u>
BUDGETED CHANGE IN NET ASSETS				9,351,427	(4,169,221)	(372,636)	358,321	8,917,891
VARIANCE TO BUDGET - FAV (UNFAV)				<u>\$ (4,500,671)</u>	<u>\$ 1,505,420</u>	<u>\$ 1,082,969</u>	<u>\$ 49,555</u>	<u>\$ 3,769,661</u>

Balance Sheet:

As of September 2019

ASSETS

Current Assets	
Operating Cash	\$500,678,412
Investments	535,432,042
Capitation receivable	293,984,727
Receivables - Other	41,164,739
Prepaid expenses	6,028,459

Total Current Assets	1,377,288,379
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Capital Assets	
Furniture & Equipment	37,086,365
Building/Leasehold Improvements	9,064,987
505 City Parkway West	50,489,717
	96,641,069
Less: accumulated depreciation	(48,301,741)
Capital assets, net	48,339,329

Other Assets	
Restricted Deposit & Other	300,000

Homeless Health Reserve	58,198,913
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Board-designated assets:	
Cash and Cash Equivalents	2,485,421
Long-term Investments	561,396,534
Total Board-designated Assets	563,881,955

Total Other Assets	622,380,868
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TOTAL ASSETS	2,048,008,576
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Deferred Outflows	
Contributions	686,962
Difference in Experience	3,419,328
Excess Earning	-
Changes in Assumptions	6,428,159
Pension Contributions	556,000

TOTAL ASSETS & DEFERRED OUTFLOWS	2,059,099,025
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LIABILITIES & NET POSITION

Current Liabilities	
Accounts Payable	\$7,116,206
Medical Claims liability	851,608,110
Accrued Payroll Liabilities	12,895,520
Deferred Revenue	39,410,686
Deferred Lease Obligations	25,435
Capitation and Withholds	143,835,203

Total Current Liabilities	1,054,891,161
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Other (than pensions) post employment benefits liability	
	25,069,864
Net Pension Liabilities	23,500,744
Bldg 505 Development Rights	-

TOTAL LIABILITIES	1,103,461,768
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Deferred Inflows	
Excess Earnings	156,330
Change in Assumptions	4,747,505
OPEB Changes in Assumptions	2,503,000

Net Position	
TNE	108,304,218
Funds in Excess of TNE	839,926,204

TOTAL NET POSITION	948,230,422
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TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	2,059,099,025
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Board Designated Reserve and TNE Analysis As of September 2019

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	154,563,989				
	Tier 1 - Logan Circle	153,378,677				
	Tier 1 - Wells Capital	153,827,568				
Board-designated Reserve						
		461,770,233	290,615,171	461,580,623	171,155,062	189,610
TNE Requirement	Tier 2 - Logan Circle	102,111,721	108,304,218	108,304,218	(6,192,496) *	(6,192,496)
Consolidated:		563,881,955	398,919,389	569,884,841	164,962,566	(6,002,886)
<i>Current reserve level</i>		<i>1.98</i>	<i>1.40</i>	<i>2.00</i>		

*Note: Minimum TNE requirement increased in September due to PY Directed Payments included in medical expense per DHCS instruction.

HN Enrollment Summary - Medi-Cal

Health Network Name	OCTOBER 2019	% of Total MCAL	% of HN Enrollment
CHOC Health Alliance (PHC20)	143,297	19.7%	22.7%
CalOptima Community Network (CN)	78,089	10.7%	12.4%
Monarch Family HealthCare (HMO16)	77,828	10.7%	12.4%
Arta Western Health Network (SRG66)	59,933	8.2%	9.5%
Family Choice Health Network (PHC21)	44,092	6.1%	7.0%
Kaiser Permanente (HMO04)	43,914	6.0%	7.0%
Alta Med Health Services (SRG69)	43,854	6.0%	7.0%
Prospect Medical Group (HMO17)	33,595	4.6%	5.3%
United Care Medical Network (SRG67)	33,033	4.5%	5.2%
Talbert Medical Group (SRG65)	23,698	3.3%	3.8%
AMVI Care Health Network (PHC58)	21,409	2.9%	3.4%
Noble Mid-Orange County (SRG64)	20,630	2.8%	3.3%
Heritage - Regal Medical Group (HMO15)	6,635	0.9%	1.1%
Total Health Network Capitated Enrollment	630,005	86.7%	100.0%
CalOptima Direct (all others)	96,961	13.3%	
Total Medi-Cal Enrollment	726,966	100.0%	

HN Enrollment Summary – OneCare Connect

Health Network Name	OCTOBER 2019	Percentage
Monarch HealthCare (HMO16DB)	4,553	32.2%
Prospect Medical Group (HMO17DB)	2,336	16.5%
CalOptima Community Network (CN)	1,781	12.6%
Family Choice Medical Group (SRG81DB)	1,769	12.5%
Talbert Medical Group (SRG52DB)	1,058	7.5%
Arta Western Health Network(SRG66DB)	567	4.0%
United Care Medical Group (SRG67DB)	523	3.7%
Alta-Med (SRG69DB)	511	3.6%
AMVI Care Health Network (PHC58DB)	426	3.0%
Noble Mid Orange County (SRG64DB)	426	3.0%
Heritage - Regal Medical Group (HMO15)	199	1.4%
Total OneCare Connect Enrollment	14,149	100.0%

HN Enrollment Summary - OneCare

Health Network Name	OCTOBER 2019	Percentage
Monarch HealthCare (PMG53DE)	763	48.9%
AMVI/Prospect Medical Group (PMG27DE)	280	17.9%
Talbert Medical Group (PMG52DE)	145	9.3%
Arta Western Health Network (PMG66DE)	124	7.9%
Family Choice Medical Group (PMG21DE)	92	5.9%
Alta-Med (PMG69DE)	70	4.5%
United Care Medical Group (PMG67DE)	52	3.3%
Noble Mid Orange County (PMG64DE)	35	2.2%
Total OneCare Enrollment	1,561	100.0%



PROVIDER UPDATE

October 2019 Issue

PROVIDER RESOURCE LINE
714-246-8600
providerservices@caloptima.org

WHAT'S INSIDE. . .

- Provider Code Updates
- Federal Drug Utilization Review Requirements Designed to Reduce Opioid-Related Drug Fraud, Misuse and Abuse
- Health Education: Trainings and Meetings
- Request for Service
- Health Education and Cultural and Linguistic Population Needs Assessment
- CME Workshop: Transcending Principles of Street Medicine and Their Clinical Application
- Policies and Procedures Monthly Update
- Provider Notification to CalOptima - Change in Access
- Important Meetings

Mammogram Screening and \$25 Gift Card Opportunity

October 18, 2019 is National Mammography Day. As part of this awareness, women are encouraged to have a mammogram screening throughout this month. Our goal is to have as many women as possible complete a mammogram screening when their provider recommends it.

To help, CalOptima asks that you encourage your patients to get a mammogram screening, offering a \$25 gift card as an incentive. To qualify, your patient must:

- Be an eligible CalOptima member
- Be between the ages of 50-74
- Complete a mammogram screening by December 31, 2020
- Fill out the incentive form completely
- Ask the provider office to stamp the member incentive form and fax it back to CalOptima at **714-796-6613**

Visit www.caloptima.org/healtheducation to view a copy of the incentive form with additional details and instructions.

For questions email CalOptima's Population Health Management department at QI_Initiatives@caloptima.org.

PROVIDER UPDATE

News and Information

Page 2 of 10



Provider Code Updates

Based on the Medi-Cal bulletins, CalOptima has updated the procedure codes for the subjects listed below:

- 2020 ICD-10-CM/PCS Codes Annual Update
- Updated Policy for Postpartum Office Visits
- National Correct Coding Initiative Quarterly Update for October 2019
- Financial Conflict of Interest Exception for CPAP and Bi-PAP Providers
- Updated Specialized Services Billable on Outpatient Claims

For detailed information regarding these changes, please refer to the September 2019 General Medicine bulletin on the Medi-Cal website at [Medi-Cal: Medi-Cal Update - General Medicine | September 2019 | Bulletin 543](#), the DME and Medical Supplies bulletin at [Medi-Cal: Medi-Cal Update - DME and Medical Supplies | September 2019 | Bulletin 528](#) or the Inpatient Services bulletin on the Medi-Cal website at [Medi-Cal: Medi-Cal Update - Inpatient Services | September 2019 | Bulletin 540](#).

For CalOptima's prior authorization required list, please refer to the CalOptima website at www.caloptima.org.

Federal Drugs Utilization Review Requirements Designed to Reduce Opioid-Related Fraud, Misuse, and Abuse (Medi-Cal only):

The Department of Health Care Services (DHCS) recently released **All Plan Letter (APL) 19-012: Federal Drugs Utilization Review Requirements Designed to Reduce Opioid-Related Fraud, Misuse and Abuse**. The purpose of this APL is to inform Medi-Cal managed care health plans (MCPs) of their responsibilities related to the implementation of new federal Medicaid Drug Utilization Review (DUR) requirements outlined in section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act (H.R. 6, the SUPPORT Act, P.L. 115-271).

Effective October 1, 2019, MCPs, like CalOptima, must operate a DUR program that complies with the Medicaid-related DUR provisions contained in Section 1004 of the SUPPORT Act, including updated policies and procedures (P&Ps) addressing the requirements outlined in **APL 19-012**

You may review **APL 19-012** in its entirety by visiting <https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2019/APL19-012.pdf>

PROVIDER UPDATE

Health Education: Trainings and Meetings

Title	Description	Date and Time
Smoking Cessation for Pregnancy and Beyond	Learn about smoking cessation from experts in an informative, engaging and novel interactive format	11/1/2019 Available anytime
Smoking Cessation Leadership Center	Webinars, publications, toolkits, fact sheets and guides for providers	11/1/2019 Available anytime
Managed Health Care in California Archived Webinars	Multiple 90-minute webinars	11/1/2019 Available anytime
Available CME/CEU Recorded Webinars	Available recorded webinars with available CE/CME units from the Smoking Cessation Leadership Center	11/1/2019 Available anytime
Increasing Adolescent Immunization Coverage	Webinar intended for health professionals engaged in care of patients needing vaccinations	11/4/2019 Available anytime
“We Can” Program 90-Minute Online Training	4 Sessions: We Can! Energize Our Families: Parent Program	11/4/2019 Available anytime
Media-Smart Youth: Eat, Think and Be Active	Free 1-hour webinar for those interested in implementing youth programs	11/4/2019 Available anytime
Training Offered by Different Organizations	Various training opportunities offered by different organizations. Check specific trainings for dates and times	11/5/2019 Available anytime
Tobacco Dependence Treatment and Behavioral Health	Provides mental health and substance use disorder professionals the knowledge to assess and treat tobacco dependence in smokers with co-occurring psychiatric and/or addictive disorders	11/6/2019 Available anytime
Screening, Brief Intervention, and Referral to Treatment (SBIRT) Training	Virtual SBIRT learning webinar	11/6/2019 12–1 p.m.
How to Talk With Patients About Smoking Cessation and Anxiety	Free recorded webinar with 1.0 CE credit	11/13/2019 Available anytime
How to Talk With Patients About Smoking Cessation and Anxiety	Free recorded webinar with 1.0 CE credit	11/27/2019 Available anytime
The Resources for Integrated Care – Webinar Recordings	The Resources for Integrated Care website features recordings of webinars and additional resources and tools for providers and health plans	11/29/2019 12–1 p.m.

For more information regarding available trainings and meetings, contact our Health Education department by fax at **714-338-3127** or by email at healthpromotions@caloptima.org.

PROVIDER UPDATE



Request for Service Information

On August 16, 2019, as part of the contract provisions referenced in Exhibit E, Attachment 2, Provision 25, the Department of Health Care Services (DHCS) requested service information for the individuals listed in a subpoena recently issued by Ernst Law Group referencing case number 17CV-0261 (*Kent v. Phillip*).

The information should contain all services provided to the individuals listed on the subpoena from the start service date through the end service date listed on the spreadsheet and should include the following:

Medi-Cal ID Number	Provider Legal Name
Date of Birth	National Provider Identifier (NPI)
First Name	Diagnosis Code 1 (principal condition)
Last Name	Diagnosis Code 2 (supplementary treatment)
Plan Name/ Independent Physician Association (IPA)	Drug Label Name
Claim Control Number (CCN)	Billed Amount
Claim Line Number	Paid Amount
Claim Type	Reasonable Value
Service From Date	Current Procedural Terminology (CPT) Code
Service To Date	CPT Type

For questions regarding this request, please contact CalOptima's Provider Relations department at **714-246-8600**, Monday through Friday, from 8:00 a.m. to 5:30 p.m.

★ **Notice: Provider Update Email Distribution Coming Soon** ★
★
★ The CalOptima Provider Update, currently distributed monthly via fax, will soon
★ convert to an email distribution system.
★
★ **Please submit your contact email address as soon as possible to**
★ **providerservices@caloptima.org.**
★
★ For questions regarding this change, contact the Provider Relations department at
★ **714-246-8600.**
★

PROVIDER UPDATE

Health Education and Cultural and Linguistic Population Needs Assessment

On September 30, 2019, the Department of Health Care Services (DHCS) distributed **All Plan Letter (APL) 19-011: Health Education and Cultural and Linguistic Population Needs Assessment**, which supersedes All Plan Letter (APL) 17-002.

The purpose of this APL is to update and clarify the Health Education and Cultural and Linguistic (C&L) Population Needs Assessment (PNA) contract requirements for Medi-Cal managed care health plans, like CalOptima. CalOptima's contract with DHCS refers to the PNA as the group needs assessment or GNA. For clarity, this APL only uses the acronym PNA.

The PNA identifies member health status and behaviors, member health education and C&L needs, health disparities, and gaps in services related to these issues. MCP contractual requirements related to the PNA are based on Title 22 of the California Code of Regulations (CCR), sections 53876(a)(4), 53876(c), 53851(b)(2), 53851(e), 53853(d), and 53910.5(a)(2), and Title 42 of the Code of Federal Regulations (CFR), sections 438.206(c)(2), 438.330(b)(4), 438.242(b)(2), 2 1

The goal of the PNA is to improve health outcomes for members and ensure that managed care plans are meeting the needs of all their Medi-Cal members by:

- Identifying member health needs and health disparities
- Evaluating health education, C&L, and quality improvement (QI) activities and available resources to address identified concerns
- Implementing targeted strategies for health education, C&L, and QI programs and services

CalOptima is required to conduct a PNA, which must address the special needs of seniors and persons with disabilities (SPDs), children with special health care needs (CSHCN), members with limited English proficiency (LEP), and other member subgroups from diverse cultural and ethnic backgrounds in the PNA findings. CalOptima must use the PNA findings to identify and act on opportunities for improvement. CalOptima must also use reliable data sources to conduct the needs assessment as outlined in **APL 19-011**.

You may review **APL 19-011** in its entirety by visiting <https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2019/APL19-011.pdf>.

PROVIDER UPDATE

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CalOptima's Provider
Relations Department
Invites You To:

CalOptima Community Network Lunch and Learn Meeting

Friday, November 15, 2019
Program begins at Noon and ends at 1:30 p.m.
CALOPTIMA
505 City Parkway West, Orange, CA 92868

Topics Include:

- OneCare Connect Behavioral Health Implementation
- Interpreter Services and Resources
- Medi-Cal Enrollment and more

Who Should Attend:

**Contracted providers, physicians, office managers, back office billing
and authorization staff**

This event is free, but registration is recommended.
To RSVP and for more information, contact the Provider Relations department
at **714-246-8600** or providerservicesinbox@caloptima.org



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CalOptima
Better. Together.

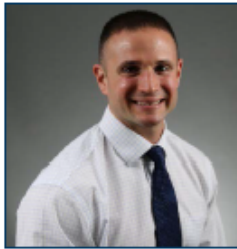
[Back to Agenda](#)

PROVIDER UPDATE

A CME Workshop for Physicians and Licensed Health Care Professionals on:

Transcending Principles of Street Medicine and Their Clinical Application

Guest Speakers



Brett J. Feldman, MSPAS, PA-C
Director, Street Medicine,
Keck School of Medicine of USC



Corinne Feldman, MMS, PA-C
Physician Assistant, Street Medicine,
Keck School of Medicine of USC

At the end of the program, attendees should be able to:

- Identify the key components of the transcending principles of street medicine.
- Differentiate the role of duty, love and charity in the street medicine model.
- Determine key concepts and components of a successful street medicine program.
- Recall the HOUSED BEDS clinical assessment tool components and how the tool can be used in clinical practice.

2 CME Credits Offered

CME Accreditation Statement: This activity has been planned and implemented in accordance with the accreditation requirements and policies of the Accreditation Council for Continuing Medical Education through the joint providership of the University of California, Irvine School of Medicine and CalOptima. The University of California, Irvine School of Medicine is accredited by the ACCME to provide continuing medical education for physicians.

CME Credit Designation Statement: The University of California, Irvine School of Medicine designates this live activity for a maximum of 2 AMA PRA Category 1 Credits™. Physicians should claim only the credit commensurate with the extent of their participation in the activity.

Disclosure: Full disclosure information for all those in control of content will be provided to participants in the syllabus prior to this activity.

When:

Thursday, December 12, 2019

Time:

6:30 –8:30 p.m.

Where:

DoubleTree Hotel
100 The City Drive
Orange, CA 92868

Dinner Provided

No Charge, Registration
Required

Space is limited! Please RSVP by **December 6, 2019**, through our online link below.

https://www.surveymonkey.com/r/Registration_CME_12-12-19

For questions, please call Ashley Young at 714-246-8690 or email at continuingeducation@caloptima.org.

California Assembly Bill 1195

This activity is in compliance with California Assembly Bill 1195, which requires continuing medical education activities with patient care components to include curriculum in the subjects of cultural and linguistic competency. For specific information regarding Bill 1195 and cultural and linguistic competency, please visit the CME website at <http://www.meded.uci.edu/CME/>.



CalOptima
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PROVIDER UPDATE

Policies and Procedures Monthly Update

The following is a list outlining changes made to CalOptima policies and procedures during **September 2019**. The full description of the policies below are finalized and available on CalOptima's website at www.caloptima.org.

Policy #	Policy Title, Description and Revisions	Policy Last Review and/or Last Revision Date
Medi-Cal		
DD.2003	Member Identification and Eligibility Verification	09/01/19
DD.2006b	CalOptima Community Network Member Primary Care Provider Selection/Assignment	09/01/19
EE.1112	Health Network Eligible Member Assignment to Primary Care Provider	09/01/19
GG.1116	Pediatric Preventive Services	01/01/19
Multiple Lines of Business		
EE.1111	Health Network Encounter Reporting Requirements	09/01/19
GG.1111	Vision Services	09/01/19
GG.1505	Transportation: Emergency, Non-emergency, and Non-medical	09/01/19
MA.3002	Financial Security Requirements	09/01/19
MA.6023	Notice of Medicare Non-Coverage and Notice of a Detailed Explanation of Non-Coverage	09/01/19
OneCare		
MA.3001	Payment Arrangements to Health Networks – Capitation Payments	09/01/19
OneCare Connect		
CMC.3001	Payment Arrangements to Health Networks – Capitation Payments	09/01/19
CMC.4002	Cultural and Linguistic Services	09/01/19
CMC.4005	Election Periods and Effective Dates	09/01/19
CMC.4008	Member Handbook	09/01/19
CMC.4010	Health Network and Primary Care Provider Selection, Assignment, and Notification	09/01/19
CMC.4011	Notice of Change in Location and Availability of Covered Services	09/01/19
CMC.7100 RETIRED	Eligibility Data and Financial Reconciliation Process	09/01/16
PACE		
PA.1007	Delivery of PACE Services	09/01/19
PA.1012	Alternative Care Settings	09/01/19
PA.1700 RETIRED	Nurse Practitioner Roles and Responsibilities	07/01/18
PA.1800	PACE Primary Care Provider (PCP) Roles & Responsibilities	09/01/19
PA.2001	Interdisciplinary Team (IDT) & Participant Assessments	09/01/19
PA.2002	Care Planning	09/01/19
PA.2020	Voluntary Disenrollment	09/01/19
PA.2021	Involuntary Disenrollment	09/01/19
PA.5052	Utensil Cleaning Guidelines for Nutritional Services	09/01/19

PROVIDER UPDATE



Provider Notification to CalOptima - Change in Access

If a provider has a change in the availability or access of services for CalOptima members, it is important for the provider to inform both their contracted health network and CalOptima as soon as possible. In the event of a termination or change in access, the provider is required to provide written notification to CalOptima no later than 90 days prior to the effective date.

The provider's affiliated health network or CalOptima will inform all members under care of the termination and provide assistance in transferring care to another provider.

For questions, please contact CalOptima's Provider Relations department at **714-246-8600**.

HEDIS Medical Record Review Provider Training

Providers and office staff are invited to complete the medical record review training which includes a HEDIS overview, common chart deficiencies, and a review of the HEDIS technical specifications for all 16 hybrid measures, including:

- Well-child measures
- Weight and body mass index (BMI) assessment
- Immunization and lead screening measures
- Women's health measures
- Adult measures

One session offered on November 13, 2019 at 12:30 pm. If you have any questions regarding these training please send e-mail to: HEDISMailBox@CalOptima.org or contact Irma Munoz at **714-347-5762**.

PROVIDER UPDATE

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Important Meetings

CalOptima Board of Directors Meeting:
November 7, 2 p.m.

CalOptima Provider Advisory Committee Meeting:
November 14, 8 a.m.

CalOptima Board of Directors' Quality Assurance Committee Meeting:
November 20, 3 p.m.

CalOptima Board of Directors' Finance and Audit Committee Meeting:
November 21, 2 p.m.

Visit the Provider Events section of the CalOptima website to view the provider activities calendar and download registration forms. CalOptima's office is located at: 505 City Parkway West, Orange, CA 92868.

Unless otherwise specified, meetings are held at CalOptima.

Visit the CalOptima Website

Visit the CalOptima website at www.caloptima.org to view the Provider Manuals, Policies and Guides section for information regarding:

- Member Rights and Responsibilities
- QI Program and Goals
- Privacy and Confidentiality
- Pharmaceutical Management Procedures
- Cultural and Linguistic Services
- Changes to the Approved Drug List (Formulary)
- Clinical Practice Guidelines
- Complex Case Management
- Disease Management Services
- Utilization Management

Request hard copies by calling **714-246-8600**.