



CalOptima Health

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

**MAY 2, 2024
2:00 P.M.**

**505 CITY PARKWAY WEST, SUITE 108
ORANGE, CALIFORNIA 92868**

BOARD OF DIRECTORS

Clayton Corwin, Chair	Isabel Becerra, Vice Chair
Maura Byron	Supervisor Doug Chaffee
Blair Contratto	Norma García Guillén
Veronica Kelley, DSW, LCSW	José Mayorga, M.D.
Supervisor Vicente Sarmiento	Trieu Tran, M.D.
Supervisor Donald Wagner, Alternate	

CHIEF EXECUTIVE OFFICER

Michael Hunn

OUTSIDE GENERAL COUNSEL

James Novello
Kennaday Leavitt

CLERK OF THE BOARD

Sharon Dwiers

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

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

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

Members of the public may attend the meeting in person. Members of the public also have the option of participating in the meeting via Zoom Webinar (see below).

Participate via Zoom Webinar at:

https://us06web.zoom.us/webinar/register/WN_gOgYJjZYQ96SS6JAacgHzw

and Join the Meeting.

Webinar ID: 897 0644 9434

Passcode: 984520-- Webinar instructions are provided below.

CALL TO ORDER

Pledge of Allegiance
Establish Quorum

PRESENTATIONS/INTRODUCTIONS

None.

MANAGEMENT REPORTS

1. Chief Executive Officer Report
2. Fiscal Year 2024-25 Budget and Reserve Planning

PUBLIC COMMENTS

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

CONSENT CALENDAR

3. Minutes
 - a. Approve Minutes of the April 4, 2024 Regular Meeting of the CalOptima Health Board of Directors
4. Authorize and Direct Execution of Amendment 10 to Agreement 16-93274 (Care Coordination Agreement) with the California Department of Health Care Services in Order to Continue Operation of the Dual Eligible Special Needs Plan OneCare Program
5. Approve New CalOptima Health Policy EE.1144: Memorandum of Understanding Requirements for CalOptima Health and Third-Party Entities
6. Receive and File:
 - a. March 2024 Financial Summary
 - b. Compliance Report
 - c. Federal and State Legislative Advocates Reports
 - d. CalOptima Health Community Outreach and Program Summary

REPORTS/DISCUSSION ITEMS

7. Adopt Resolution No. 24-0502-01 Approving and Adopting Updated CalOptima Health Human Resources Policies
8. Approve Amending the CalOptima Health Bylaws
9. Approve Modifications to CalOptima Health Statutory and Board-Designated Reserve Funds Policy
10. Approve Contract for Real Estate Advisory and Brokerage Services

11. Approve Actions Related to CalOptima Health Policy GA.5002: Purchasing
12. Approve Actions Related to Medi-Cal Provider Rate Increases for Health Networks Effective July 1, 2024
13. Approve Actions Related to Medi-Cal Provider Rate Increases for Fee for Service Hospitals Effective July 1, 2024
14. Approve Actions Related to Medi-Cal Provider Rate Increases for Fee for Service Clinics Effective July 1, 2024
15. Approve Actions Related to Medi-Cal Provider Rate Increases for Fee for Service Behavioral Health, Applied Behavior Analysis and Ancillary and Other Providers, Effective July 1, 2024
16. Approve Actions Related to Medi-Cal Provider Rate Increases for Fee for Service Physicians Effective July 1, 2024
17. Approve the CalOptima Health Behavioral Health Applied Behavior Analysis Provider Pay-for-Value Program
18. Approve CalOptima Health Mental Health (non-Applied Behavior Analysis) Provider Pay-for-Value Program
19. Approve Actions Related to the Housing and Homelessness Incentive Program for the Nonprofit Healthcare Academy
20. Approve Housing and Homelessness Incentive Program's Notice of Funding Opportunity Round Three
21. Authorize Actions Related to CalOptima Health's Programs for Older Adults including OneCare and the Program of All-Inclusive Care for the Elderly (PACE) *(to Follow Closed Session)*

ADVISORY COMMITTEE UPDATES

22. Joint Meeting of the Member Advisory Committee and the Provider Advisory Committee Update

CLOSED SESSION

- CS-1. Pursuant to Government Code section 54956.87, subdivision (b) HEALTH PLAN TRADE SECRETS: OneCare
- CS-2. Pursuant to Government Code section 54956.87, subdivision (b) HEALTH PLAN TRADE SECRETS: PACE
- CS-3. CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYMENT PURSUANT TO GOVERNMENT CODE SECTION 54957(b)

CS-4. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE
SECTION 54957.6

Unrepresented Employee: General Counsel

CalOptima's Designated Negotiator: Michael Hunn, Chief Executive Officer

CalOptima's Special Legal Counsel: J. Scott Tiedemann, Liebert Cassidy Whitmore

Title: General Counsel

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

ADJOURNMENT

TO REGISTER AND JOIN THE MEETING

Please register for the Regular Meeting of the CalOptima Health Board of Directors on May 2, 2024 at 2:00 p.m. (PST)

To **Register** in advance for this webinar:

https://us06web.zoom.us/webinar/register/WN_gOgYJjZYQ96SS6JAacgHzw

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

<https://us06web.zoom.us/j/89706449434?pwd=Aak4P1cRDs2HiOpMRD8kTnWzqRdB97.1>

Or One tap mobile:

+16694449171,,89706449434#,,,,*984520# US

+12532158782,,89706449434#,,,,*984520# US (Tacoma)

Or join by phone:

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

US: +1 669 444 9171 or +1 253 215 8782 or +1 346 248 7799 or +1 719
359 4580 or +1 720 707 2699 or +1 253 205 0468 or +1 312 626 6799 or +1 360
209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 646
558 8656 or +1 646 931 3860 or +1 689 278 1000 or +1 301 715 8592 or +1 305
224 1968 or +1 309 205 3325

Webinar ID: 897 0644 9434

Passcode: 984520

International numbers available: <https://us06web.zoom.us/j/89706449434>



MEMORANDUM

DATE: April 26, 2024

TO: CalOptima Health Board of Directors

FROM: Michael Hunn, Chief Executive Officer

SUBJECT: CEO Report — May 2, 2024, Board of Directors Meeting

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

A. Senate Bill (SB) 1268 Pulled From Consideration

On April 23, SB 1268 was pulled from further consideration during the current legislative session. Opposed by CalOptima Health, SB 1268 as currently drafted would have mandated that Medi-Cal managed care plans (MCPs) contract with all willing safety-net providers while effectively prohibiting MCPs from initiating a contract termination. By removing an MCP's ability to provide consequential oversight and accountability, SB 1268 would have fundamentally undermined the purpose of the managed care system, which recognizes that some providers deliver higher quality and more cost-effective care. CalOptima Health's Government Affairs team and contracted state lobbyists were instrumental in coordinating an effective opposition campaign with committee members, committee staff, our state trade associations Local Health Plans of California and the California Association of Health Plans, as well as the California Medical Association.

B. CalOptima Health Announces New Equity and Community Health Department

CalOptima Health's Population Health Management department has been renamed and is now the Equity and Community Health department. The department will support all members in staying healthy by increasing access to care through the promotion of community-based programs, such as maternal and child health programs, wellness and prevention programs, and chronic disease programs. It will also focus efforts and resources on key initiatives that will positively impact our members and support our mission. Moreover, these programs will be framed with an "equity lens," and the new department will report to Chief Health Equity Officer Dr. Michael Silva Rose.

C. CalOptima Health Promotes First Grants in Provider Workforce Development Initiative

After the Board of Directors' April 4 approval of the first phase of grants in the Provider Workforce Development Initiative, CalOptima Health distributed a [press release](#) announcing the seven grantee organizations receiving nearly \$25 million. CalOptima Health's Communications team has been in touch with all the organizations to support their efforts to share the news, and several have issued their own public announcements (see Item I below). Recognition activities are being scheduled, including check presentations at Santiago Canyon College on April 29 and Concordia University on May 3 and a press conference at Cal State Fullerton on May 15. Additional efforts are in the planning stages with UC Irvine, Chapman University and Coast Community College District.

D. Street Medicine Program Featured on KCAL, CBS

CalOptima Health's Street Medicine Program continues to receive outstanding coverage in the media. KCAL Reporter Rina Nakano joined our Street Medicine team for a ride-along to see firsthand how the medical team helps individuals experiencing homelessness in Garden Grove. She produced a [3-minute piece](#) that captured the intent of our program effectively and included an interview with Kelly Bruno-Nelson, DSW, Executive Director of Medi-Cal/CalAIM. Bruno-Nelson shared how our program is a medical and social model combined and how we literally take people from street to home. During the ride-along, Rina interviewed Wyatt who was excited to hear the outcome of his application for a recovery and housing program for older adults. He was helped by one of the program's peer navigators. That evening, he got the good news that he was accepted for placement. For the first time in 50 years, Wyatt was no longer homeless. Not only was this story well crafted, but the reach and airtime value of this coverage was significant, viewed by nearly 500,000 people and worth more than \$450,000 in marketing.

E. Change Healthcare Cyberattack Update

Our staff met with Change Healthcare (CHC) on April 12 and learned that CalOptima Health will be included in the third wave of reconnections, scheduled for early May for clearing house products. The initial phases will focus on testing and validation, with limited organizations being reconnected. Unfortunately, that does not include all products with CHC, the Remittance Advice API, utilized in the CalOptima Health Provider Portal, and the Contract Manager. CHC is actively working to determine the timeline for these additional services, until then we will continue to use our offline processes. In a statement on CHC's website, they are expecting it to take several additional months to determine the impact on customer and patient data that has been compromised. They are working with law enforcement and regulators and plan to send out appropriate notifications. Our staff is dedicated to minimizing the impact on our providers, and I'd would like to thank them for their efforts.

F. Community Resource Fair to be Held at Santa Ana College

CalOptima Health is collaborating with Santa Ana College to host a Community Resource Fair on Saturday, April 27 from 9 a.m. to 1 p.m. There will be Medi-Cal and CalFresh enrollment, Medi-Cal renewal support, naloxone distribution, vision and dental services, community resources, food/diaper distribution and family-friendly activities.

G. Cancer Screening Notice of Funding Opportunity Receives 27 Applications

CalOptima Health's \$15 million notice of funding opportunity (NOFO) for grants to support cancer screening activities received 27 applications from 22 unique entities, totaling a requested amount of \$28.5 million. These grants are intended to fund costs for capacity building, infrastructure and capital improvements, and care coordination to increase screening and decrease late-stage discovery. We will return to the Board in June for consideration of the grantees recommended after a competitive review.

H. Congratulations to CalOptima Health's Inspirational Women Awards Finalists

In late March, Chief Financial Officer Nancy Huang and Board Vice Chair Isabel Becerra were honored as finalists at the Second Annual LA Times B2B OC Inspirational Women Awards. The award recognizes accomplished female leaders from corporations and nonprofit organizations throughout Orange County.

I. CalOptima Health Gains Media Coverage

Reflecting the media's recognition of our ongoing innovation and program development, CalOptima Health recently received the following coverage:

- **Chrysalis Workforce Program:** On April 1, [KABC7](#) News interviewed Kelly Bruno-Nelson, DSW, Executive Director of Medi-Cal/CalAIM, about a unique program funded by CalOptima Health in partnership with Chrysalis to help people exiting homelessness find employment. Shortly thereafter, [KFI AM](#) radio also highlighted this program.
- **Provider Workforce Development Initiative Grants:** CalOptima Health's press release (mentioned above in Item C) gained coverage in the [Fullerton Observer](#), Huntington Beach News and [NewSantaAna.com](#). Separately, four of the colleges and universities released their own news, including:
 - [Cal State Fullerton](#)
 - [Chapman University](#)
 - [Coast Community College District](#)
 - [Concordia University Irvine](#)



Fast Facts May 2024

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

Membership Data* (as of March 31, 2024)

Total CalOptima Health Membership 932,168	Program	Members
	Medi-Cal	914,417
	OneCare (HMO D-SNP)	17,277
	Program of All-InclusiveCare for the Elderly (PACE)	474
*Based on unaudited financial report and includes prior period adjustment		

Operating Budget (for nine months ended March 31, 2024)

	YTD Actual	YTD Budget	Difference
Revenues	\$3,633,021,963	\$3,076,842,981	\$556,178,982
Medical Expenses	\$3,376,791,097	\$2,885,911,317	(\$490,879,780)
Administrative Expenses	\$166,128,775	\$189,809,446	\$23,680,671
Operating Margin	\$90,102,091	\$1,122,218	\$88,979,873
Medical Loss Ratio (MLR)	92.9%	93.8 %	(0.8%)
Administrative Loss Ratio (ALR)	4.6%	6.2%	1.6%

Note: Totals may not add due to rounding

Reserve Summary (as of March 31, 2024)

	Amount (in millions)
Board Designated Reserves	\$632.5*
Capital Assets (Net of depreciation)	\$95.8
Resources Committed by the Board	\$545.4
Resources Unallocated/Unassigned	\$588.3*
Total Net Assets	\$1,861.9

*Total of Board-designated reserves and unallocated resources can support approximately 104 days of CalOptima Health's current operations.

Total Annual Budgeted Revenue

\$4 Billion

NOTE: CalOptima Health receives its funding from state and federal revenues only. CalOptima Health does not receive any of its funding from the County of Orange.

CalOptima Health Fast Facts

May 2024

Personnel Summary (as of April 20, 2024, pay period)

	Filled	Open	Vacancy % Medical	Vacancy % Administrative	Vacancy % Combined
Staff	1,307.3	87.35	47.62%	52.38%	6.26%
Supervisor	78	6	33.33%	66.67%	7.14%
Manager	114	6	50%	50%	5%
Director	64.75	2	100%	---%	3%
Executive	19	3	---%	100%	13.64%
Total FTE Count	1,583.1	104.4	47.89%	52.11%	6.18%

FTE count based on position control reconciliation and includes both medical and administrative positions.

Provider Network Data (as of March 31, 2024)

	Number of Providers
Primary Care Providers	1,229
Specialists	9,577
Pharmacies	538
Acute and Rehab Hospitals	39
Community Health Centers	52
Long-Term Care Facilities	104

Treatment Authorizations (as of February 29, 2024)

	Mandated	Average Time to Decision
Inpatient Concurrent Urgent	72 hours	45.25 hours
Prior Authorization – Urgent	72 hours	24.74 hours
Prior Authorization – Routine	5 days	2.2 days

Average turnaround time for routine and urgent authorization requests for CalOptima Health Community Network.

Member Demographics (as of March 31, 2024)

Member Age		Language Preference		Medi-Cal Aid Category	
0 to 5	8%	English	55%	Temporary Assistance for Needy Families	39%
6 to 18	23%	Spanish	30%	Expansion	38%
19 to 44	36%	Vietnamese	9%	Optional Targeted Low-Income Children	7%
45 to 64	20%	Other	2%	Seniors	10%
65 +	13%	Korean	2%	People With Disabilities	5%
		Farsi	1%	Long-Term Care	<1%
		Chinese	<1%	Other	<1%
		Arabic	<1%		



CalOptima Health

Fiscal Year 2024-25 Budget and Reserve Planning

Board of Directors Meeting

May 2, 2024

Nancy Huang, Chief Financial Officer

Our Mission

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

Our Vision

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

Agenda

- Part 1: CalOptima Health Budget Outlook
 - State Budget Update
 - Fiscal Year (FY) 2024-25 Budget Planning
- Part 2: Net Asset Analysis (as of 3/31/24)
 - Net Assets by Category
 - Resources Committed by the Board
- Part 3: Reserve Planning Recommendations
 - Comparison of Board Reserve Policies at Other Public Plans
 - Reserve Policy (GA.3001) Revisions
 - Commit Reserves to Support Provider Rate Increases

Part 1: CalOptima Health Budget Outlook

State Budget Update

- State Budget Deficit
 - Estimated to be between \$38 billion to \$73 billion
 - 4/4/24: State legislative leaders and Governor agreed to \$17 billion in early budget actions to reduce the budget deficit
 - Does not include cuts to key health and human service programs
 - 5/14/24: Governor's May Revise will include more details
 - 6/15/24: Legislative deadline to pass the budget bill
- January Budget Assumptions:
 - Decrease in Medi-Cal enrollment
 - Moderate labor market and slowing inflation

CalOptima Health Budget Objectives

- Support CalOptima Health's Mission and Vision
- Improve Access, Quality and Efficiency
 - Strengthen the healthcare delivery system
 - Support Medi-Cal Transformation programs, including CalAIM
 - Provide high quality of care and Pay-For-Value
- Build Infrastructure and Capacity
 - Implement ITS digital transformation and workplace modernization
 - Prioritize community investments that advance health equity

Budget Deliverables

Board Action #1: Operating Budget and Non-Operating Items

- Operating
 - Enrollment
 - Revenue
 - Medical Costs
 - Administrative Expenses
- Digital Transformation Strategy
- Non-Operating Items

Board Action #2: Routine Capital and Digital Transformation Year Three Budgets

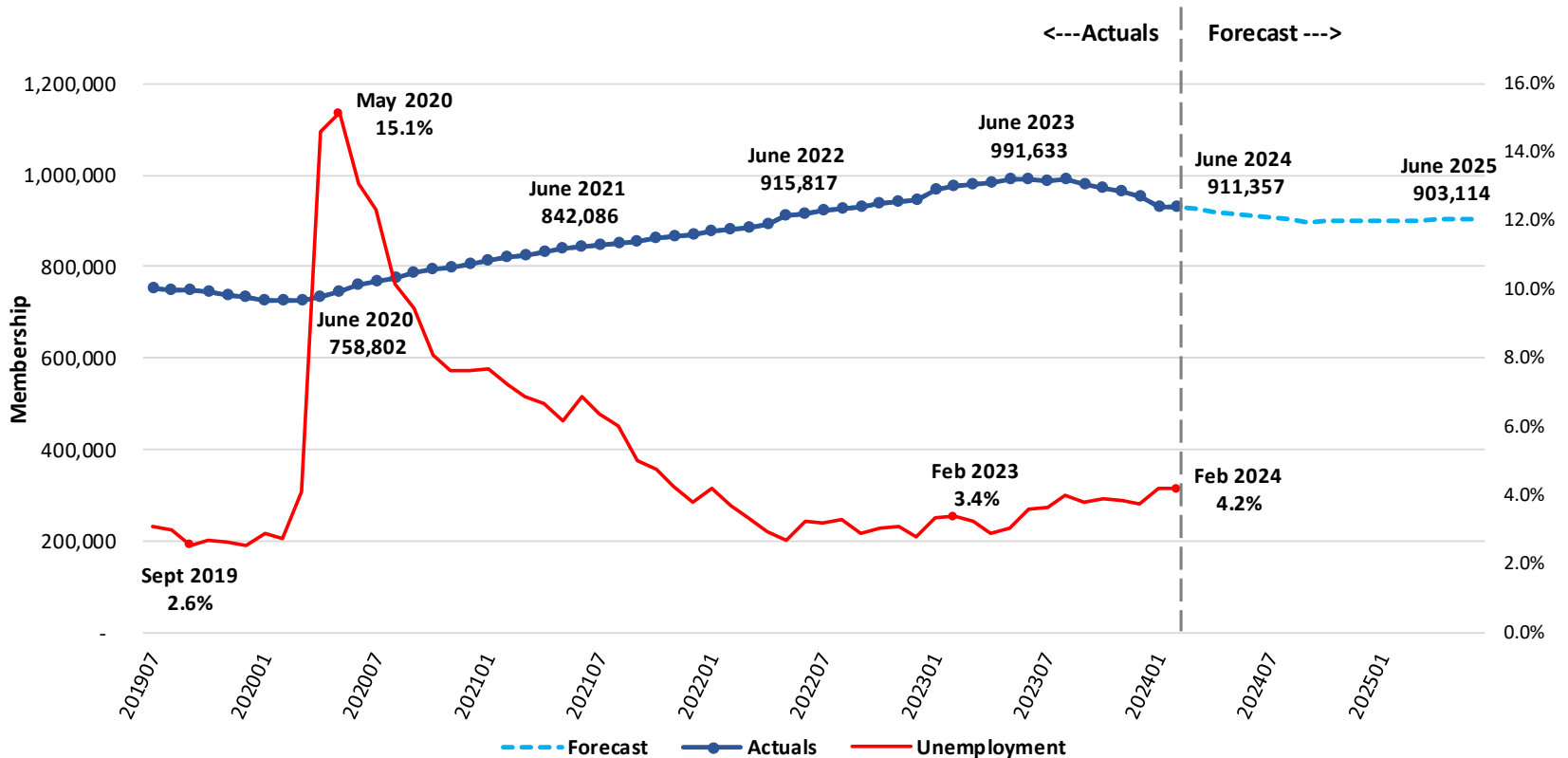
- Routine Capital
 - Information Technology Services
 - Facilities (505, 500, PACE and Garden Grove Recovery Center)
- Digital Transformation Strategy Year Three

Preliminary Enrollment Forecast

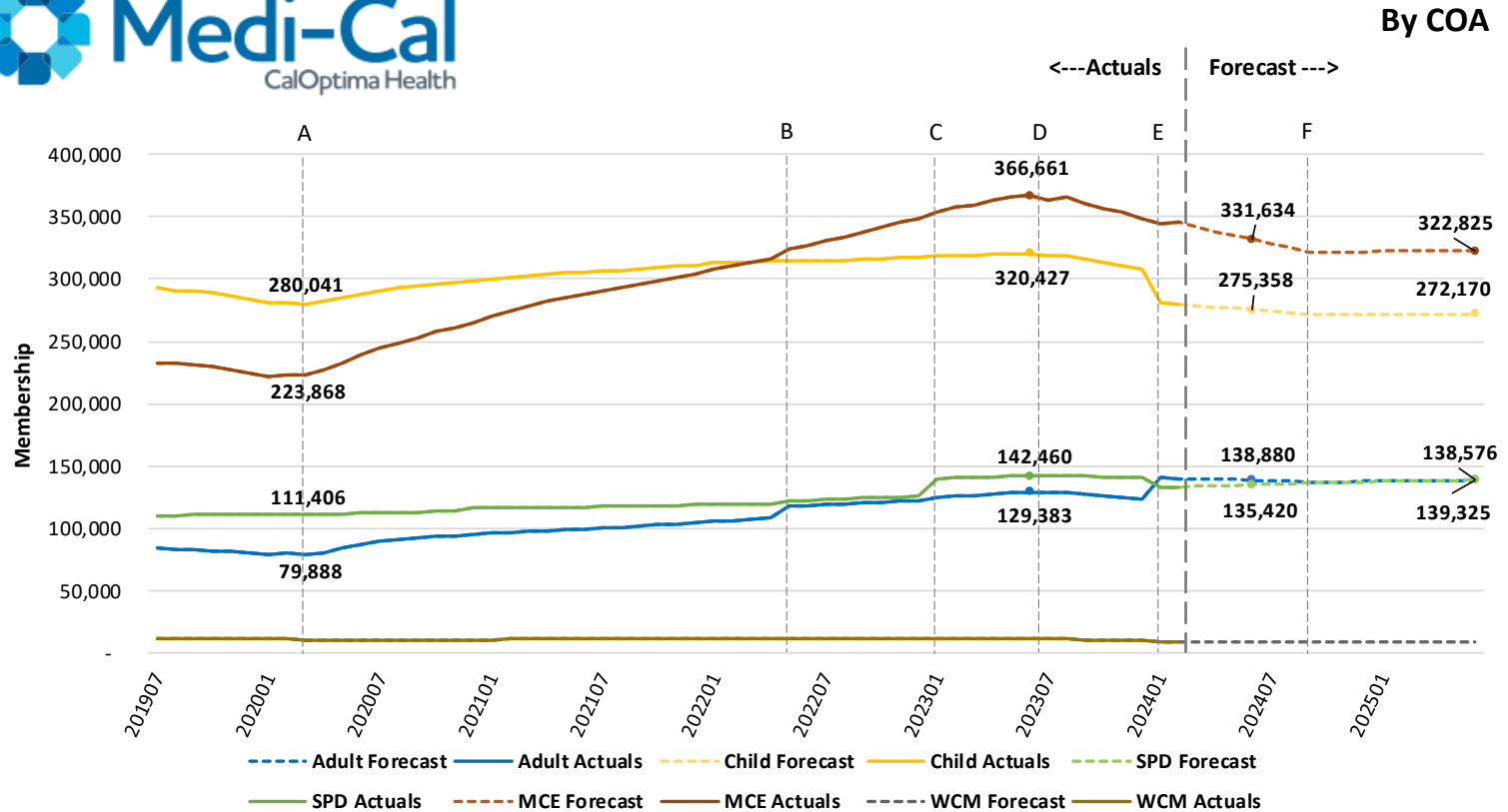
June 2024: 911K | June 2025: 903K



Consolidated



Medi-Cal Preliminary Enrollment Forecast by COA



- A. March 2020 - Beginning of PHE
- B. May 2022 - Undoc. Adults Age 50+ (17K)
- C. January 2023 - OCC enrollment moves to OC and MC (Duals)

- D. July 2023 - Redetermination Begins
- E. January 2024 - Undoc. Adults Age 26-49 (+45K) and Kaiser Transition (-55K) Asset Test Elimination For Medi-Cal Programs
- F. August 2024 - Forecasted Redetermination Catch-up Complete

Revenue: Key Assumptions

LOB	July - Dec 2024	Jan - June 2025
Medi-Cal	Calendar Year (CY) 2024 Draft Rates	Draft CY 2025 rates expected October 2024 <ul style="list-style-type: none"> • 1.2% increase to Medi-Cal Classic • 0.0% for Expansion and Whole Child Model • Forecasted trends informed by Rate Development Template submission
OneCare	Jan 2024: Part C base rates increased 4.35%	<ul style="list-style-type: none"> • Jan 2025: Projected Part C base rates to increase another 1.98% • Expecting a modest increase in RAF score to 1.35
PACE	<ul style="list-style-type: none"> • Medi-Cal revenue: -2.9% (credibility and blend modified CY 2024) • CMS revenue +7.2% (Base rate and RAF score) 	

Medical Cost: FY 2024-25 Planned Medi-Cal Provider Rate Changes

Medical Cost	Unit Cost Change	Detail
Fee-for-service Providers	Increase	<ul style="list-style-type: none"> Hospital Inpatient and Outpatient Specialist Skilled Nursing Facilities Behavioral Health Providers Ambulatory Surgical Centers Other Ancillary Providers
Provider Capitation - Professional	Increase	<ul style="list-style-type: none"> TRI Impact FQHC (TRI-like rates) UIS Specialist and CCS Rate Standardization Laboratory Medi-Cal Annual Wellness Visit (IHA) Community Health Worker, Doula, Rapid Whole Genome Sequencing Dyadic Screening Services Admin/Medical Management/Risk Encounter Quality, Completion, and Trend
Provider Capitation - Hospital	Increase	<ul style="list-style-type: none"> UIS Hospital (Inpatient and Outpatient) SNF Hospice Home Health Ambulatory Surgical Centers Admin/Medical Management/Risk Encounter Quality, Completion, and Trend

General & Administrative Base Costs

- Personnel costs
 - Annual merit increase of 4.0%
 - Anticipate higher costs due to a decrease in the vacancy factor from 7.5% in FY 2023-24 to 5% for FY 2024-25
 - Employee benefit premium increases and continuation of certain supplemental benefits
- Non-salary expenses
 - Technology upgrades to support operations
 - Software licenses and maintenance fees
 - Additional equipment needs
 - Sales and marketing efforts in OneCare and PACE

FY 2024-25 Budget Approval Timeline

Budget Preparation

- Feb – March: Departments prepare budgets
- April – May: Executive Team reviews and approves proposed budgets



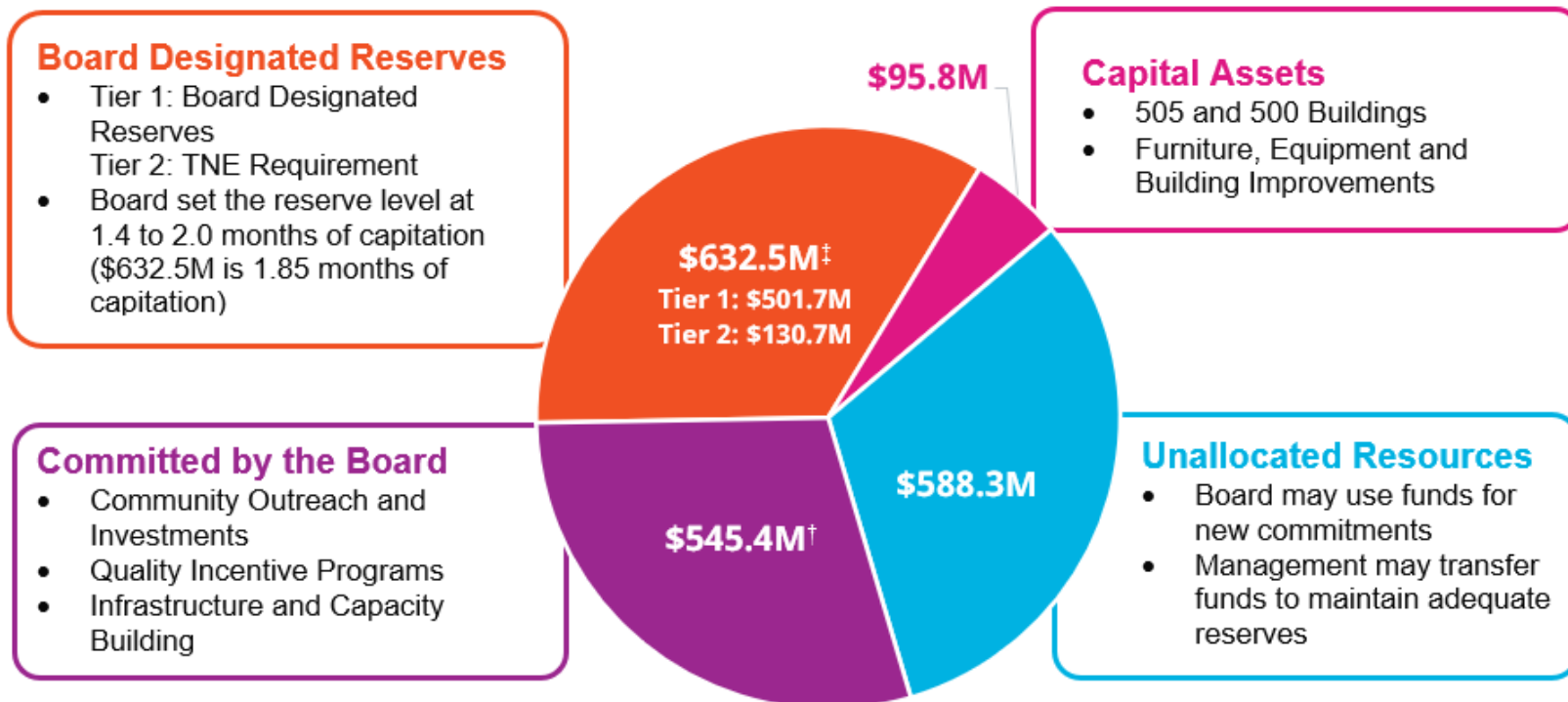
Budget Approval

- May 2 Board: Budget and Reserve Planning
- May 16 FAC: Budget review and approval
- June 6 Board: Budget review and approval

Part 2: Net Asset Analysis (as of 3/31/24)

Net Assets by Category (as of March 31, 2024)

Details on Reserves



- As of 3/31/24, the Total Net Assets was \$1,861.9 million
- Tangible Net Equity (TNE): As defined by DMHC, TNE is the greater of \$1 million or a % of premium revenues or a % of healthcare expenses

Resources Committed by the Board (as of 3/31/24)

Category	Board Approved Key Initiatives	Board Approved Amount	Spent Amount	Unspent Balance
Community Outreach and Investments	IGT, HHI, HHIP, Workforce Development, Community Reinvestment	\$490.0	(\$218.5)	\$271.5
Quality Incentive Programs	Member and Hospital Incentives	\$181.6	(\$14.8)	\$166.8
Infrastructure and Capacity Building	DTS, Post-PHE, SNF access	\$217.5	(\$110.4)	\$107.1
Total (in millions)		\$889.1	(\$343.7)	\$545.4

Part 3: Reserve Planning Recommendations

Comparison of Board Reserve Policies at Other Public Plans

Plan Name	Reserve Target Level
Community Health Group*	4.0 months of revenue
CenCal Health	3.0 months of revenue
Central California Alliance for Health	3.0 months of revenue
San Francisco Health Plan	3.0 months of revenue
Inland Empire Health Plan*	2.0 months of revenue
Health Plan of San Joaquin	
Health Plan of San Joaquin	6.0 months of operating expenses <u>and/or</u> 475% TNE
Santa Clara Family Health Plan	2.0 to 3.0 months of operating expenses <u>and</u> 500-750% TNE
Kern Health Systems	2.0 to 3.0 months of operating expenses <u>and</u> 500-600% TNE
Health Plan of San Mateo	2.0 months of operating expenses (minimum) <u>and</u> 1 month of operating expenses (contingency)
Partnership HealthPlan of California	2.0 months of operating expenses
CalOptima Health	
CalOptima Health	1.4 to 2.0 months of revenue

* Reserve requirements as reported in the May 2023 State Auditor’s report
 Other data reported through a recent local plan survey.

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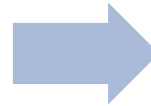


Recommendation 1: Reserve Policy (GA.3001) Revisions

- Recommend Board approval to modify Policy GA.3001: Statutory and Board-Designated Reserve Funds, effective June 1, 2024

Current Policy

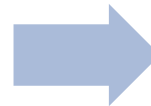
TNE Requirement included in Board-designated Reserve calculation



Proposed Policy

Create separate reserve fund for TNE Requirement

Board-designated Reserves at 1.4 to 2.0 months capitation



Board-designated Reserves at 2.0 to 3.0 months capitation

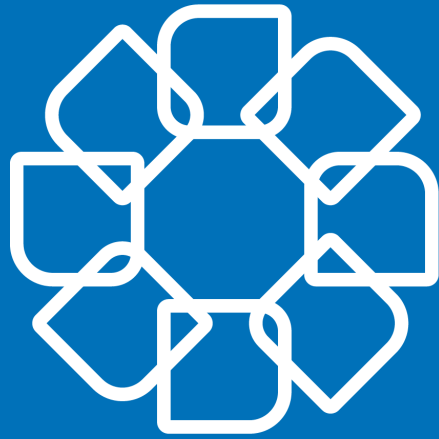
Recommendation 2: Commit Reserves to Support Provider Rate Increases

- Purpose: Improve member access to high quality care by strengthening the healthcare delivery system
- Commit reserves to fund 2.5 years of support for Medi-Cal provider and health network rate increases (7/1/24 – 12/31/26)
 - 2.5 years based on DHCS Rate Development Process timeline

	Estimated Amount (in millions)
Fiscal Year 2024-25 Reserve Commitment	\$210.5
Total Reserve Commitment over 2.5 years	\$526.2

* Annual impact in millions

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**MINUTES
REGULAR MEETING
OF THE
CALOPTIMA HEALTH BOARD OF DIRECTORS
April 4, 2024**

A Regular Meeting of the CalOptima Health Board of Directors (Board) was held on April 4, 2024, at CalOptima Health, 505 City Parkway West, Orange, California. The meeting was held in person and via Zoom webinar as allowed for under Assembly Bill (AB) 2449, which took effect after Governor Newsom ended the COVID-19 state of emergency on February 28, 2023. The meeting recording is available on CalOptima Health's website under Past Meeting Materials. Chair Corwin called the meeting to order at 2:02 p.m., and Supervisor Vicente Sarmiento led the Pledge of Allegiance.

ROLL CALL

Members Present: Clayton Corwin, Chair; Maura Byron; Supervisor Doug Chaffee; Blair Contratto; Veronica Kelley, DSW, LCSW (non-voting); Supervisor Vicente Sarmiento

(All Board members in attendance participated in person)

Members Absent: Isabel Becerra, Vice Chair; Norma García Guillén, J.D.; Jose Mayorga, M.D.; Trieu Tran, M.D.

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

The Clerk noted for the record that staff is continuing Agenda Item 13 for the full Board to weigh in on this item.

Chair Corwin welcomed Director Veronica Kelley to the CalOptima Health Board, noting that she was appointed as Director of the Orange County Health Care Agency on March 22, 2024, and replaces Debra Baetz on the CalOptima Health Board. Chair Corwin also thanked Director Baetz for her service on the CalOptima Health Board.

Chair Corwin announced that he was reordering the agenda today to hear Board Member Comments prior to the Closed Session.

PRESENTATIONS/INTRODUCTIONS

MANAGEMENT REPORTS

1. Chief Executive Officer Report

Michael Hunn, Chief Executive Officer, started his report by welcoming Director Kelley to the CalOptima Health Board. Mr. Hunn noted that he has had the pleasure of knowing Dr. Kelley for the last couple of years on the County-side when Dr. Clayton Chow was on the CalOptima Health Board and Dr. Kelley joined the Orange County Health Care Agency (HCA) in the behavioral health role.

Mr. Hunn also complimented and thanked the HCA, as well as the Social Security Administration (SSA) and SSA Director Anh Tran for the cross coordination and collaboration between CalOptima Health and

these agencies. He noted some of the many accomplishments, including COVID community and outreach, Medi-Cal redetermination, CalFresh, Naloxone distributions, and housing and homelessness initiatives and presentations.

Mr. Hunn shared that he watched a video clip on CalOptima Health's Street Medicine Program highlighting a gentleman named Wyatt. The video clip told the story of how the street medicine team-built trust with Wyatt over a long period of time and that, for the first time in about ten years of living on and off the streets, Wyatt is now stably housed. Mr. Hunn shared that at the end of the newsclip, Wyatt is standing in front of the first place he has had as a permanent home in close to a decade. Mr. Hunn thanked the Board for its support of the Street Medicine Program, noting that he has a saying at CalOptima Health that right now at this very moment, is literally the most important moment in one of its member's lives, and they are counting on CalOptima Health to get it right. This video clip was a moment of getting it right, in a very big way for that one gentleman.

Mr. Hunn provided several other updates, including the cybersecurity incident at Change Healthcare, a subsidiary of United Health Group. On March 19, 2024, CalOptima Health informed providers that it was implementing recommendations contained in a March 13, 2024, memo from the Department of Health Care Services to temporarily extend filing deadlines for claims to allow an additional 90-day grace period.

Mr. Hunn reviewed the Fast Facts data and reported that CalOptima Health currently serves about 934,373 individuals. CalOptima Health spends 93% of every dollar on medical care, and 4.6% is the overhead cost to administer the program.

CalOptima Health's Board-designated reserves are \$629.7 million; its capital assets are \$94.3 million; its resources committed by the Board are \$568.9 million; and its unallocated and unassigned resources are \$532.1 million. Mr. Hunn noted that CalOptima Health's total net assets are currently \$1.8 billion.

Mr. Hunn also reviewed the CalOptima Health personnel data and noted that there are about 1,600 employees with a vacancy/turnover rate of about 7.47% as of the March 23, 2024, pay period. CalOptima Health's vacancy/turnover target is to be at less than 12.5% to 15% at any given time.

Mr. Hunn reviewed the provider data, noting that CalOptima Health has about 10,697 providers, 1,232 primary care providers, and 9,465 specialists; 553 pharmacies; 39 acute and rehab hospitals; 52 community health centers; and 112 long term care facilities.

Mr. Hunn reviewed CalOptima Health's treatment authorizations, noting that the data is as of January 31, 2024. For urgent inpatient treatment authorizations, the average approval is within 8.08 hours; the state-mandated response is 72 hours. For urgent prior authorizations, the average approval is within 20.05 hours; the state-mandated response is 72 hours. And for routine prior authorizations, the average approval is 2.29 days; the state-mandated response is 5 days.

Mr. Hunn also reported that CalOptima Health participated in a legislative briefing last month in Sacramento and it included several Orange County delegates, health and budget committee members, the California Health and Human Services Agency, and the Department of Health Care Services. Part of that discussion was Proposition 1, which authorizes \$6.38 billion dollars in bonds to build mental health treatment facilities for those with mental health and substance use challenges and provides housing for persons experiencing homelessness. Mr. Hunn invited Director Kelley to provide comments on this topic.

Director Kelley noted that Orange County has historically overspent a little bit as far as Mental Health Services Act (MHSA) dollars go for the County. Director Kelley added that Proposition 1 will reduce MHSA dollars by roughly \$200 million and will change what the County can and cannot fund with MHSA dollars. Those changes will shift a lot of funding from prevention dollars in schools that the County is providing services in and also cut into the County's housing funding.

Supervisor Sarmiento noted for the record there was a correction to the minutes from the March 7, 2024, Board meeting on the event held on March 2, 2024, the location should have been noted as El Modena High School and not El Dorado High School. He also welcomed Director Kelley to the CalOptima Health Board.

Mr. Hunn reported that as Congress begins its Fiscal Year 2025 appropriation process, CalOptima Health is submitting a request to U.S. Senators Laphonza Butler and Alex Padilla of California for a federal earmark of about \$2.5 million to fund future expansion of street medicine to an additional city. CalOptima Health has already drawn significant support for these requests from 14 of the 16 state legislators representing Orange County, several Orange County supervisors, and mayors, the Association of California Cities–Orange County, and First 5 Orange County.

Mr. Hunn also noted that CalOptima Health began its first telehealth behavioral health services on April 1, 2024, through TeleMed2U. He thanked Carmen Katsarov, Executive Director, Behavioral Health, and Dr. Natalie Do, Medical Director, Behavioral Health, for implementing this program.

Director Kelley added that telehealth is helpful for communities that live in poverty to have access to a skilled clinician to provide counseling services, especially for those suffering from mild-to-moderate behavioral health issues.

Mr. Hunn complimented the CalOptima Health marketing and communications team, which received a significant number of ADDY Awards, called the American Advertising Awards, for CalOptima Health's brand awareness campaign, including CalFresh awareness and how to connect to all the services available to Orange County residents.

2. CalOptima Health Pediatric Membership Data

Dr. Michael Rose, Chief Health Equity Officer, presented an overview of CalOptima Health's pediatric membership data. Dr. Rose noted that CalOptima Health has 282,164 pediatric members. Dr. Rose's report focused on some of the leading chronic conditions which children are facing, including asthma, obesity, autism spectrum disorders, anxiety disorders, depressive disorders, and ADHD, which includes the conduct disorders and hyperkinetic syndrome. Dr. Rose noted that for each of these conditions the report shows the same zip codes repeated across conditions, which is where CalOptima Health's pediatric members reside. She also reported on the number of pediatric members having one of the leading chronic conditions and drilled down to the percentages by member ethnicity. Dr. Rose reported on childhood immunization status by age group and ethnicity. She added that the data that CalOptima Health used is the CMS Chronic Conditions Warehouse algorithm, which requires a recent (within the last 2 years) and well documented (at least one inpatient claim or two non-inpatient claims) diagnosis and would not capture members with no utilization in the last two years. Dr. Rose also reviewed the disparities in neighborhoods with the highest concentration of CalOptima Health pediatric members. In addition, Dr. Rose reported on the services available to CalOptima Health pediatric members and reviewed opportunities for improvement.

After a robust discussion, Dr. Rose responded to Board member comments and questions and committed to drilling down further in the data; convening focus groups with members to identify needs and opportunities to improve health equity; including insights from the Member Advisory, the Provider Advisory and the Whole-Child Model Family Advisory Committees; and bringing the updated findings back to the Board. Dr. Rose added that CalOptima Health will also be including focus groups with providers to include their voices and conducting a Member Health Needs Assessment, which the Board will consider later on the agenda.

PUBLIC COMMENTS

None.

CONSENT CALENDAR

3. Minutes

- a. Approve Minutes of the March 7, 2024 Regular Meeting of the CalOptima Health Board of Directors
- b. Receive and File Minutes of the December 13, 2023 Regular Meeting of the CalOptima Health Board of Directors' Quality Assurance Committee

4. Approve Updated Policy HH.3012: Non-Retaliation for Reporting Violations

5. Approve Actions Related to a Contract with Aunt Bertha dba Findhelp for a Closed Loop Referral System

6. Approve Contract for State and Local Advocacy Services

Supervisor Sarmiento thanked Clear Advocacy for helping CalOptima Health with its advocacy in Sacramento. He also noted that there was only one proposal submitted in response to the request for proposals for advocacy services. Supervisor Sarmiento added that he is supportive of this item but also noted that as a public agency, CalOptima Health wants to have a competitive process.

7. Receive and File 2023 CalOptima Health Quality Improvement Evaluation and Approval of the 2024 CalOptima Health Quality Improvement and Health Equity Transformation Program and Work Plan

8. Approve the 2023 CalOptima Health Utilization Management Program Evaluation and the 2024 CalOptima Health Integrated Utilization Management/Case Management Program Description

9. Receive and File 2023 CalOptima Health Program of All-Inclusive Care for the Elderly Quality Assessment and Performance Improvement Plan Evaluation and Approval of the 2024 CalOptima Health Program of All-Inclusive Care for the Elderly Quality Improvement Plan

10. Approve Recommendation for Vice Chair Appointment to the Whole-Child Model Family Advisory Committee

11. Appointment of Social Services Agency Representative to the CalOptima Health Board of Directors' Member Advisory Committee

12. Receive and File:

- a. February 2024 Financial Summary
- b. Compliance Report
- c. Federal and State Legislative Advocates Reports
- d. CalOptima Health Community Outreach and Program Summary

Action: On motion of Supervisor Sarmiento, seconded and carried, the Board of Directors approved the Consent Calendar Agenda Items 3 through 12, as presented. (Motion carried; 5-0-0; Vice Chair Becerra and Directors García Guillén, Mayorga, and Tran absent)

REPORTS/DISCUSSION ITEMS

13. Adopt Resolution No. 24-0404-01 Approving and Adopting Updated CalOptima Health Human Resources Policies

This item was continued to allow the full Board to weigh in on this item.

14. Authorize Expansion of the CalOptima Health OneCare Outreach and Engagement Strategy to Retain and Enroll Eligible CalOptima Health Members Who Are Also Enrolled in Medicare

Action: On motion of Supervisor Sarmiento, seconded and carried, the Board of Directors: 1.) Authorized expansion of the CalOptima Health OneCare Outreach and Engagement Strategy to retain and enroll eligible CalOptima Health members who are also enrolled in Medicare; 2.) Authorized unbudgeted expenditures and appropriate funds in an amount not to exceed \$964,400 from existing reserves to implement the strategy through June 30, 2024; and 3.) Authorized the Chief Executive Officer (CEO) or designee to execute agreements for expenditures as necessary to implement proposed activities. (Motion carried; 5-0-0; Vice Chair Becerra and Directors García Guillén, Mayorga, and Tran absent)

15. Authorize an Extension of CalOptima Health's General Awareness and Brand Campaign to Continue Increasing Visibility and Understanding of CalOptima Health in Orange County

Supervisor Sarmiento noted that he noticed that CalOptima Health's advertising continues to be at John Wayne Airport and wondered if this is the best advertising venue for CalOptima Health members. Supervisor Sarmiento suggested meeting with the consultant to ask if the advertising can be tailored a little more for the population CalOptima Health is targeting.

Yunkyung Kim, Chief Operating Officer, responded that this last round was CalOptima Health's first Brand Awareness campaign and CalOptima Health has learned a lot from this. She added that although CalOptima Health is using a consultant, the management team has final decisions that will allow it to refine the brand campaign going forward.

Director Contratto thanked Deanne Thompson and her team for all their work on the CalOptima Health brand, and their continued refinements.

Action: *On motion of Director Contratto, seconded and carried, the Board of Directors: 1.) Authorized a two-year extension of the General Awareness and Brand Campaign, through June 30, 2026, to include multichannel outreach to Orange County residents and CalOptima Health’s members, prospective members, providers and partners; 2.) Authorized unbudgeted expenditures and appropriate funds in an amount not to exceed \$2 million from existing reserves to implement the extended campaign through June 30, 2026; 3.) Authorized the Chief Executive Officer (CEO) or designee to execute agreements as necessary to implement proposed activities. (Motion carried; 5-0-0; Vice Chair Becerra and Directors García Guillén, Mayorga, and Tran absent)*

16. Approve Actions Related to the 2024 CalOptima Health Member and Population Health Needs Assessment

Action: *On motion of Supervisor Chaffee, seconded and carried, the Board of Directors: 1.) Authorized reallocation of remaining unspent funds, approximately \$1.0 million, from the Board approved initiative CalOptima Health 2023 Member Health Needs Assessment (MHNA) to fund the 2024 Member and Population Health Needs Assessment (MPHNA); and 2.) Approved the scope of work (SOW) for the 2024 CalOptima Health MPHNA and release of a request for proposals (RFP). (Motion carried; 5-0-0; Vice Chair Becerra and Directors García Guillén, Mayorga, and Tran absent)*

17. Approve Award Recommendations for Workforce Development Initiative Round One Grants
Donna Laverdiere, Executive Director, Strategic Development introduced this item.

Action: *On motion of Supervisor Chaffee, seconded and carried, the Board of Directors: 1.) Approved the selection of seven recommended grantees with corresponding grant award allocations totaling \$24,596,300 for educational investments to increase the pipeline of health care professionals in Orange County; 2.) Approved the recommendation of a maximum grant award of \$5 million per applicant organization; 3.) Authorized the Chief Executive Officer, or designee, to enter into grant agreements with the recommended grantees; and 4.) Made a finding that such expenditures are for a public purpose and in furtherance of CalOptima Health’s mission and purpose. (Motion carried; 5-0-0; Vice Chair Becerra and Directors García Guillén, Mayorga, and Tran absent)*

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

Kelly Bruno-Nelson, Executive Director, Medi-Cal and CalAIM, introduced this item and reviewed the organizations selected for systems change projects and equity grants and associated dollars recommended for each of the organizations.

Action: *On motion of Supervisor Chaffee, seconded and carried, the Board of Directors: 1.) Approved CalOptima Health staff recommendations to administer grant agreements and total award payments up to \$600,000 for equity grants and \$10.18 million for systems change projects (Attachment 2). (Motion carried; 5-0-0; Vice Chair Becerra and Directors García Guillén, Mayorga, and Tran absent)*

19. Approve Actions Related to Provider Credentialing, Provider Contract Management, Provider Data Management

Action: *On motion of Supervisor Sarmiento, seconded and carried, the Board of Directors: 1.) Authorized the Chief Executive Officer to amend and extend the contracts for one-year, under the same terms and conditions, with the following vendors: a.) Symplr Inc. for credentialing management services through December 15, 2025; and b.) Change Healthcare Inc. for contract management services through December 29, 2025; and 2.) Authorized the Chief Executive Officer or designee to negotiate and execute a five-year contract with Accenture LLP to resell and implement Salesforce, Inc. Health Cloud Provider Network Management. (Motion carried; 5-0-0; Vice Chair Becerra and Directors García Guillén, Mayorga, and Tran absent)*

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

Mr. Hunn acknowledged Kelly Bruno-Nelson, who received her doctorate this past week in her spare time, so CalOptima Health has another doctor in house. He also acknowledged Donna Laverdiere for all her work on the workforce development program.

Supervisor Chaffee congratulated Dr. Bruno-Nelson on her doctorate and noted that she is also on television talking about the Street Medicine Program. He thanked CalOptima Health for staffing so many community events, including the Korean Initiative for Health Care.

Director Contratto reported that the Governance Ad Hoc Committee met in March and will be meeting again in April. She also reported that ad hoc committee has identified several items for consideration, which included possibly staggering the terms of office for Board members and identifying the best time to conduct the Election of Officers for the Board Chair and Board Vice Chair. Director Contratto noted that when the Governance Ad Hoc Committee meets in April, it will review and finalize the recommendations and bring those recommendations back to the Board for consideration. Director Contratto also noted that the ad hoc committee discussed one of the recommendations from the California State Audit report, which was the CEO selection process. She added that the Governance Ad Hoc Committee will be recommending that a separate ad hoc committee be created to determine the process for CEO succession planning, recruitment and selection process.

CLOSED SESSION

The Board adjourned to Closed Session at 3:55 p.m. Pursuant to Government Code Section 54956.9(d)(1) CONFERENCE WITH LEGAL COUNSEL –EXISTING LITIGATION.

The Board reconvened to open session at 4:27 p.m. with no reportable action taken.

Regular Meeting of the
CalOptima Health Board of Directors
April 4, 2024
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ADJOURNMENT

Hearing no further business, the meeting was adjourned at 4:28 p.m.

/s/ Sharon Dwiers
Sharon Dwiers
Clerk of the Board

Approved: May 2, 2024

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

4. Authorize and Direct Execution of Amendment 10 to Agreement 16-93274 (Care Coordination Agreement) with the California Department of Health Care Services in Order to Continue Operation of the Dual Eligible Special Needs Plan OneCare Program

Contact

John Tanner, Chief Compliance Officer, (657) 235-6997

Recommended Action

Authorize and direct the Chairman of the Board of Directors (Board) to execute Amendment 10 to the Care Coordination Agreement between CalOptima Health and the Department of Health Care Services (DHCS) in order to continue operation of OneCare, CalOptima Health's Dual Eligible Special Needs Plan (D-SNP).

Background

As a County Organized Health System, CalOptima Health contracts with the DHCS to provide health care services to Medi-Cal beneficiaries in Orange County. In January 2009, CalOptima entered into a new, five (5)-year Primary Agreement with the DHCS. The Primary Agreement contains, among other terms and conditions, the payment rates CalOptima Health receives from DHCS to provide health care services to CalOptima Health members. Until 2016, the Primary Agreement included language that incorporated provisions related to the Medicare Improvements for Patients and Providers Act (MIPPA) and eligibility criteria for the D-SNP.

In 2016, DHCS extracted the MIPPA-compliant language from the Primary Agreement and placed it in the standalone Care Coordination Agreement, also referred to as the State Medicaid Agency Contract (SMAC) by the Centers for Medicare and Medicaid Services (CMS). The CalOptima Health Board Chairman executed the Care Coordination Agreement, which was ratified by the Board at the August 2016 Board meeting. Since then, there have been nine amendments to the Care Coordination Agreement, summarized in the attached Appendix 1. The existing Care Coordination Agreement is set to terminate on December 31, 2024, and contains no payment rates.

Via the Care Coordination Agreement with DHCS and the Medicare Advantage contract with CMS, CalOptima Health operates the OneCare line of business as an Exclusively Aligned Enrollment Integrated D-SNP, meaning that OneCare offers care coordination for the Medi-Cal and Medicare services to members who are enrolled with CalOptima Health for both Medicare and Medi-Cal benefits.

Discussion

Amendment to Agreement 16-93274 (Care Coordination Agreement)

On March 7, 2024, DHCS provided CalOptima Health with a draft SMAC amendment to extend the Care Coordination Agreement through December 31, 2025.

CalOptima Health Board Action Agenda Referral
Authorize and Direct the Chairman of the Board of Directors to
Execute Amendment 10 to Agreement 16-93274 with the
California Department of Health Care Services in Order to Continue
Operation of the OneCare Program
Page 2

CMS requires that plans renewing their D-SNP programs submit evidence of an MIPPA-compliant SMAC contract for the 2025 contract year no later than July 1, 2024. Executing Amendment 10 to the Care Coordination Agreement is required in order for CalOptima Health to meet CMS’s filing requirements and to continue operating CalOptima Health’s D-SNP (OneCare) in contract year 2025. CalOptima Health has requested that DHCS send the final amendment to CalOptima Health as soon as possible in order to allow for immediate signature by CalOptima Health and prompt return to DHCS for counter-signature.

Amendment 10 contains language changes in addition to the extension of the expiration date. DHCS has only shared draft boilerplate contract amendments with CalOptima Health at this time. If the final contract amendment is not consistent with staff’s understanding as presented in this document, or if it includes substantive and unexpected language changes, staff will return to the Board for further consideration of those changes. Attachment 3 “Additional Detail for CY 2025 Agreement 16-93274” includes further information regarding the language changes contained within the Care Coordination Agreement.

Fiscal Impact

The recommended action is operational in nature. Staff will include related OneCare expenses in future operating budgets.

Rationale for Recommendation

CalOptima Health’s execution of Amendment 10 to the Care Coordination Agreement with the DHCS is necessary to ensure that CalOptima Health meets CMS requirements to continue operating the OneCare program during 2025.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. Appendix summary of amendments to Agreements with DHCS
2. 2025 Draft Amendment to Agreement 16-93274
3. Additional Detail for CY 2025 Agreement 16-93274

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

APPENDIX TO AGENDA ITEM 4

The following is a summary of amendments to Agreement 16-93274 approved by the CalOptima Board of Directors (Board) to date:

Amendments to Agreement 16-93274	Board Approval
A-01 extends the Agreement 16-93274 with DHCS to December 31, 2018.	August 3, 2017
A-02 extends the Agreement 16-93274 with DHCS to December 31, 2019	June 7, 2018
A-03 extends the Agreement 16-93274 with DHCS to December 31, 2020	May 2, 2019
A-04 extends the Agreement 16-93274 with DHCS to December 31, 2021	June 4, 2020
A-05 extends the Agreement 16-93274 with DHCS to December 31, 2022.	June 3, 2021
A-06 extends the Agreement 16-93274 with DHCS to December 31, 2023.	May 5, 2022
<p>A-07 ratification to the Agreement 16-93274 to correct citation related to appeals and grievances in Exhibit A, Attachment 1: Coordination of Care, Section 18: Additional Guidance; and an update to amend the Information Sharing requirements outlined in Exhibit A, Attachment 1, Section 1.G of the amendment.</p> <p>A-08 No changes in rates. Additional language updates for Section 18: Additional Guidance, for integrated appeals and grievance requirements for EAE D-SNPs. Added a definition for Care Coordinator, which previously existed.</p>	<p>October 6, 2022</p> <p>Non-substantive language, therefore not brought to the BOD for additional ratification of the 2023 Amendment.</p>
A-09 extends the Agreement 16-93274 with DHCS to December 31, 2024.	May 4, 2023

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Exhibit A SCOPE OF WORK

Exclusively Aligned Enrollment D-SNP

1. Service Overview

- A. This Contract is being executed with this Contractor that is a Dual Eligible Special Needs Plan (D-SNP), <INSERT D-SNP LEGAL ENTITY NAME>, that will be referred to in this Contract as D-SNP Contractor. The Medicare Advantage organization offering the D-SNP, D-SNP Contractor's parent organization, or another entity that is owned and controlled by the D-SNP Contractor's parent organization <INSERT LEGAL NAME OF ENTITY HOLDING THE MEDI-CAL MANAGED CARE PLAN> must also hold a Medi-Cal Managed Care Health Plan (MCP) Contract with California Department of Health Care Services (DHCS), or must be a subcontracted delegate health plan as defined in Welfare and Institutions Code (W&I) section 14184.208(h)(6), also referred to as an Exclusively Aligned Enrollment (EAE) D-SNP. D-SNP Contractor must have a Medicare Advantage Contract (H-Contract) that only includes D-SNPs within California in accordance with 42 CFR section 422.107(e). The H-Contract must include both EAE and Non-EAE plan benefit packages.
- B. This D-SNP Contract is a Care Coordination and benefit coordination agreement. D-SNP Contractor is responsible for coordinating the delivery of all benefits covered by both Medicare and Medi-Cal, including those benefits not covered by the Medicare Advantage health plan under whose authority the D-SNP Contractor operates, and the Medi-Cal benefits identified in the Exhibit H attachment to this Contract and referenced below in Provision 3 of this Exhibit A. Coordination responsibility includes coordination of those Medi-Cal Services that are delivered via Medi-Cal Fee-For-Service (FFS), managed care, or other Medi-Cal delivery systems. These Medi-Cal benefits and services are defined in the contents of this D-SNP Contract.
- C. This D-SNP Contract is for Applicable Integrated Plans as defined in 42 CFR section 422.561. D-SNP Contractor must limit enrollment to full-benefit Dual Eligible Members enrolled in an affiliated MCP, per 42 CFR section 422.561, that holds a capitated contract with DHCS or is a subcontracted delegate health plan as defined in W&I 14184.208(h)(6). Through the capitated MCP Contract, Medi-Cal benefits include primary care and acute care, including Medicare cost-sharing as defined in 28 Social Security Act (SSA) section 1905(p)(3)(B), (C), and (D), without regard to the limitation of that definition to qualified Medicare beneficiaries. Members enrolled in Applicable Integrated Plans have Skilled

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**Exhibit A
SCOPE OF WORK**

Nursing Facility (SNF) services (with coverage for 180 days), Home Health Services, and Durable Medical Equipment (DME) covered by the capitated MCP Contract.

2. Project Representatives

A. The project representatives during the term of this D-SNP Contract will be:

Department of Health Care Services	D-SNP Contractor
Managed Care Operations Division (MCO) Attn: Manila Vongmany, Chief Procurement & Contract Development Branch	California Attn: President
Telephone: (916) 449-5000 FAX: (916) 449-5090	Telephone: Email:

B. Direct all inquiries to:

Department of Health Care Services	D-SNP Contractor
Managed Care Operations Division Attn: Michelle Retke, Division Chief	Name: Attn: President
MS 4408 P.O. Box 997413 Sacramento, CA 95899-7413	
Telephone: (916) 449-5000 Fax: (916) 449-5090	Telephone: Email:

C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this D-SNP Contract.

3. See the following attachments for a detailed description of the services to be performed:

- A. Exhibit A: Scope of Work
- B. Exhibit H

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Exhibit A, Attachment 1 COORDINATION OF CARE

1. Care Coordination

This D-SNP Contract is a Care Coordination and benefit coordination agreement between D-SNP Contractor and DHCS. D-SNP Contractor is responsible for coordinating the delivery of all benefits and services covered by both Medicare and Medi-Cal, including when Medi-Cal Services are delivered via Medi-Cal FFS, managed care, or other Medi-Cal delivery systems. Without limitation, D-SNP Contractor shall coordinate care with providers and other entities for the Medi-Cal Services outlined in Exhibit H, when Medically Necessary for the Member. D-SNP Contractor must educate Members through Member handbook and other contacts that D-SNP Contractor, and not the Member, is responsible for coordination of the Member's Medi-Cal and Medicare Services.

- A. For coordination of behavioral health services, including specialty mental health and substance use disorder services, D-SNP Contractor will establish a cooperative working relationship with the Member's MCP and/or the county behavioral agency for care coordination, information sharing, and oversight. County behavioral health plan contact information can be found at the following link:
<https://www.dhcs.ca.gov/services/MH/MHSUD/Pages/CountyProgAdmins.aspx>
- B. For coordination of In-Home ~~Support~~Supportive Services (IHSS), D-SNP Contractor will establish a cooperative working relationship with the County IHSS Office for care coordination, information sharing, and oversight. County IHSS Office contact information can be found at
<https://www.cdss.ca.gov/inforesources/county-ihss-offices>
- C. For coordination of Medi-Cal dental benefits, D-SNP Contractor will contact the DHCS Dental Administrative Service Organization (ASO) for provider information and the coordination of dental benefits for Members enrolled in Medi-Cal dental fee-for-service or will contact the Medi-Cal Dental Managed Care Plan for Members enrolled in Medi-Cal Dental Managed Care. ASO contact information can be found at the following link:
<https://smilecalifornia.org/contact-us/> and below are Medi-Cal Dental Managed Care contact information ~~can be found at the following link:-~~
~~https://dental.dhcs.ca.gov/Dental_Providers/Dental_Managed_Care/~~

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Exhibit A, Attachment 1 COORDINATION OF CARE

Liberty Dental Plan

Sacramento: (888) 703-6999 or (877) 855-8039 (TTY/TTD)

Los Angeles: (888) 703-6999 or (877) 855-8039 (TTY/TTD)

Health Net Dental Plan

Sacramento: (800) 977-7307 | TTY (800) 977-7307 (TTY 711)

Los Angeles: (800) 977-7307 | TTY (800) 977-7307 (TTY 711)

Access Dental Plan

Sacramento: (877) 821-3234 | TTY: (800) 735-2929

Los Angeles: (888) 414-4110 | TTY: (800) 735-2929

Please note: The Dental Managed Care Plans are subject to change. DHCS reserves the right to provide updated contact information for Dental Managed Care plans.

- D. For coordination of Medi-Cal pharmacy benefits, D-SNP Contractor will contact Medi-Cal Rx, and contact information can be found at the following link: <https://medi-calrx.dhcs.ca.gov/home/contact>.
- E. If D-SNP Contractor offers Supplemental Benefits as referenced in Exhibit E, Attachment A, Definitions, of this Contract, also including Special Supplemental Benefits for the Chronically Ill (SSBCI) or Expanded Primarily Health-Related Benefits (EPHRB), those services should be coordinated as needed to ensure D-SNP Contractor tracks Member use of Supplemental Benefits and exhausts Supplemental Benefits prior to or concurrent with authorization of or referral for Medi-Cal benefits, including but not limited to Dental, Vision, Transportation, Community Supports, and Behavioral Health.
- F. D-SNP Contractor must implement a Special Needs Plan Model of Care (MOC). In addition to meeting requirements detailed at 42 CFR §422.101(f) and earning approval from the National Committee for Quality Assurance (NCQA), the Contractor shall include state-specific requirements outlined in the 2025 CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide: <https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>. D-SNP Contractor must additionally comply with State-specific Care Coordination requirements, which are fully outlined in the 20242025 CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide available on the DHCS website and may be

Boilerplate EAE

Exhibit A, Attachment 1 COORDINATION OF CARE

amended from time to time:

<https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>

These State-specific requirements, which are outlined fully in the 2025 CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide, include the following:

- 1) Incorporating Medi-Cal data into the D-SNP risk stratification process;
- 2) Incorporating Medi-Cal Services and providers, including palliative care teams as appropriate, into the development and execution of the Member's care plan and care team, including Medi-Cal Services accessed through the aligned MCP as well as Medi-Cal FFS and other Medi-Cal delivery systems (including Home and Community-Based Services programs);
- 3) Including a question in the Member's HRA to identify any engaged Caregiver and submit the HRA tool to DHCS;
- ~~3)4)~~ Assessment of ~~caregiver~~Caregiver support needs, if a Member identifies a ~~caregiver~~Caregiver, as part of the D-SNP assessment process;
- ~~4)5)~~ Providing on at least an annual basis as feasible, and with the Member's consent, face-to-face encounters for the delivery of health care or care management or Care Coordination services;
- ~~5)6)~~ Incorporating trained Dementia Care Specialists in care teams and encouraging primary care providers to leverage Dementia Care Aware resources for any primary care appointment to detect cognitive impairment;
- ~~6)7)~~ Utilizing Long-Term Services and Supports (LTSS) liaisons in supporting care transitions;
- ~~7)8)~~ Including four (4) or more populations of focus from the Medi-Cal Enhanced Care Management (ECM) program and demonstrating how the D-SNP Contractor's model of care includes and reflects the delivery of ECM core services; ~~and~~
- ~~8)9)~~ Providing and coordinating inpatient and

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outpatient/community-based palliative care referrals and services for Members who meet Medi-Cal criteria for palliative care; and

10) Discussing advance care planning in the Annual wellness visit or other provider visits.

- G. D-SNP Contractor is not responsible to provide or pay for any Medi-Cal benefits, or Medicare cost sharing obligations which are covered in full through Medi-Cal FFS or MCP Contract. Medi-Cal MCPs are responsible to pay Medicare cost sharing obligations for contracted benefits for MCP members. In addition, the MCP Contract requires the MCP to enter into a Coordination of Benefits Agreement with the Medicare program through the Centers for Medicare & Medicaid Services (CMS), and to participate in Medicare's automated claims crossover process for full-benefit Dual Eligible Members, in accordance with 42 CFR section 438.3(t). D-SNP Contractor shall maintain a current knowledge and familiarity of Medi-Cal benefits through ongoing reviews of California laws, rules, policies, and further guidance as posted on the DHCS website or otherwise provided by DHCS. D-SNP Contractor shall coordinate with the aligned MCP to support Medi-Cal eligibility retention efforts to the extent permitted by law, and guidance from CMS and DHCS. D-SNP Contractor shall timely coordinate Medi-Cal Services requiring referral and coordination of care as outlined in Exhibit H for its Members under this Contract.

This Provision details D-SNP Contractor's specific Medicare-Medi-Cal care coordination requirements. Medi-Cal Services are described in Title XIX of the Social Security Act, 42 CFR parts 440 and 441; ~~the California Medicaid State Plan, Section 3.2, Provision 1 of this Attachment, the California CalAIM 1915(b) Waiver, Attachment III, Exhibit H;~~ the DHCS and Medi-Cal websites; and other relevant materials.

2. Information Sharing

- A. D-SNP Contractor is responsible for complying with State policy implementing federal information sharing requirements for D-SNPs per 42 CFR section 422.107(d)(1), for the purpose of coordinating Medicare and Medi-Cal covered services between settings of care for all Members. This State policy is in addition to federal requirements for hospitals regarding electronic notifications listed in 42 CFR section 482.24(d). The goal of the information sharing policy is for D-SNP Contractor, either directly or through contracted providers or other entities, to timely notify the Member's MCP, or

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hospital and SNF admissions. Timely notification supports the coordination of and referrals to Medicare and Medi-Cal Services, including Home and Community Based Services.

- 1) To the extent permissible under applicable federal and State law and regulations, and not inconsistent with the Member's expressed privacy preferences, D-SNP Contractor will require their contracted hospitals and SNFs to use a secure email data exchange through a Health Information Organization, or an electronic process approved by DHCS, to inform D-SNP Contractor in a timely manner of any hospital or SNF admissions for all Members.
 - 2) D-SNP Contractor will require contracted hospitals to make this notification either immediately prior to, or at the time of, the Member's discharge or transfer from the hospital's inpatient services, if applicable.
 - 3) To the extent permissible under applicable federal and State law and regulations, and not inconsistent with the Member's expressed privacy preferences, D-SNP Contractor will require their contracted SNFs to use a secure email, a data exchange through a Health Information Organization, or an electronic process approved by DHCS, to inform D-SNP Contractor of any SNF admission, discharge, or transfer for all Members. For SNF admissions, D-SNP Contractor will require contracted SNFs to make this notification within 48 hours after any SNF admission. For SNF discharges or transfers, D-SNP Contractor will require contracted SNFs to make this notification in advance, if at all possible, or at the time of, the Member's discharge or transfer from the SNF.
 - 4) In the event that the D-SNP Contractor authorizes another entity or entities to perform these notifications, D-SNP Contractor must retain responsibility for complying with this requirement. The D-SNP Contractor ultimately retains the responsibility for the notification requirements that are delegated to its contracted hospitals and SNFs.
- B. D-SNPs will coordinate care management for their Members and facilitate Member access to needed LTSS to support care transitions.

3. Integrated Materials

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- A. D-SNP Contractor is responsible for providing integrated Member materials to Members. The State requirements described in this Paragraph are in addition to all existing Medicare marketing and communications requirements outlined in 42 CFR Part 422 Subpart V, 42 CFR Part 423 Subpart V, and 42 CFR section 438.10(d)(2), and as described in the Medicare Communications and Marketing Guidelines (MCMG). Required integrated Member materials will include:
- 1) Annual Notice of Change (ANOC);
 - 2) Member Handbook;
 - 3) Summary of Benefits;
 - 4) Member Identification (ID) Card;
 - 5) Provider/Pharmacy directory; and
 - 6) List of Covered Drugs (Formulary).
- B. D-SNP Contractor must have a single Member services/customer service phone number for Members to contact D-SNP Contractor regarding their Medicare or Medi-Cal benefits. D-SNP Contractor must use the single Member services phone number in all integrated Member materials.
- C. D-SNP Contractor will be required to make all integrated Member materials available in the threshold languages for their aligned MCP Service Area. Threshold languages include both:
- 1) Medicare's five percent (5%) threshold for language translation as outlined in 42 CFR Part 422 Subpart V and 42 CFR Part 423 Subpart V); and
 - 2) DHCS prevalent language requirements, i.e. the DHCS threshold and concentration standard languages, as specified in APL 21-004 or subsequent iterations guidance to Contractors on specific translation requirements for their Service Areas.
- D. D-SNP Contractor must have a process for ensuring that Members can make a standing request to receive materials in alternative formats and in any non-English languages, at the time of request and on an ongoing basis thereafter, in accordance with 42 CFR

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section 422.2267 and section 423.2267, APL 21-004, APL 22-002, and the [20242025](#) CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide as applicable. The process must include how D-SNP Contractor will keep a record of the Member's information and utilize it as an ongoing standing request so the Member does not need to make a separate request for each item of material, and how a Member can change a standing request for preferred language and/or format.

- E. D-SNP Contractor must identify in its provider directory those providers that accept both Medicare and Medi-Cal, i.e. providers that are currently registered providers under Medi-Cal and are also within D-SNP Contractor's network. D-SNP Contractor must comply with existing federal and State guidelines regulating print and online provider directories. Print and online directories for D-SNP Contractor must reflect all contracted and in-network providers for D-SNP Members. The provider directories must show the providers that are in the D-SNP Medicare and/or Medi-Cal networks in a clear manner for Members.
- F. D-SNP Contractor must submit all communication and marketing materials in the Health Plan Management System (HPMS) that are required to be submitted as described here and in the MCMG under D-SNP Contractor's Medicare contract ID number. The multi-plan submission process is not applicable to D-SNP only contracts. In addition, when a third party, such as a pharmacy benefit manager (PBM), creates and distributes member-specific materials on behalf of multiple organizations, it is not acceptable to use the material ID for another organization for materials the third-party providers to D-SNP enrollees. The material must be submitted in HPMS using a separate material ID number for the D-SNP contract and that material ID number must be included in the material. Additional guidance including the submission and review process for integrated -Member materials is fully outlined in the [20242025](#) CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide available on DHCS' website:
<https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>.
- G. D-SNP Contractor will be required to have a single Application Programming Interface (API) for Members to access both Medicare and Medi-Cal information.

4. State-Specific Supplemental Benefits

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Using Medicare rebate dollars, D-SNP Contractor must provide, at a minimum, the following supplemental benefits to Members:

- A. \$0 copay for one (1) routine eye exam every year; and
- B. Every two (2) years, \$100 for eyeglasses (frames and lenses) or up to \$100 for contact lenses.

5. Quality and Data Reporting

- A. D-SNP Contractor is responsible for reporting quality measures to DHCS. These quality measures are fully outlined in the 20242025 CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide available on DHCS' website:
<https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>.
- B. This reporting will include:
 - 1) ~~1)~~ Selected Healthcare Effectiveness Data and Information Set (HEDIS) measures, calculated at the plan benefit package (PBP) level for the PBPs included in this Contract;
 - 2) ~~2)~~ State-specific Care Coordination and LTSS process measures; ~~and~~
 - 3) ~~3)~~ State-specific dementia measures; ~~and~~
 - 4) ~~4)~~ State-specific ECM-like care management measures;
 - 5) State-specific palliative care measures; and
 - 6) Integrated Appeals and Grievances data.
 - 4)7) DHCS will add additional measures as needed, and details will be provided in the 20242025 CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide available on DHCS' website:
<https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>.

6. Consumer Participation in Governance Boards

- A. D-SNP Contractor must comply with federal requirements outlined in 42 CFR section 422.107(f) in addition to State-specific requirements outlined below. D-SNP Contractor must ensure

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consumer participation in governance boards that will provide regular feedback to the D-SNP Contractor's governing board on issues of duals-related topics, including plan management and Member care. D-SNP Contractor must consider region-specific meetings based on geographic county proximity rather than one State-wide setting, and ensure that the committee completes the following:

- 1) Meets at least quarterly throughout the Contract Year;
- 2) Has at least four (4) Member seats for individuals who have knowledge and perspective of EAE D-SNP topics to facilitate a variety of Member perspectives and unique lived experiences, including those using services such as Home and Community Based Services and Long-Term Care;
- 3) The ratio of Members on the governance board focused on duals-related topics must be relative to the ratio of dual eligible Members enrolled with D-SNP Contractor;
- 4) Includes a reasonably representative sample of the population enrolled in D-SNP including Members, Member's family members, consumer advocates, and caregivers that reflect the diversity of the D-SNP population, including individuals with disabilities; and
- 5) Solicits input on ways to improve access to Covered Services, coordination of services, and health equity for underserved populations, among other topics.

- B. D-SNP Contractor is responsible for reporting their committee charter and membership to DHCS annually by March 1, 2025 through its DHCS Contract Manager via email. D-SNP Contractor is also responsible for reporting meeting minutes and agendas to DHCS quarterly through its DHCS Contract Manager via email no later than 30 days after the end of each quarter. DHCS reserves the right to review and approve Enrollee membership. D-SNP Contractor can engage and recruit Members serving on existing committees.

7. State Guidance

- A. In addition to the terms and conditions of this Contract, D-SNP Contractor shall comply with State-specific departmental guidance in the 20242025 CalAIM Dual Eligible Special Needs

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Plan (D-SNP) Policy Guide available on DHCS' website:
<https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>.

- B. To the extent that State guidance conflicts with Medicare requirements or regulations, D-SNP Contractor must comply with Medicare requirements and regulations. For purposes of this Provision, State guidance only conflicts with Medicare requirements or regulations to the extent that the guidance requires conduct that would violate Medicare requirements or regulations.

8. Coverage Area and Eligible Beneficiaries

- A. Members covered under this Contract shall include all full-benefit Dual-Eligible Beneficiaries 21 years of age or older, such as Qualified Medicare Beneficiaries Plus (QMB+), Specified Low-Income Medicare Beneficiaries Plus (SLMB+), and other full-benefit Dual-Eligible Beneficiaries who are enrolled with D-SNP Contractor and with the aligned Medi-Cal MCP. Covered Members include those who meet the following:
 - 1) Are enrolled with D-SNP Contractor;
 - 2) Who reside in the following county or counties to maximize the continuum of services available through both Medicare and Medi-Cal:

XX County
 - 3) Are already enrolled in the MCP affiliated with D-SNP Contractor.
- B. D-SNP Contractor agrees to conduct enrollment of eligible persons in accordance with the policies and procedures set forth in this Contract and maintain EAE for the duration of the D-SNP Contract term.

9. Certification and Enrollment Reporting

- A. D-SNP Contractor must submit to DHCS a certification, signed by the Chief Operations Officer or similar executive officer, that attests to the number of Members enrolled in D-SNP Contractor's D-SNP as of the effective date of this

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Contract.

- B. By the fifth working day of each month during the term of this Contract, D-SNP Contractor must submit a report to DHCS, signed by the Chief Operations Officer or similar executive officer, summarizing the previous month's Enrollment numbers.

10. Member Billing Prohibitions

- A. D-SNP Contractor and its contracted providers are prohibited from imposing cost-sharing requirements on Members that would exceed the amounts permitted under the California Medicaid State Plan, Section 1852(a)(7) of the Social Security Act, and 42 CFR section 422.504(g)(1)(iii). D-SNP Contractor must not bill any Member (including full-benefit Dual Eligible Beneficiaries such as QMB, QMB+, SLMB+, and other full-benefit Dual Eligible Beneficiaries) for Medicare cost sharing amounts, including deductibles, coinsurance, and copayments, in accordance with Section 1902(n)(3)(B) of the Social Security Act, which prohibits a Medicare provider from billing a full-benefit Dual Eligible Beneficiary for Medicare cost sharing amounts, including deductibles, coinsurance, and copayments.
- B. Any Dual Eligible Beneficiary (including full-benefit Dual Eligible Beneficiaries such as QMB, QMB+, SLMB+, and other full-benefit Dual Eligible Beneficiaries) has no legal obligation to make further payment to a provider or to D-SNP Contractor for Medicare Part A or Part B cost sharing amounts. D-SNP Contractor's provider agreements must specify that a contracted Medicare provider agrees to accept D-SNP Contractor's Medicare reimbursement as payments in full for services rendered to Dual Eligible Enrollees, or to bill Medi-Cal or the Member's Medi-Cal MCP as applicable for any additional Medicare payments that may be reimbursed by Medi-Cal. D-SNP Contractor's provider agreements must require a contracted Medicare provider to comply with Welfare and Institutions Code section 14019.4.

11. Provider Network Requirements

- A. D-SNP Contractor can obtain Medi-Cal participating providers by reviewing the California Health and Human Services Open Data

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Portal. Medi-Cal FFS Provider data can be found at:

<https://data.chhs.ca.gov/dataset/enrolled-medi-cal-fee-for-service-provider>. Medi-Cal Managed Care Provider Network data can be found at: <https://data.chhs.ca.gov/dataset/medi-cal-managed-care-provider-listing>. Alternatively, D-SNP Contractor can obtain the file from the affiliated MCP.

- B. D-SNP Contractor must comply with all applicable network guidance and network requirements outlined in the [20242025](#) CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide available on the DHCS website: <https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>.
- C. D-SNP Contractor that offers Dental Supplemental Benefits will report to DHCS on the level of overlap for their Medicare dental network and the Medi-Cal Dental network, as outlined in the [20242025](#) CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide.

12. Medicare Continuity of Care

- A. D-SNP Contractor must comply with State-specific requirements for Medicare primary and specialty care provider continuity of care. D-SNP Contractor must also comply with State-specific requirements for durable medical equipment continuity of care as outlined in 42 CFR section 422.100(I)(2)(iii) and APL [22-03223-022](#) to the extent that this requirement applies to the D-SNP Contractor. Further guidance is outlined in the [20242025](#) CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide available on the DHCS website: <https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>. D-SNP Contractor must provide Members with the following:
 - 1) A 12-month continuity of care period from the date of the Member's Enrollment in the D-SNP, for primary and specialty providers with whom the Member has a pre-existing relationship and who are willing to work with the D-SNP Contractor; and
 - 2) Access to Medically Necessary Medicare-covered Durable Medical Equipment and medical supplies.

13. Medi-Cal and Medicare Eligibility Verification and MCP Enrollment

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Verification

- A. It is the responsibility of D-SNP Contractor to verify the Medi-Cal eligibility of a Member. To facilitate this verification, D-SNP Contractor will have real-time access to the Medi-Cal eligibility verification system.
- B. To obtain Medicare Advantage and Medi-Cal eligibility, D-SNP Contractor must validate eligibility through its existing on-line and/or batch Medicare and Medi-Cal eligibility user interfaces.
 - 1) Medicare and/or Medi-Cal eligibility systems will indicate whether a beneficiary is currently enrolled or is pending enrollment in a MCP at the time of the inquiry.
 - 2) If the beneficiary meets the criteria for enrollment listed in Provision 6, Coverage Area and Eligible Beneficiaries, the eligible beneficiary may be enrolled with D-SNP Contractor.
- C. D-SNP Contractor must ensure appropriate training of plan personnel and contracted providers regarding the use of the Medi-Cal Automated Eligibility Verification System (AEVS) interface and the appropriate interpretation of its eligibility results.
- D. D-SNP Contractor's providers may use the Medicare Administrative Contractor (MAC) online provider portal to check their patient's Medicare eligibility. Additional information on checking Medicare eligibility can be found on the following link: <https://www.cms.gov/MAC-info>.

14. Medicare Deeming Period

For those Members who have lost Medi-Cal eligibility, D-SNP Contractor is required to maintain enrollment for such Members for at least a three-month deeming period following notification that the Member lost Medi-Cal eligibility. This requirement does not preclude D-SNP Contractor from offering a longer deeming period. D-SNP Contractor should inform its DHCS Contract Manager of the deeming period that it will allow.

15. Contract Term

This D-SNP Contract is effective from January 1, 20242025, through December 31, 20242025.

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16. Termination

DHCS retains the right to terminate this D-SNP Contract at any time for cause or no cause.

17. Compensation

The State of California and DHCS must not provide any remuneration or other form of compensation for the performance of any duties or obligations provided under this D-SNP Contract.

18. Centers for Medicare & Medicaid Services (CMS) Documentation

- A. D-SNP Contractor must submit to DHCS, after execution of this Contract but no later than September 30, ~~2023~~2024, a complete and accurate copy of the Medicare Advantage bid for the contract containing the PBPs covered by this Contract, as approved by CMS.
- B. If not included in the approved bid, the D-SNP Contractor must also provide to DHCS the following information, in a format as specified by DHCS, after execution of this Contract but no later than September 30, ~~2023~~2024 to the DHCS contract manager:
 - 1) The current approved model of care, if not already submitted to DHCS.
 - 2) A list of approved Supplemental Benefits included in the initial annual Medicare Advantage bid submission to CMS.
 - 3) A list of approved Supplemental Benefits, inclusive of all benefits listed in the final Plan Benefit Package
- C. D-SNP Contractor must submit to DHCS copies of CMS reporting, compliance, and audit findings.

2019. Medicare Encounter Data Requirements

D-SNP Contractor must submit to DHCS electronic records of all encounters, including encounters resulting in zero Medicare claims, monthly, in a mutually agreed upon format. Each encounter record must be specific to the Member and provider, listing all the data elements required for each service. This data will provide DHCS with information on

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services paid for by Medicare. Additional details regarding this requirement are fully outlined in the [20242025 CalAIM Dual Eligible Special Needs Plan \(D-SNP\) Policy Guide](https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx) available on the DHCS website: <https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>.

2120. Integrated Appeals and Grievances

- A. D-SNP Contractor must adhere to the State-specific requirements described in this Contract, in addition to all existing Medicare requirements. In addition, D-SNP Contractor must implement a unified approach to appeals and grievances per 42 CFR sections 422.629-422.634, 438.210, 438.400, and 438.402. 42 CFR section 422.629(c) allows the State, at its discretion, to implement standards for timeframes or notice requirements that are more protective for the Member than required by 42 CFR section 422.630 through 422.634.
- B. D-SNP Contractor must provide information about its Integrated Appeals and Grievance system to all providers and subcontractors at the time they enter into a contract, including, at a minimum, information on Integrated Appeals, Integrated Grievances, State Hearings, and Independent Medical Review (IMR) procedures and timeframes, as applicable.
- C. D-SNP Contractor must maintain records of the Integrated Appeals, Integrated Grievances, and Integrated Organization Determinations. The record of each Integrated Appeals, Integrated Grievances, and Integrated Organization Determinations must be accurately maintained in a manner accessible to the State and available upon request to CMS. Additionally, D-SNP Contractor must establish, implement, maintain, and oversee an Integrated Grievance and Integrated Appeal system to ensure the receipt, review, and resolution of Integrated Grievances and Appeals. D-SNP Contractor must ensure that the following requirements are met through its Integrated Grievance and Integrated Appeal system.
- D. Integrated appeals and grievances procedures apply to all benefits offered under an EAE D-SNP including optional supplemental benefits. For benefits that are carved out, such as Medi-Cal Dental, EAE D-SNPs must also follow the regulations at §§ 422.562(a)(5) and 422.629(e) that require EAE D-SNPs to provide Members reasonable assistance completing forms and

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taking other procedural steps to assist Members with appeals and grievances. This includes offering to assist Members with obtaining Medi-Cal covered services and navigating Medi-Cal appeals and grievances in connection with the Member's own Medi-Cal coverage, regardless of whether such coverage is in Medi-Cal fee-for-service or a separate Medi-Cal Dental Managed Care Plan. If the Member accepts the assistance, the EAE D-SNP should assist the Member as needed, such as identifying and reaching out to a Medi-Cal fee-for-service point of contact, providing assistance in filing an appeal or grievance, helping to obtain documentation to support a request for Medi-Cal appeal or grievance, or completing paperwork that may be needed in filing an appeal or grievance.

D.E. For Integrated Grievances, D-SNP Contractor must have the following:

- 1) Procedure to allow a Member, Member's authorized representative, or their provider to file a standard or expedited Integrated Grievance orally or in writing with D-SNP Contractor at any time.
- 2) Procedure to ensure D-SNP Contractor sends a written acknowledgement of an Integrated Grievance that is dated and postmarked within five (5) calendar days of receipt in accordance with Health and Safety Code (H&S) section 1368(a)(4)(A) and 28 California Code of Regulations (CCR) section 1300.68(d)(1) and 42 CFR section 422.629(g).
- 3) Procedure to resolve standard Integrated Grievances as expeditiously as the Member's health condition requires, but no later than 30 calendar days from receipt of the Integrated Grievances- in accordance with 42 CFR section 422.630.
- 4) Procedure to resolve expedited Integrated Grievances within 24 hours in accordance with 42 CFR section 422.630.
- 5) Procedure to provide a written resolution to the Member for an Integrated Grievance within the resolution timeframe for a standard and expedited Integrated Grievance when:
 - a) The Member submits an Integrated Grievance in writing;
 - b) The Member requests a written response;

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- c) The Integrated Grievance is related to quality of care, coverage dispute, or disputed health care service involving medical necessity or experimental or investigational treatment; or
 - d) The Integrated Grievance is not resolved by the next business day, regardless of the type of Integrated Grievance or how it is filed.
- 6) Procedure to log and report all Integrated Grievances.
- EE. For Integrated Organization Determinations, D-SNP Contractor must have the following:
- 1) Procedure for D-SNP Contractor to consider both Medicare and Medi-Cal coverage criteria when making an Integrated Organization Determination.
 - 2) Procedure to provide timely notice of standard Integrated Organization Determinations as expeditiously as the Member's health condition requires, and no later than 14 calendar days from when it receives the request in accordance with 42 CFR section 422.631(d)(2)(i)(B).
 - 3) Procedure to provide notice to Members of their appeal rights and State Hearing rights for all fully or partially denied Integrated Organization Determinations.
 - 4) Procedure to include the most current State Hearing form with the Integrated Organization Determination notice when the following requirements are met:
 - a) The denied Integrated Organization Determination is not for a Medicare-only service or benefit; and
 - b) The Integrated Organization Determination is relating to a denial, in whole or in part, of a Medi-Cal Service or benefit, including cases where there is an overlap of Medicare and Medi-Cal.
 - 5) For Knox-Keene licensed plans, a procedure to ensure compliance with H&S section 1367.01, including making Integrated Organization Determinations in a timely fashion appropriate for the nature of the Member's condition, not to exceed five (5) business days from D-SNP Contractor's

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receipt of information reasonably necessary to make the Integrated Organization Determination, and no later than 14 calendar days from the receipt of request in accordance with H&S section 1367.01(h)(1) and 42 CFR section 422.631(d)(2)(i)(B).

- 6) For Knox-Keene licensed plans, a procedure to inform Members of their rights to an IMR in accordance with the Knox-Keene Act, including but not limited to H&S sections 1368.03, 1370.4, and 1374.30, 28 CCR sections 1300.70.4 and 1300.74.30, and including verbatim language required by H&S section 1368.02(b), as well as the most recent IMR form, application instructions, the Department of Managed Health Care's (DMHC's) toll-free telephone number, and an envelope addressed to DMHC when the following requirements are met:
 - a) The denied Integrated Organization Determination is for experimental or investigational therapy, or is a denial of urgent care or emergency service;
 - b) The denied Integrated Organization Determination is not for a Medicare-only service or benefit; and
 - c) The Integrated Organization Determination is relating to a denial, in whole or in part, of a Medi-Cal Service or benefit, including cases where there is an overlap of Medicare and Medi-Cal.
- 7) Procedure to provide timely notice of expedited Integrated Organization Determinations as expeditiously as the Member's health condition requires, and no later than 72 hours from when D-SNP Contractor receives the request in accordance with 42 CFR section 422.631(d)(2)(iv).
- 8) Procedure to ensure deadlines for integrated organization determinations are not extended in accordance with H&S section 1367.01.
- 9) Procedure to ensure that prior to terminating, suspending, or reducing a previously approved item or service, D-SNP Contractor must provide Members with an integrated coverage decision letter at least ten (10) calendar days in advance of the effective date of the adverse organization determination- [in accordance with 42 CFR section](#)

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[422.631\(d\)\(2\)\(i\)\(A\).](#)

- 10) For Knox-Keene licensed plans, a procedure to ensure that D-SNP Contractor must not rescind or modify an integrated organization authorization after the Provider renders the health care service in good faith in accordance with H&S section 1371.8.

FG. For Integrated Appeals, D-SNP Contractor must have the following:

- 1) Procedure to provide written acknowledgement of receipt of all Integrated Appeals within five (5) calendar days in accordance with 42 CFR section 422.629(g) and H&S section 1368(a)(4)(A).
- 2) Procedure to resolve standard Integrated Appeals as expeditiously as the Member's health condition requires but to not exceeding 30 calendar days from the date of receipt of the request- in accordance with 42 CFR section 422.633(f)(1).
- 3) Procedure to inform Members of their rights to a State Hearing and include the most current State Hearing H-form when the following requirements are met:
 - a) The denied Integrated Appeal decision is not for a Medicare-only service or benefit; and
 - b) The Integrated Appeal relates to a denial, in whole or in part, of a Medi-Cal Service or benefit, including cases where there is an overlap of Medicare and Medi-Cal.
- 4) For Knox-Keene licensed plans, a procedure to ensure that the Medi-Cal External Appeals processes are in accordance with DMHC's IMR System set forth in Article 5.55 of the Knox-Keene Act and the regulations promulgated thereunder.
- 5) For Knox-Keene licensed plans, a procedure to inform Members of their right to request an IMR in accordance with the Knox-Keene Act, including but not limited to H&S sections 1368.03 and 1374.30, and 28 CCR section 1300.74.30, and including the verbatim language required by H&S section 1368.02, as well as the most recent IMR form,

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application instructions, DMHC's toll-free telephone number, and an envelope addressed to DMHC when the following requirements are met:

- a) The denied Integrated Appeal decision is not for a Medicare-only service or benefit; and
 - b) The Integrated Appeal is relating to a denial, in whole or in part, of a Medi-Cal Service or benefit, including cases where there is an overlap of Medicare and Medi-Cal.
- 6) Procedure to resolve expedited Integrated Appeals within 72 hours of receipt of the Appeal in accordance with 42 CFR section 422.633(f)(2).
 - 7) Procedure to ensure deadlines for Integrated Appeals of Medicare and Medi-Cal Services are not extended in accordance with APL 21-011 or any subsequent iterations of this APL.
 - 8) Procedure to ensure D-SNP Contractor is obtaining all relevant information needed to make an Integrated Appeal decision within the required timeframes.
 - 9) Procedure to ensure D-SNP Contractor continues the Member's benefits per 42 CFR section 422.632 while the Integrated Appeal is pending if all of the following are met:
 - a) The member files a request to continue benefits within ten calendar days of the notice of adverse integrated organization determination;
 - b) The integrated appeal involves the termination, suspension, or reduction of previously authorized services;
 - c) The services were ordered by an authorized provider; and
 - d) The period covered by the original authorization has not expired.

GH. For a Reversal of Integrated Appeal Decisions, D-SNP Contractor must have the following:

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Exhibit A, Attachment 1 COORDINATION OF CARE

- 1) Procedure to authorize or provide the service under dispute if D-SNP Contractor reverses its decision to deny, limit, or delay services that were not provided while the Appeal was pending within the following timeframes:
 - a) As expeditiously as the Member's health condition requires and no later than 72 hours from the date it reverses its determination; or
 - b) With the exception of a Medicare Part B drug, 30 calendar days after the date D-SNP Contractor receives the request for the Integrated Appeal, ~~or no later than upon expiration of an extension described in 42 CFR section 422.633(f);~~ or
 - c) For a Medicare Part B drug, seven (7) calendar days after the date D-SNP Contractor receives the request for the Integrated Appeal.
- 2) Procedure to authorize or provide the disrupted service(s) if a State Hearing officer reverses D-SNP Contractor's Integrated Appeal decision to deny, limit, or delay services that were not provided while the Appeal was pending, as expeditiously as the Member's health condition requires but no later than 72 hours of the date it receives notice reversing the determination: in accordance with 42 CFR section 422.634(d)(2).
- 3) Procedure to effectuate decisions made by a Part C independent review entity, an administrative law judge or attorney adjudicator at the Office of Medicare Hearings and Appeals, or the Medicare Appeals Council to reverse D-SNP Contractor's decision under the same timelines applicable to other Medicare Advantage plans as specified in 42 CFR sections 422.618, 422.619, and 422.619-634(d)(3).
- 4) For Knox-Keene licensed plans, the procedure to promptly implement the decision of an IMR that a disputed health care service is medically necessary in accordance with H&S section 1374.3.

2221. Additional Guidance

- A. For Marketing materials, D-SNP Contractor must include

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Exhibit A, Attachment 1 COORDINATION OF CARE

information about Medi-Cal Dental benefits. Additional details regarding this requirement are fully outlined in the [20242025](#) CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide available on the DHCS website:

<https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>.

- B. D-SNP Contractor must include information about Medi-Cal Dental benefits in any materials that provide Member information about D-SNP Dental Supplemental Benefits. Additional details regarding this requirement are fully outlined in the [20242025](#) CalAIM Dual Eligible Special Needs Plan (D-SNP) Policy Guide available on the DHCS website: <https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx>.

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GTC 307

Exhibit C

GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. D-SNP Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by D-SNP Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: D-SNP Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. D-SNP Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. D-SNP Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. (Government Code Section 8546.7, Public Contract Code Section 10115 et seq., and California Code of Regulations, Title 2, Section 1896).
5. INDEMNIFICATION: D-SNP Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by D-SNP Contractor in the performance of this Agreement.
6. DISPUTES: D-SNP Contractor shall continue with the responsibilities under this Agreement during any dispute.

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Exhibit C GENERAL TERMS AND CONDITIONS

7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should D-SNP Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due D-SNP Contractor under this Agreement and the balance, if any, shall be paid to D-SNP Contractor upon demand.
8. INDEPENDENT CONTRACTOR: D-SNP Contractor, and the agents and employees of D-SNP Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. RECYCLING CERTIFICATION: D-SNP Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Public Contract Code Section 12205).
10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, D-SNP Contractor shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. D-SNP Contractor shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. D-SNP Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 8101 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. D-SNP Contractor shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

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GTC 307

Exhibit C

GENERAL TERMS AND CONDITIONS

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. TIMELINESS: Time is of the essence in this Agreement.
13. COMPENSATION:
[Intentionally Left Blank – Not applicable to this D-SNP Contract]
14. GOVERNING LAW: This D-SNP Contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ANTITRUST CLAIMS:
[Intentionally Left Blank – Not applicable to this D-SNP Contract]
16. CHILD SUPPORT COMPLIANCE ACT:
[Intentionally Left Blank – Not applicable to this D-SNP Contract]
17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
18. PRIORITY HIRING CONSIDERATIONS: If this D-SNP Contract includes services in excess of \$200,000, D-SNP Contractor shall give priority consideration in filling vacancies in positions funded by the D-SNP Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Public Contract Code Section 10353.

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Exhibit D(F)

SPECIAL TERMS AND CONDITIONS

1. Federal Equal Opportunity Requirements

- A. D-SNP Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. D-SNP Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. D-SNP Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or DHCS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 USC 4212). Such notices shall state D-SNP Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- B. D-SNP Contractor will, in all solicitations or advancements for employees placed by or on behalf of D-SNP Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- C. D-SNP Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of D-SNP Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

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Exhibit D(F)

SPECIAL TERMS AND CONDITIONS

- D. D-SNP Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 USC 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity', and as supplemented by regulation at 41 CFR 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- E. D-SNP Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- F. In the event of D-SNP Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this D-SNP Contract may be cancelled, terminated, or suspended in whole or in part and D-SNP Contractor may be declared ineligible for further federal and State contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

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Exhibit D(F) SPECIAL TERMS AND CONDITIONS

G. D-SNP Contractor will include the Provisions of Paragraphs A through G in every purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 USC 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each vendor. D-SNP Contractor will take such action with respect to any purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event D-SNP Contractor becomes involved in, or is threatened with litigation by a vendor as a result of such direction by DHCS, D-SNP Contractor may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

2. Travel and Per Diem Reimbursement

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

3. Procurement Rules

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

4. Equipment Ownership / Inventory / Disposition

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

5. Subcontract Requirements

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

6. Income Restrictions

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

7. Audit and Record Retention

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Exhibit D(F) SPECIAL TERMS AND CONDITIONS

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

8. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder and the premises in which it is being performed. If any inspection or evaluation is made of the premises of D-SNP Contractor, D-SNP Contractor shall provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

9. Federal Contract Funds

It is mutually understood between the parties that this D-SNP Contract may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the D-SNP Contract were executed after that determination was made.

10. Intellectual Property Rights

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

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Exhibit D(F) SPECIAL TERMS AND CONDITIONS

11. Air or Water Pollution Requirements

Any federally funded agreement in excess of \$100,000 must comply with the following provisions unless said agreement is exempt under 40 CFR 15.5:

- A. Government contractors agree to comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act [42 USC 1857(h)], Section 508 of the clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).
- B. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 USC 7401 et seq.), as amended, and the Federal Water Pollution Control Act (33 USC 1251 et seq.), as amended.

12. Prior Approval of Training Seminars, Workshops or Conferences

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

13. Confidentiality of Information

- A. D-SNP Contractor and its employees, agents shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this D-SNP Contract or persons whose names or identifying information become available or are disclosed to D-SNP Contractor, its employees or agents as a result of services performed under this D-SNP Contract, except for statistical information not identifying any such person.
- B. D-SNP Contractor and its employees or agents shall not use such identifying information for any purpose other than carrying out D-SNP Contractor's obligations under this D-SNP Contract.
- C. D-SNP Contractor and its employees, or agents shall promptly transmit to the DHCS program contract manager all requests for disclosure of such identifying information not emanating from the client or person.
- D. D-SNP Contractor shall not disclose, except as otherwise specifically permitted by this Contract or authorized by the client, any such identifying information to anyone other than DHCS without prior written authorization from the DHCS program contract manager.

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Exhibit D(F) SPECIAL TERMS AND CONDITIONS

- E. For purposes of this Provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- F. As deemed applicable by DHCS, this Provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this D-SNP Contract or incorporated into this D-SNP Contract by reference.

14. Documents, Publications and Written Reports

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

15. Dispute Resolution Process

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

16. Financial and Compliance Audit Requirements

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

17. Human Subjects Use Requirements

By signing this D-SNP Contract, D-SNP Contractor agrees that if any performance under this D-SNP Contract includes any tests or examination of materials derived from the human body for the purpose of providing information, diagnosis, prevention, treatment or assessment of disease, impairment, or health of a human being, all locations at which such examinations are performed shall meet the requirements of 42 USC 263a (CLIA) and the regulations thereto.

18. Novation Requirements

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

19. Debarment and Suspension Certification

- A. By signing this D-SNP Contract, D-SNP Contractor agrees to comply with applicable Federal suspension and debarment regulations including, but not limited to 7 CFR 3017, 45 CFR 76, 40 CFR 32, or 34 CFR 85.

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Exhibit D(F) SPECIAL TERMS AND CONDITIONS

- B. By signing this D-SNP Contract, D-SNP Contractor certifies to the best of its knowledge and belief, that it and its principals:
- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
 - 2) Have not within a three-year period preceding this D-SNP Contract have been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State or local) transaction or contract under a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, State or local) with commission of any of the offenses enumerated in Subprovision B.(2) herein;
 - 4) Have not within a three-year period preceding this D-SNP Contract had one or more public transactions (federal, State or local) terminated for cause or default;
 - 5) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State; and
 - 6) Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- C. If D-SNP Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the DHCS program funding this D-SNP Contract.
- D. The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.

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Exhibit D(F) SPECIAL TERMS AND CONDITIONS

- E. If D-SNP Contractor knowingly violates this certification, in addition to other remedies available to the Federal Government, the DHCS may terminate this D-SNP Contract for cause or default.

20. Smoke-Free Workplace Certification

- A. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, and Children (WIC) coupons are redeemed.
- B. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.
- C. By signing this D-SNP Contract, D-SNP Contractor certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.

21. Covenant Against Contingent Fees

D-SNP Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this D-SNP Contract upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except *bona fide* employees or *bona fide* established commercial or selling agencies retained by D-SNP Contractor for the purpose of securing business. For breach or violation of this warranty, DHCS shall have the right to annul this D-SNP Contract without liability or in its discretion to deduct from the D-SNP Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

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Exhibit D(F) SPECIAL TERMS AND CONDITIONS

22. Payment Withholds

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

23. Performance Evaluation

DHCS may, at its discretion, evaluate the performance of D-SNP Contractor at the conclusion of this D-SNP Contract. If performance is evaluated, the evaluation shall not be a public record and shall remain on file with DHCS. Negative performance evaluations may be considered by DHCS prior to making future contract awards.

24. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this D-SNP Contract, or to any benefit that may arise therefrom. This Provision shall not be construed to extend to this D-SNP Contract if made with a corporation for its general benefits.

25. Four-Digit Date Compliance

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

26. Prohibited Use of State Funds for Software

D-SNP Contractor certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

27. Use of Small, Minority Owned and Women's Businesses

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

28. Alien Ineligibility Certification

By signing this D-SNP Contract, D-SNP Contractor certifies that he/she is not an alien that is ineligible for State and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act. (8 USC 1601, et. seq.)

29. Union Organizing

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

Boilerplate-Non-EAE

Exhibit D(F) SPECIAL TERMS AND CONDITIONS

30. Contract Uniformity (Fringe Benefit Allowability)

[Intentionally Left Blank – Not applicable to this D-SNP Contract]

31. Lobbying Restrictions and Disclosure Certification

(Applicable to federally funded contracts in excess of \$100,000 per 31 USC Section 1352)

A. Certification and Disclosure Requirements

- 1) Each person (or recipient) who requests or receives a contract, grant, or sub-grant, which is subject to 31 USC Section 1352, and which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in Attachment 1, consisting of one page, entitled “Certification Regarding Lobbying”) that the recipient has not made, and will not make, any payment prohibited by Paragraph B of this provision.
- 2) Each recipient shall file a disclosure (in the form set forth in Attachment 2, entitled “Standard Form-LLL ‘disclosure of Lobbying Activities’”) if such recipient has made or has agreed to make any payment using non appropriated funds (to include profits from any covered federal action) in connection with a contract or grant or any extension or amendment of that contract or grant, which would be prohibited under Paragraph b of this provision if paid for with appropriated funds.
- 3) Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by such person under Paragraph a(2) herein. An event that materially affects the accuracy of the information reported includes:
 - a) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
 - b) A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or
 - c) A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.

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Exhibit D(F)

SPECIAL TERMS AND CONDITIONS

- 4) Each person (or recipient) who requests or receives from a person referred to in Paragraph a(1) of this provision a contract, grant or sub-grant exceeding \$100,000 at any tier under a contract or grant shall file a certification, and a disclosure form, if required, to the next tier above.
- 5) All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph a(1) of this provision. That person shall forward all disclosure forms to DHCS program contract manager.

B. Prohibition

Section 1352 of Title 31, USC, provides in part that no appropriated funds may be expended by the recipient of a federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

Boilerplate EAE

Exhibit E, Attachment 1 DEFINITIONS

As used in this D-SNP Contract, unless otherwise expressly provided or the context otherwise requires, the following definitions of terms will govern the construction of this D-SNP Contract:

1. **Aligned Enrollment** means, per 42 CFR section 422.2, the Enrollment in a D-SNP of a full-benefit Dual Eligible Beneficiary whose Medi-Cal benefits are covered under a Medi-Cal managed care organization contract under section 1903(m) of the Social Security Act between California and: D-SNP Contractor's MA organization, which is the parent organization, or another entity that is owned and controlled by D-SNP Contractor's parent organization.
2. **Applicable Integrated Plan** means, per 42 CFR section 422.561, the Medi-Cal managed care organization through which D-SNP Contractor, its parent organization, or another entity that is owned and controlled by its parent organization, covers Medi-Cal services for Dual Eligible Beneficiaries enrolled with D-SNP Contractor and such Medi-Cal managed care organization;
3. **Care Coordination or Coordination of Care** means a process used by a person or team to assist Members in accessing Medicare and Medi-Cal Services, as well as social, educational, and other support services, regardless of the funding source for the services. It is characterized by advocacy, communication, and resource management to promote quality, cost effectiveness, and positive outcomes.
4. **Care Coordinator** means a clinician or other trained individual who is employed or contracted by the Member's primary care provider or D-SNP Contractor, serves on one (1) or more Interdisciplinary Care Teams (ICT), and coordinates and facilitates meetings and other activities of those ICTs, as well as participates in the Health Risk Assessment of each Member on whose ICT they serve.
5. **Caregiver** means, per CY 2024 Physician Fee Schedule (Final Rule), "an adult family member or other individual who has significant relationship with, and who provides a broad range of assistance to, an individual with a chronic or other health condition, disability, or functional limitation" and "a family member, friend or neighbor who provides unpaid assistance to a person with a chronic illness or disabling condition."
- 5-6. **Centers for Medicare & Medicaid Services (CMS)** means the federal agency responsible for management of the Medicare and Medicaid programs.
- 6-7. **Confidential Information** means specific facts or documents identified

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Exhibit E, Attachment 1 DEFINITIONS

as "confidential" by any law, regulations or contractual language.

7.8. Covered Service(s) means Care Coordination or Coordination of Care. This is the only service covered under this Contract.

8.9. California Department of Health Care Services (DHCS) means the single State Department responsible for administration of the federal Medicaid (referred to as Medi-Cal in California) Program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.

9.10. D-SNP Contract means this written agreement between DHCS and the D-SNP Contractor.

10.11. Dementia Care Specialists means D-SNP care coordinators/managers trained in understanding Alzheimer's disease and related dementias, symptoms, and progression; understanding and managing behaviors and communication problems; understanding caregiver stress and its management; and connecting enrollees and caregivers to community resources.

11.12. Department of Health and Human Services (DHHS) means the federal agency responsible for management of the Medicare and Medicaid programs.

12.13. Director means the Director of the California Department of Health Care Services.

13.14. Dual-Eligible Beneficiary (or Enrollee) means an individual who is enrolled for benefits under Part A of Title 42 of the United States Code (commencing with Section 1395c) and Part B of Title 42 of the United States Code (commencing with Section 1395j) and is also eligible for medical assistance under the Medi-Cal State Plan. This Contract is only for full-benefit Dual-Eligible Beneficiaries (QMB+, SLMB+ and other full benefit Dually Eligible Beneficiaries).

14.15. Enrollment means the process by which a beneficiary eligible for enrollment, as contained in Exhibit A, Attachment 1, Provision 8, and becomes a Member of the D-SNP Contractor's D-SNP.

15.16. Exclusively Aligned Enrollment means that State Policy has limited a D-SNP's membership to individuals with Aligned Enrollment.

Boilerplate EAE

Exhibit E, Attachment 1 DEFINITIONS

16-17. Facility means any premise that is:

- A. Owned, leased, used or operated directly or indirectly by or for D-SNP Contractor or its affiliates for purposes related to this Contract, or
- B. Maintained by a provider to provide services on behalf of D-SNP Contractor.

17-18. Grievance means any complaint or dispute, other than one that constitutes an organization determination, expressing dissatisfaction with any aspect of D-SNP Contractor's or provider's operations, activities, or behavior, regardless of whether remedial action is requested.

18-19. Integrated Appeal means any of the procedures that deal with, or result from, adverse integrated organization determinations by D-SNP Contractor on the health care services the Member believes they are entitled to receive, including a delay in providing, arranging for, or approving the health care services such that a delay would adversely affect the health of the Member, or on any amounts the Member must pay for a service. [An Integrated Appeal is made by a Member in an Applicable Integrated Plan and is subject to the Integrated Reconsiderations procedures in 42 CFR sections 422.629, 422.633, and 422.634.](#)

19-20. Integrated Grievance means a dispute or complaint that would be defined and covered, for Grievances filed by a Member in a non-applicable integrated plan, under 42 CFR section 422.564 or 42 CFR sections 438.400 through 438.416. Integrated Grievances do not include Appeals procedures and QIO complaints, as described in 42 CFR section 422.564(b) and (c). An Integrated Grievance made a Member in an Applicable Integrated Plan is subject to the Integrated Grievance procedures in 42 CFR sections 422.629 and 422.630.

20-21. Integrated Organization Determination means an organization determination that would otherwise be defined and covered, for a non-Applicable Integrated Plan, as an organization determination under 42 CFR section 422.566, an adverse benefit determination under 42 CFR section 438.400(b), or an action under 42 CFR 431.201. An Integrated Organization Determination is made by [a Member in](#) an Applicable Integrated Plan and is subject to the Integrated Organization Determination procedures in 42 CFR sections 422.629, 422.631, and 422.634.

21-22. Medi-Cal Managed Care Health Plan (MCP) means a managed

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care health plan that contracts with DHCS for provision or arrangement of Medi-Cal benefits and services. For the purposes of this Contract, this includes Subcontracted Delegate Health Plans. A Subcontracted Delegate Health Plan is a health care service plan that is a subcontractor of a MCP that DHCS determines to have assumed the entire financial risk for all Medi-Cal Services provided to a Dual Eligible Beneficiary that are covered under the applicable comprehensive risk contract of the MCP.

22-23. Medi-Cal Fee-For-Service (FFS) means the Med-Cal delivery system in which providers submit claims to and receive payments from DHCS for services covered under Medi-Cal and rendered to Medi-Cal recipients.

23-24. Medi-Cal Services means all services covered by the Medi-Cal program as identified in Exhibit H, which is attached to this Contract.

24-25. Medically Necessary or Medical Necessity means reasonable and necessary medical services to protect life, to prevent significant illness or significant disability, or alleviate severe pain through the diagnosis or treatment of disease, illness, or injury, as required under W&I section 14059.5(a) and Title 22 CCR section 51303(a). Medically Necessary services includes Medi-Cal Services necessary to achieve age-appropriate growth and development, and attain, maintain, or regain functional capacity.

25-26. Member means any Dual-Eligible Beneficiary who is enrolled in with D-SNP Contractor.

26-27. Service Area means the county or counties that D-SNP Contractor is approved to operate in under the terms of this D-SNP Contract. A Service Area may have designated zip codes (under the U.S. Postal Service) within a county that are approved by DHCS to operate under the terms of this D-SNP Contract.

27-28. State means the State of California.

28-29. Supplemental Benefits means all of the following under Medicare Advantage definitions: Initial and Expansion Primarily Health Related Supplemental Benefits, Special Supplemental Benefits for the Chronically Ill, and Value Based-Insurance Design Model benefits.

29-30. Subcontracted Delegate Health Plan means a health care service plan that is a subcontractor of a Medi-Cal MCP that DHCS determines to have assumed the entire financial risk for all Medi-Cal Services provided to a Member that is covered under the applicable comprehensive risk contract

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of the MCP.

~~30-31.~~ Working day(s) mean State calendar (State Appointment Calendar, Standard101) working day(s).

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1. Governing Law

In addition to Exhibit C, Provision 14, Governing Law, D-SNP Contractor also agrees to the following:

- A. If it is necessary to interpret this D-SNP Contract, all applicable laws may be used as aids in interpreting the D-SNP Contract. However, the parties agree that any such applicable laws shall not be interpreted to create contractual obligations upon DHCS or D-SNP Contractor, unless such applicable laws are expressly incorporated into this D-SNP Contract in some section other than this provision, Governing Law. The parties agree that any remedies for DHCS' or D-SNP Contractor's non-compliance with laws not expressly incorporated into this D-SNP Contract, or any covenants implied to be part of this D-SNP Contract, shall not include money damages, but may include equitable remedies such as injunctive relief or specific performance. This D-SNP Contract is the product of mutual negotiation, and if any ambiguities should arise in the interpretation of this D-SNP Contract, both parties shall be deemed authors of this D-SNP Contract.

Any provision of this D-SNP Contract which is in conflict with current or future applicable federal or State laws or regulations is hereby amended to conform to the provisions of those laws and regulations. Such amendment of the D-SNP Contract shall be effective on the effective date of the statutes or regulations necessitating it, and shall be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties.

- B. Such amendment shall constitute grounds for termination of this D-SNP Contract in accordance with the procedures and provisions of Provision 18, Paragraph C, Termination – D-SNP Contractor below. The parties shall be bound by the terms of the amendment until the effective date of the termination.
- C. All existing policy guidance issued by DHCS, including the D-SNP Policy Guide, can be viewed at <https://www.dhcs.ca.gov/provgovpart/Pages/Dual-Special-Needs-Plans-%28D-SNP%29-Contract-and-Program-Guide.aspx> and shall be complied with by D-SNP Contractor. All policy guidance issued by DHCS subsequent to the effective date of this D-SNP Contract

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shall provide clarification of D-SNP Contractor's obligations pursuant to this D-SNP Contract, and may include instructions to D-SNP Contractor regarding implementation of mandated obligations pursuant to changes in State or federal statutes or regulations, or pursuant to judicial interpretation. In the event DHCS determines that there is an inconsistency between this D-SNP Contract and DHCS policy guidance, the D-SNP Contract shall prevail.

2. Entire Agreement

This written D-SNP Contract and any amendments shall constitute the entire agreement between the parties. No oral representations shall be binding on either party unless such representations are reduced to writing and made an amendment to the D-SNP Contract.

3. Amendment Process

In addition to Exhibit C, Provision 2, Amendment, D-SNP Contractor also agrees to the following:

Should either party, during the life of this D-SNP Contract, desire a change in this D-SNP Contract, that change shall be proposed in writing to the other party. The other party shall acknowledge receipt of the proposal within ten (10) calendar days of receipt of the proposal. The party proposing any such change shall have the right to withdraw the proposal any time prior to acceptance or rejection by the other party. Any proposal shall set forth an explanation of the reason and basis for the proposed change and the text of the desired amendment to this D-SNP Contract which would provide for the change. If the proposal is accepted, this D-SNP Contract shall be amended to provide for the change mutually agreed to by the parties on the condition that the amendment is approved by DHHS, and the State Department of Finance, if necessary.

4. Change Requirements

A. General Provisions

The parties recognize that during the life of this D-SNP Contract, the Medi-Cal Managed Care program will be a dynamic program requiring numerous changes to its operations and that the scope and complexity of changes will vary widely over the life of the D-SNP Contract. The parties agree that the development of a system which has the capability to implement such changes in an orderly and timely manner is of considerable importance.

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B. D-SNP Contractor's Obligation to Implement

The D-SNP Contractor will make changes mandated by DHCS. In the case of mandated changes in regulations, statutes, federal or State guidelines, or judicial interpretation, DHCS may direct the D-SNP Contractor to immediately begin implementation of any change by issuing a change order. If DHCS issues a change order, the D-SNP Contractor will be obligated to implement the required changes while discussions are taking place. DHCS may, at any time, within the general scope of the D-SNP Contract, by written notice, issue change orders to the D-SNP Contract.

5. Delegation of Authority

DHCS intends to implement this D-SNP Contract through a single administrator, called the "Contracting Officer". The Director of DHCS will appoint the Contracting Officer. The Contracting Officer, on behalf of DHCS, will make all determinations and take all actions as are appropriate under this D-SNP Contract, subject to the limitations of applicable Federal and State laws and regulations. The Contracting Officer may delegate his/her authority to act to an authorized representative through written notice to the D-SNP Contractor.

D-SNP Contractor will designate a single administrator; hereafter called the "Contractor's Representative". The Contractor's Representative, on behalf of the D-SNP Contractor, will make all determinations and take all actions as are appropriate to implement this D-SNP Contract, subject to the limitations of the D-SNP Contract, Federal and State laws and regulations. The Contractor's Representative may delegate their authority to act to an authorized representative through written notice to the Contracting Officer. The Contractor's Representative will be empowered to legally bind the D-SNP Contractor to all agreements reached with DHCS. D-SNP Contractor shall designate Contractor's Representative in writing and shall notify the Contracting Officer in accordance with Exhibit E, Attachment 2, Provision 13, Notices.

6. Authority of the State

Sole authority to establish, define, or determine the reasonableness, the necessity and level and scope of covered services under the Medi-Cal program administered in this D-SNP Contract or coverage for such services, or the eligibility of the beneficiaries or providers to participate

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in the Medi-Cal Program resides with DHCS. Sole authority to establish or interpret policy and its application related to the above areas will reside with DHCS.

The D-SNP Contractor may not make any limitations, exclusions, or changes in covered services; any changes in definition or interpretation of covered services; or any changes in the administration of the D-SNP Contract related to the scope of covered services, allowable coverage for those covered services, or eligibility of beneficiaries or providers to participate in the program, without the express, written direction or approval of the Contracting Officer.

7. Fulfillment of Obligations

No covenant, condition, duty, obligation, or undertaking continued or made a part of this D-SNP Contract will be waived except by written agreement of the parties hereto, and forbearance or indulgence in any other form or manner by either party in any regard whatsoever will not constitute a waiver of the covenant, condition, duty, obligation, or undertaking to be kept, performed or discharged by the party to which the same may apply; and, until performance or satisfaction of all covenants, conditions, duties, obligations, and undertakings is complete, the other party will have the right to invoke any remedy available under this D-SNP Contract, or under law, notwithstanding such forbearance or indulgence.

8. Prohibition Against Assignments or Delegation of D-SNP Contractor's Duties and Obligations Under this D-SNP Contract

The D-SNP Contractor shall not negotiate or enter into any agreement to assign or delegate the duties and obligations under this D-SNP Contract. If D-SNP Contractor fails to comply with this Provision, DHCS may terminate the D-SNP Contract for cause in compliance with Exhibit E, Attachment 2, Provision 17.

9. Prohibition Against Novations

D-SNP Contractor and DHCS shall not enter any novation agreements. Contractor shall not propose any novation agreements nor shall DHCS agree to or act upon any proposal.

10. Obtaining DHCS Approval

D-SNP Contractor shall obtain written approval from DHCS prior to commencement of operation under this D-SNP Contract:

- A. Within five (5) working days of receipt, DHCS shall acknowledge in

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- B. writing the receipt of any material sent to DHCS pursuant to this Provision.
- C. Within 60 calendar days of receipt, DHCS shall make all reasonable efforts to approve in writing the use of such material provided to DHCS pursuant to this Provision to provide D-SNP Contractor with a written explanation why its use is not approved, or provide a written estimated date of completion of DHCS' review process. If DHCS does not complete its review of submitted material within 60 calendar days of receipt, or within the estimated date of completion of DHCS review, D-SNP Contractor may elect to implement or use the material at D-SNP Contractor's sole risk and subject to possible subsequent disapproval by DHCS. This Provision shall not be construed to imply DHCS approval of any material that has not received written DHCS approval.

11. Program

DHCS reserves the right to review and approve any changes to D-SNP Contractor's protocols, policies, and procedures as specified in this D-SNP Contract.

12. Certifications

D-SNP Contractor shall comply with certification requirements set forth in 42 CFR 438.604 and 42 CFR 438.606.

In addition to Exhibit C, Provision 11, Certification Clauses, D-SNP Contractor also agrees to the following:

With respect to any report, invoice, record, papers, documents, books of account, or other Contract required data submitted, pursuant to the requirements of this D-SNP Contract, the Contractor's Representative or their designee will certify, under penalty of perjury, that the report, invoice, record, papers, documents, books of account or other Contract required data is current, accurate, complete and in full compliance with legal and contractual requirements to the best of that individual's knowledge and belief, unless the requirement for such certification is expressly waived by DHCS in writing.

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13. Notices

All notices to be given under this D-SNP Contract will be in writing and will be deemed given when sent via certified mail or electronic mail (email). DHCS and D-SNP Contractor will designate email addresses for notices sent via email. Notices sent via certified mail must be addressed to the following DHCS and D-SNP Contractor contacts:

California Department of Health Care Services Managed Care Operations Division Attn: Michelle Retke, Division Chief MS 4408 P.O. Box 997413 Sacramento, CA 95899-7413	[D-SNP Contractor Name] California Attn: [Name,] President Address City, State, Zip Code
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14. Term

The D-SNP Contract will become effective January 1, 20242025, and will continue in full force and effect through December 31, 20242025.

15. Service Area

The Service Area covered under this D-SNP Contract includes:

[XX] County

All D-SNP Contract provisions apply separately to each Service Area.

16. D-SNP Contract Extension

DHCS has the exclusive option to extend the term of this D-SNP Contract for any reason, in any county within the Service Area, with at least nine (9) months' written notice to D-SNP Contractor before the end of the D-SNP Contract term.

17. Termination for Cause and Other Terminations

In addition to Exhibit C, Provision 7, Termination for Cause, D-SNP Contractor also agrees to the following:

A. DHCS-Initiated Terminations

- 1) DHCS will terminate this D-SNP Contract in the event that the Director determines that the health and welfare of Members is jeopardized by the continuation of the D-SNP Contract. Termination pursuant to the

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requirements in this Provision's Paragraph A.1) will be effective immediately upon the provision of written notice provided by DHCS to D-SNP Contractor.

- 2) Termination for Cause
 - a) DHCS may terminate this D-SNP Contract should D-SNP Contractor fail to perform the requirements of this Contract. In the event of such termination, DHCS may proceed with providing the services required under this D-SNP Contract in any manner deemed proper by DHCS.
 - b) DHCS may terminate this D-SNP Contract in the event that D-SNP Contractor enters negotiations to change ownership or actually changes ownership, enters negotiations to assign or delegate its duties and obligations under this D-SNP Contract to another party or actually assigns or delegates its duties or obligations under the D-SNP Contract.
 - c) Should DHCS terminate this D-SNP Contract for cause under this Provision's Paragraph A.2) of this D-SNP Contract, DHCS will provide D-SNP Contractor with at least 60 calendar days' notice prior to the effective date of termination, unless potential beneficiary harm requires a shorter notice period. D-SNP Contractor agrees that this notice provision is reasonable.
 - d) DHCS shall terminate this D-SNP Contract under this Provision and pursuant to the provisions of Welfare and Institutions Code, Section 14197.7, and California Code of Regulations, Title 22, Section 53873.

B. D-SNP Contractor-Initiated Terminations

D-SNP Contractor may only terminate this D-SNP Contract when a change in contractual obligations is created by a State or federal change in the Medi-Cal program, or a lawsuit, that substantially

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alters the conditions under which the D-SNP Contractor entered into this D-SNP Contract, such that the D-SNP Contractor can demonstrate this to the satisfaction of DHCS.

C. Termination of Obligations

All obligations to provide services under this D-SNP Contract will automatically terminate on the date the operations period ends.

18. Disputes

D-SNP Contractor must comply with and exhaust the requirements of this Provision when it initiates a contract dispute with DHCS. In addition to Exhibit C, Provision 6, Disputes, D-SNP Contractor also agrees to the following:

A. Disputes Resolution by Negotiation

D-SNP Contractor agrees to make best efforts to resolve all contractual issues by negotiation and mutual agreement at the DHCS Contracting Officer level before appealing to the DHCS Office of Administrative Hearings and Appeals (OAHA). D-SNP Contractor must exhaust OAHA's appeal process before filing a writ in Sacramento County Superior Court. During the negotiations to resolve Contractor's issues, DHCS and Contractor may agree, in writing, to an extension of time for continuing negotiations to resolve Contractor's dispute before the decision of the DHCS Contracting Officer is issued.

B. Notice of Dispute

- 1) Within 30 calendar days from the date that the alleged dispute arises or otherwise becomes known to D-SNP Contractor, D-SNP Contractor must serve a written Notice of Dispute to the DHCS' Contracting Officer. D-SNP Contractor's failure to serve its Notice of Dispute within 30 calendar days from the date the alleged dispute arises or otherwise becomes known to D-SNP Contractor constitutes a waiver of all issues raised in D-SNP Contractor's Notice of Dispute.
- 2) The D-SNP Contractor's Notice of Dispute must include, based on the most accurate and substantiating information then available to the D-SNP Contractor, the following:
 - a) That it is a dispute subject to the procedures set forth in this Provision.

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- b) The date, nature, and circumstances of the conduct which is subject of the dispute.
 - c) The names, phone numbers, functions, and conduct of each D-SNP Contractor, DHCS/State official or employee involved in or knowledgeable about the alleged issue that is the subject of the dispute.
 - d) The identification of any substantiating documents and the substances of any oral communications that are relevant to the alleged conduct. Copies of all identified documents will be attached.
 - e) Copies of all substantiating documentation and any other evidence.
 - f) The factual and legal bases supporting Contractor's Notice of Dispute.
 - g) The cost impact to D-SNP Contractor directly attributable to the alleged conduct, if any.
 - h) D-SNP Contractor's desired remedy.
- 3) The required documentation set forth above, in this Provision's Paragraph B.2), will serve as the basis for any subsequent appeal.
 - 4) After D-SNP Contractor submits its Notice of Dispute with all accurate available substantiating documentation, D-SNP Contractor will comply with the requirements of Title 22, CCR, Section 53851(d) and must diligently continue performance of this D-SNP Contract, including compliance with contract requirements that are the subject of, or related to, D-SNP Contractor's Notice of Dispute.
 - 5) If D-SNP Contractor requests and DHCS agrees, D-SNP Contractor's Notice of Dispute may be decided by an Alternate Dispute Officer (ADO). DHCS will designate an ADO who was not directly involved in the alleged conduct that prompted D-SNP Contractor's Notice of Dispute.
 - 6) Any appeal of the DHCS Contracting Officer or ADO's decision to OAHA or a writ seeking review of OAHA's decision in Sacramento County Superior Court shall be limited to the issues and arguments set forth and properly documented in D-SNP Contractor's Notice of

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Dispute, that were not waived or resolved.

C. The DHCS Contracting Officer's or ADO Decision

Any disputes concerning performance of this D-SNP Contract shall be decided by the DHCS Contracting Officer or the ADO in a written decision stating the factual basis for the decision. Within 30 calendar days of receipt of a Notice of Dispute, the Contracting Officer or the ADO shall either:

- 1) Find in favor of D-SNP Contractor, in which case the DHCS Contracting Officer or ADO may correct the earlier conduct which caused D-SNP Contractor to file a dispute; or
- 2) Deny D-SNP Contractor's dispute and, where necessary, direct the manner of future performance; or
- 3) Request additional substantiating documentation in the event the information in D-SNP Contractor's notification is inadequate to permit a decision to be made under Paragraphs B.2) or C.1) above. If the DHCS Contracting Officer or ADO determines that additional substantiating information is required, they will provide D-SNP Contractor with a written request identifying the issue(s) requiring additional substantiating documentation. D-SNP Contractor must provide that additional substantiating documentation no later than 30 calendar days from receipt of the request. Upon receipt of this additional requested substantiating information, the DHCS Contracting Officer or ADO shall have 30 calendar days to issue a decision. Failure to supply additional substantiating information requested by the DHCS Contracting Officer or ADO, or otherwise notify the DHCS Contracting Officer or ADO that no additional documents exist, within the time period specified above shall constitute D-SNP Contractor's waiver of issues raised in D-SNP Contractor's Notice of Dispute.

A copy of the decision shall be served on D-SNP Contractor.

D. Appeal of Contracting Officer's or Alternate Dispute Officer's Decision

- 1) D-SNP Contractor shall have 30 calendar days following the receipt of the DHCS Contracting Officer or ADO's decision to appeal the decision to the Director, through the OAHA. All of D-SNP Contractor's appeals shall be governed by Health and Safety Code, section 100171, except Government Code section 11511

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will not apply.

- 2) All of D-SNP Contractor's appeals shall be in writing and shall be filed with the OAHA and a copy sent to the Chief Counsel of DHCS and the DHCS Contract Manager. D-SNP Contractor's appeal shall be deemed filed on the date it is received by the OAHA. D-SNP Contractor's appeal shall be known as Statement of Disputed Issues and shall specifically set forth the unresolved issue(s) that remain in dispute and issues that have not been waived because of D-SNP Contractor's failure to provide all substantiating documentation to DHCS, as specified in Paragraph C of this Provision, and include D-SNP Contractor's contentions as to those issues. Additionally, D-SNP Contractor's appeal shall be limited to those issues raised in its Notice of Dispute filed pursuant to Paragraph B, Notification of Dispute that have not been resolved or waived.
- 3) D-SNP Contractor has the burden of proof of demonstrating that its position is correct and must show by a preponderance of evidence that:
 - a) DHCS acted improperly such that it breached this Contract; and
 - b) D-SNP Contractor sustained a cost impact directly related to DHCS' breach.
- 4) OAHA's jurisdiction is limited to issues and arguments raised in the Notice of Dispute that were not waived by the untimely filing of the Notice of Dispute or Statement of Disputed Issues, by D-SNP's Contractor's failure to provide all requested substantiating documentation requested by the DHCS Contracting Officer or ADO, or by D-SNP's Contractor failure to notify the DHCS Contracting Officer or ADO that no additional documents exist within the required timeframe as required in Paragraph C(3), or otherwise resolved by D-SNP Contractor and DHCS.

E. No Obligation to Pay Interest

If D-SNP Contractor prevails on its Notice of Dispute pursuant to a DHCS Contracting Officer's or ADO's decision, an OAHA decision, or an order or decision issued by the Sacramento County Superior Court or any California court of appeal, DHCS will not be required to pay interest on any amounts found to be due or owing to D-SNP Contractor arising out of the Notice of Dispute or any subsequent litigation.

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F. D-SNP Contractor Duty to Perform

D-SNP Contractor must comply with all requirements of 22 CCR section 53851(d) and continue to perform all obligations under this D-SNP Contract, including continuing D-SNP Contract requirements that are the subject of, or related to, D-SNP Contractor's Notice of Dispute until there is a final decision from the DHCS Contracting Officer, the ADO or a decision on an appeal in Sacramento County Superior Court or any California Court of Appeal or the California Supreme Court.

G. Waiver of Claims

D-SNP Contractor waives all claims or issues if it fails to timely submit a Notice of Dispute with all substantiating documents within the timeframes set forth in Paragraph B of this Provision. D-SNP Contractor also waives all claims or issues set forth in its Notice of Dispute if it fails to timely submit all additional substantiating documentation within 30 calendar days at the DHCS Contracting Officer or ADO's request, or if it fails to notify the DHCS Contracting Officer or ADO, within 30 calendar days of DHCS Contracting Officer's or ADO's request, that no additional documents exist. D-SNP Contractor also waives all claims or issues set forth in its Notice of Dispute if it fails to timely appeal the DHCS Contracting Officer or ADO's decision in the manner and within the time specified in this Provision 18. D-SNP Contractor's waiver includes all damages whether direct or consequential in nature.

19. Audit

In addition to Exhibit C, Provision 4, Audit, D-SNP Contractor also agrees to the following:

The D-SNP Contractor will maintain such books and records necessary to disclose how the D-SNP Contractor discharged its obligations under this D-SNP Contract. These books and records will disclose the quantity of Covered Services provided under this D-SNP Contract, the quality of those services, the manner for those services, the persons eligible to receive Covered Services, and the manner in which the Contractor administered its daily business.

A. Books and Records

These books and records will include, but are not limited to, all physical records originated or prepared pursuant to the performance under this D-SNP Contract including working papers; reports submitted to DHCS; all

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medical records, medical charts and prescription files; and other documentation pertaining to Covered Services rendered to Members.

B. Records Retention

Notwithstanding any other records retention time period set forth in this D- SNP Contract, these books and records will be maintained for a minimum of five years from the end of the current Fiscal Year in which the date of service occurred; in which the record or data was created or applied; and for which the financial record was created or the D-SNP Contract is terminated, or, in the event the D-SNP Contractor has been duly notified that DHCS, Department of Health and Human Services (DHHS), Department of Justice (DOJ) or the Comptroller General of the United States, or their duly authorized representatives, have commenced an audit or investigation of the D-SNP Contract, until such time as the matter under audit or investigation has been resolved, whichever is later.

20. Inspection Rights

In addition to Exhibit D(F), Provision 8, Site Inspection, D-SNP Contractor also agrees to the following:

- A. Through the end of the records retention period specified in Provision 19, Audit, Paragraph B, Records Retention above, D-SNP Contractor shall allow the DHCS, DHHS, the Comptroller General of the United States, DOJ Bureau of Medi-Cal Fraud, Department of Managed Health Care (DMHC), and other authorized State agencies, or their duly authorized representatives, including DHCS' external quality review organization contractor, to audit, inspect, monitor or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this D-SNP Contract, and to inspect, evaluate, and audit any and all premises, books, records, equipment, contracts, computers, or other electronic systems and facilities maintained by D-SNP Contractor pertaining to these services at any time during normal business hours. Books and records include, but are not limited to, all physical records originated or prepared pursuant to the performance under this Contract, including working papers, reports, and books of account, medical records, prescription files, laboratory results, information systems and procedures, and any other documentation pertaining to medical and non-medical services rendered to Members. Upon request, through the end of the records retention period specified in Provision 19, Audit, Paragraph B, Records Retention above, D-SNP Contractor shall furnish any record, or copy of it, to DHCS or any other entity listed in this section, at D-SNP Contractor's sole expense.

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B. Access Requirements and State's Right to Monitor

Authorized State and federal agencies will have the right to monitor all aspects of the D-SNP Contractor's operation for compliance with the provisions of this D-SNP Contract and applicable federal and State laws and regulations. Such monitoring activities will include, but are not limited to, inspection and auditing of D-SNP Contractor and provider management systems and procedures, and books and records as the Director deems appropriate, at any time during the D-SNP Contractor's normal business hours. The monitoring activities will be either announced or unannounced.

21. Confidentiality of Information

In addition to Exhibit D(F), Provision 13, Confidentiality of Information, D-SNP Contractor also agrees to the following duties and responsibilities with respect to confidentiality of information and data:

- A. Notwithstanding any other provision of this D-SNP Contract, names of persons receiving public social services are confidential and are to be protected from unauthorized disclosure in accordance with Title 42, CFR, Section 431.300 et seq., Welfare and Institutions Code, Section 14100.2, and regulations adopted thereunder. For the purpose of this D-SNP Contract, all information, records, data, and data elements collected and maintained for the operation of the D-SNP Contract and pertaining to Members shall be protected by the D-SNP Contractor from unauthorized disclosure.

D-SNP Contractor may release medical records in accordance with applicable law pertaining to the release of this type of information. D-SNP Contractor is not required to report requests for medical records made in accordance with applicable law. Exhibit G is hereby incorporated into this Contract by reference.

- B. With respect to any identifiable information concerning a Member under this D-SNP Contract that is obtained by the D-SNP Contractor, the D-SNP Contractor:
- 1) Will not use any such information for any purpose other than carrying out the express terms of this D-SNP Contract;

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- 2) Will promptly transmit to DHCS all requests for disclosure of such information, except requests for medical records in accordance with applicable law;
- 3) Will not disclose, except as otherwise specifically permitted by this D-SNP Contract, any such information to any party other than DHCS without DHCS' prior written authorization specifying that the information is releasable under 42 CFR, Section 431.300 et seq., Welfare and Institutions Code, Section 14100.2, and regulations adopted thereunder; and
- 4) Will, at the termination of this D-SNP Contract, return all such information to DHCS or maintain such information according to written procedures sent to the D-SNP Contractor by DHCS for this purpose.

22. Third-Party Tort and Workers' Compensation Liability

D-SNP Contractor shall identify and notify DHCS' Third Party Liability and Recovery Division of all instances or cases in which D-SNP Contractor believes an action by the Medi-Cal Member involving casualty insurance or tort or Workers' Compensation liability of a third party could result in recovery by the Member of funds to which DHCS has lien rights under Welfare and Institutions Code Article 3.5 (commencing with Section 14124.70), Part 3, Division 9, D-SNP Contractor shall make no claim for recovery of the value of case management rendered to a Member in such cases or instances and such case or instance shall be referred to DHCS' Third Party Liability and Recovery Division within ten (10) calendar days of discovery. To assist DHCS in exercising its responsibility for such recoveries, D-SNP Contractor shall meet the following requirements:

- A. If DHCS requests service information and/or copies of reports for Covered Services to an individual Member, D-SNP Contractor shall deliver the requested information within 30 calendar days of the request.
- B. Information to be delivered shall contain the following data items:

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- 1) Member name.
 - 2) Full 14-digit Medi-Cal number.
 - 3) Social Security Number.
 - 4) Date of birth.
 - 5) Diagnosis code and description of illness/injury (if known).
 - 6) Procedure code and/or description of services rendered (if known).
- C. D-SNP Contractor shall identify to DHCS' Third Party Liability and Recovery Division the name, address and telephone number of the person responsible for receiving and complying with requests for mandatory and/or optional at-risk service information.
- D. If D-SNP Contractor receives any requests from attorneys, insurers, or beneficiaries for copies of referrals, D-SNP Contractor shall refer the request to the Third Party Liability and Recovery Division with the information contained in Paragraph B above, and shall provide the name, address and telephone number of the requesting party.
- E. Use the TPLManagedCare@dhcs.ca.gov inbox for all communications regarding D-SNP Contractor's service and utilization information, and paid invoices and claims submissions, to submit questions or comments related to the preparation and submission of these reports, and for issues related to accessing the secure file transfer protocol folders.

23. Records Related To Recovery for Litigation

- A. Upon request by DHCS, D-SNP Contractor shall timely gather, preserve and provide to DHCS, in the form and manner specified by DHCS, any information specified by DHCS, subject to any lawful privileges, in D-SNP Contractor's possession, relating to threatened or pending litigation by or against DHCS.
- B. If D-SNP Contractor asserts that any requested documents are covered by a privilege, D-SNP Contractor shall:
- 1) Identify such privileged documents with sufficient particularity to reasonably identify the document while retaining the privilege; and

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- 2) State the privilege being claimed that supports withholding production of the document.
- C. Such a request shall include, but is not limited to, a response to a request for documents submitted by any party in any litigation by or against DHCS. D-SNP Contractor acknowledges that time may be of the essence in responding to such request. D-SNP Contractor shall use all reasonable efforts to immediately notify DHCS of any subpoenas, document production requests, or requests for records, received by D-SNP Contractor related to this D-SNP Contract.

24. Equal Opportunity Employer

D-SNP Contractor must comply with all applicable federal and State employment discrimination laws. D-SNP Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the D-SNP Contractor, state that it is an equal opportunity employer, and will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by DHCS, advising the labor union or workers' representative of the D-SNP Contractor's commitment as an equal opportunity employer and will post copies of the notice in conspicuous places available to employees and applicants for employment.

25. Discrimination Prohibitions

A. Member Discrimination Prohibition

D-SNP Contractor shall not unlawfully discriminate against Members or beneficiaries eligible for enrollment into Contractor's D-SNP on the basis of sex, race, color, religion, ancestry, national origin, creed, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information marital status, gender, gender identity, marital status, gender, gender identity, sexual orientation, or identification with any other persons or groups defined in Penal Code 422.56, in accordance with the statutes identified in Exhibit E, Attachment 2, Provision 26 below, rules and regulations promulgated pursuant thereto, or as otherwise provided by law or regulations. For the purpose of this D-SNP Contract, discrimination may include, but is not limited to, the following:

- 1) Denying any Member case any Covered Services;

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- 2) Providing to a Member any Covered Service which is different, or is provided in a different manner or at a different time from that provided to other Members under this Contract except where medically indicated;
- 3) Subjecting a Member to segregation or separate treatment in any manner related to the receipt of any Covered Service;
- 4) Restricting a Member in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any Covered Service, treating a Member or a beneficiary eligible for enrollment into the Contractor's D-SNP differently from others in determining whether he or she satisfies any admission, Enrollment, quota, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any Covered Service;
- 5) The assignment of times or places for the provision of services on the basis of the sex, race, color, religion, ancestry, national origin, creed, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, gender, gender identity, sexual orientation, or identification with any other persons or groups defined in Penal Code 422.56.
- 6) Failing to make Auxiliary Aids available, or to make reasonable accommodations in policies, practices, or procedures, when necessary to avoid discrimination on the basis of disability;
- 7) Failing to ensure meaningful access to programs and activities for Limited English Proficient (LEP) Members and potential enrollees.
- 8) D-SNP Contractor shall take affirmative action to ensure that Members are provided Covered Services without regard to sex, race, color, religion, ancestry, national origin, creed, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, gender, gender identity, sexual orientation, or identification with any other persons or groups defined in Penal Code 422.56, except as needed to provide equal access to Limited English Proficient (LEP) Members or Members with disabilities, or as medically indicated.
- 9) For the purposes of this section, physical handicap includes the carrying of a gene which may, under some circumstances, be associated with disability in that person's offspring, but which

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causes no adverse effects on the carrier. Such genes will include, but are not limited to, Tay-Sachs trait, sickle cell trait, thalassemia trait, and X-linked hemophilia.

B. Discrimination Related to Health Status

D-SNP Contractor shall not discriminate among eligible individuals on the basis of their health status requirements or requirements for health care services during Enrollment, re-enrollment or disenrollment. D-SNP Contractor will not terminate the Enrollment of an eligible individual based on an adverse change in the Member's health.

26. Federal and State Nondiscrimination Requirements

D-SNP Contractor shall comply with all applicable federal requirements in Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972 (regarding education programs and activities, as amended); the Age Discrimination Act of 1975; the Rehabilitation Act of 1973, as amended; Titles I and II of the Americans with Disabilities Act of 1990, as amended; Section 1557 of the Patient Protection and Affordable Care Act of 2010; and federal implementing regulations issued under the above-listed statutes. D-SNP Contractor shall also comply with California nondiscrimination requirements, including, without limitation, the Unruh Civil Rights Act, Sections 7405 and 11135 of the Government Code, Section 14029.91 of the Welfare and Institutions Code, and state implementing regulations.

27. Discrimination Grievances

D-SNP Contractor shall process a grievance for discrimination as required by APL 21-004, and in accordance with federal and State nondiscrimination law as stated in 45 CFR section 84.7; 34 CFR section 106.8; 28 CFR section 35.107; and W&I Code section 14029.91(e)(4).

- A. D-SNP Contractor shall designate a discrimination grievance coordinator responsible for ensuring compliance with federal and State nondiscrimination requirements, and investigating discrimination grievances related to any action that would be prohibited by, or out of compliance with, federal or State nondiscrimination law.
- B. D-SNP Contractor shall adopt procedures to ensure the prompt and equitable resolution of discrimination grievances by D-SNP Contractor. D-SNP Contractor shall not require a Member or potential enrollee to file a discrimination grievance with D-SNP Contractor before filing with the DHCS Office of Civil Rights or the U.S. Health and Human Services Office for Civil Rights.

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- C. Within ten calendar days of mailing a discrimination grievance resolution letter, D-SNP Contractor shall submit the following information regarding the discrimination grievance in a secure format to the DHCS Office of Civil Rights:
- 1) The original discrimination grievance;
 - 2) The provider's or other accused party's response to the discrimination grievance;
 - 3) Contact information for the personnel primarily responsible for investigating and responding to the discrimination grievance on behalf of D-SNP Contractor;
 - 4) Contact information for the person filing the discrimination grievance, and for the provider or other accused party that is the subject of the discrimination grievance;
 - 5) All correspondence with the person filing the discrimination grievance regarding the discrimination grievance, including, but not limited to, the discrimination grievance acknowledgment letter and resolution letter; and
 - 6) The results of D-SNP Contractor's investigation, copies of any corrective action taken, and any other information that is relevant to the allegation(s) of discrimination.

28. Nondiscrimination Notice and Language Taglines

- A. D-SNP Contractor shall post (1) a DHCS-approved nondiscrimination notice, and (2) language taglines in a conspicuously visible font size in English, the threshold languages, and at least the top 15 non-English languages in the State, and any other languages, as determined by DHCS, explaining the availability of free language assistance services, including written translation and oral interpretation, and information on how to request Auxiliary Aids and services, including materials in alternative formats. The nondiscrimination notice and taglines shall include D-SNP Contractor's toll-free and TTY/TDD telephone number for obtaining these services, and shall be posted in the Member Services Guide/Evidence of Coverage, and in all Member information, informational notices, and materials critical to obtaining services targeted to Members, potential Members, applicants, and members of the public, in accordance with APL 21-004 and APL 22-002, 42 CFR section 438.10(d)(2)-(3), and W&I Code section 14029.91(f) and 14029.92(c).

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- B. D-SNP Contractor's nondiscrimination notice shall include all information required by W&I Code section 14029.91(e) and APL 21-004, any additional information required by DHCS, and shall provide information on how to file a discrimination grievance with:
- 1) Both D-SNP Contractor and the DHCS Office of Civil Rights, if there is a concern of discrimination in the Medi-Cal program based on sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, gender, gender identity, or sexual orientation or identification with any other persons or groups defined in Penal Code 422.56. (W&I Code section 14029.91(e); H&S Code section 11135; and
 - 2) The United States Department of Health and Human Services Office for Civil Rights if there is a concern of discrimination based on race, color, national origin, sex, age, or disability. (W&I Code section 14029.91(e)).

29. Small Business Participation and Disabled Veteran Business Enterprises (DVBE) Reporting Requirements

- A. D-SNP Contractor must comply with applicable requirements of California law relating to Disabled Veteran Business Enterprises (DVBE) commencing at Public Contract Code section 10230.
- B. If for this D-SNP Contract, D-SNP Contractor made a commitment to achieve small business participation, then D-SNP Contractor must annually and within 60 calendar days of receiving final payment under this D-SNP Contract report to DHCS the actual percentage of small business participation that was achieved per Government Code section 14841.
- C. If for this D-SNP Contract, D-SNP Contractor made a commitment to achieve DVBE participation, then D-SNP Contractor must annually and within 60 calendar days of receiving final payment under this D-SNP Contract certify in a report to DHCS the following:
- 1) The total amount Contractor received under the Contract;
 - 2) The name and address of the DVBE(s) that participated in the performance of the Contract;
 - 3) The amount each DVBE received from Contractor;

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- 4) That all payments under the Contract have been made to the DVBE; and
- 5) The actual percentage of DVBE participation that was achieved, per Mil. & Vets. Code section 999.5(d), and Government Code section 14841.

30. Word Usage

Unless the context of this D-SNP Contract clearly requires otherwise, (a) the plural and singular numbers shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall," "will," "must," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; and (e) "includes" and "including" are not limiting.

31. Federal False Claims Act Compliance

Effective January 1, 2007, D-SNP Contractor shall comply with 42 USC Section 1396a (a)(68), Employee Education About False Claims Recovery, as a condition of receiving payments under this D-SNP Contract. Upon request by DHCS, D-SNP Contractor shall demonstrate compliance with this provision, which may include providing DHCS with copies of D-SNP Contractor's applicable written policies and procedures and any relevant employee handbook excerpts.

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1. This Agreement has been determined to constitute a business associate relationship under the Health Insurance Portability and Accountability Act (HIPAA) and its implementing privacy and security regulations at 45 Code of Federal Regulations, Parts 160 and 164 (collectively, and as used in this Agreement)
2. The term “Agreement” as used in this document refers to and includes both this Business Associate Addendum and the contract to which this Business Associate Agreement is attached as an exhibit, if any.
3. For purposes of this Agreement, the term “Business Associate” shall have the same meaning as set forth in 45 CFR section 160.103.
4. The Department of Health Care Services (DHCS) intends that Business Associate may create, receive, maintain, transmit or aggregate certain information pursuant to the terms of this Agreement, some of which information may constitute Protected Health Information (PHI) and/or confidential information protected by Federal and/or state laws.
 - 4.1 As used in this Agreement and unless otherwise stated, the term “PHI” refers to and includes both “PHI” as defined at 45 CFR section 160.103 and Personal Information (PI) as defined in the Information Practices Act at California Civil Code section 1798.3(a). PHI includes information in any form, including paper, oral, and electronic.
 - 4.2 As used in this Agreement, the term “confidential information” refers to information not otherwise defined as PHI in Section 4.1 of this Agreement, but to which state and/or federal privacy and/or security protections apply.
5. D-SNP Contractor (however named elsewhere in this Agreement) is the Business Associate of DHCS acting on DHCS's behalf and provides services or arranges, performs or assists in the performance of functions or activities on behalf of DHCS, and may create, receive, maintain, transmit, aggregate, use or disclose PHI (collectively, “use or disclose PHI”) in order to fulfill Business Associate’s obligations under this Agreement. DHCS and Business Associate are each a party to this Agreement and are collectively referred to as the “parties.”
6. The terms used in this Agreement, but not otherwise defined, shall have the same meanings as those terms in HIPAA. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.
7. **Permitted Uses and Disclosures of PHI by Business Associate.** Except as otherwise indicated in this Agreement, Business Associate may use or disclose PHI only to perform functions, activities or services specified in this Agreement

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on behalf of DHCS, provided that such use or disclosure would not violate HIPAA if done by DHCS.

7.1 Specific Use and Disclosure Provisions. Except as otherwise indicated in this Agreement, Business Associate may use and disclose PHI if necessary for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate. Business Associate may disclose PHI for this purpose if the disclosure is required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.

8. Compliance with Other Applicable Law

8.1 To the extent that other state and/or federal laws provide additional, - stricter and/or more protective (collectively, more protective) privacy and/or security protections to PHI or other confidential information covered under this Agreement beyond those provided through HIPAA, Business Associate agrees:

8.1.1 To comply with the more protective of the privacy and security standards set forth in applicable state or federal laws to the extent such standards provide a greater degree of protection and security than HIPAA or are otherwise more favorable to the individuals whose information is concerned; and

8.1.2 To treat any violation of such additional and/or more protective standards as a breach or security incident, as appropriate, pursuant to Section 18. of this Agreement.

8.2 Examples of laws that provide additional and/or stricter privacy protections to certain types of PHI and/or confidential information, as defined in Section 4. of this Agreement, include, but are not limited to the Information Practices Act, California Civil Code sections 1798-1798.78, Confidentiality of Alcohol and Drug Abuse Patient Records, 42 CFR Part 2, Welfare and Institutions Code section 5328, and California Health and Safety Code section 11845.5.

8.3 If Business Associate is a Qualified Service Organization (QSO) as defined in 42 CFR section 2.11, Business Associate agrees to be bound by and comply with subdivisions (2)(i) and (2)(ii) under the definition of QSO in 42 CFR section 2.11.

9. Additional Responsibilities of Business Associate

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9.1 Nondisclosure. Business Associate shall not use or disclose PHI or other confidential information other than as permitted or required by this Agreement or as required by law.

9.2 Safeguards and Security.

9.2.1 Business Associate shall use safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI and other confidential data and comply, where applicable, with subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of the information other than as provided for by this Agreement. Such safeguards shall be, at a minimum, at Federal Information Processing Standards (FIPS) Publication 199 protection levels.

9.2.2 Business Associate shall, at a minimum, utilize an industry-recognized security framework when selecting and implementing its security controls, and shall maintain continuous compliance with its selected framework as it may be updated from time to time. Examples of industry-recognized security frameworks include but are not limited to

9.2.2.1 NIST SP 800-53 – National Institute of Standards and Technology Special Publication 800-53

9.2.2.2 FedRAMP – Federal Risk and Authorization Management Program

9.2.2.3 PCI – PCI Security Standards Council

9.2.2.4 ISO/IEC 27002 – International Organization for Standardization / International Electrotechnical Commission standard 27002

9.2.2.5 IRS PUB 1075 – Internal Revenue Service Publication 1075

9.2.2.6 HITRUST CSF – HITRUST Common Security Framework

9.2.3 Business Associate shall maintain, at a minimum, industry standards for transmission and storage of PHI and other confidential information.

9.2.4 Business Associate shall apply security patches and upgrades, and keep virus software up-to-date, on all systems on which PHI and other confidential information may be used.

9.2.5 Business Associate shall ensure that all members of its workforce with access to PHI and/or other confidential information sign a

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confidentiality statement prior to access to such data. The statement must be renewed annually.

9.2.6 Business Associate shall identify the security official who is responsible for the development and implementation of the policies and procedures required by 45 CFR Part 164, Subpart C.

9.3 Business Associate's Agent. Business Associate shall ensure that any agents, subcontractors, subawardees, vendors or others (collectively, "agents") that use or disclose PHI and/or confidential information on behalf of Business Associate agree to the same restrictions and conditions that apply to Business Associate with respect to such PHI and/or confidential information.

10. Mitigation of Harmful Effects. Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI and other confidential information in violation of the requirements of this Agreement.

11. Access to PHI. Business Associate shall make PHI available in accordance with 45 CFR section 164.524.

12. Amendment of PHI. Business Associate shall make PHI available for amendment and incorporate any amendments to protected health information in accordance with 45 CFR section 164.526.

13. Accounting for Disclosures. Business Associate shall make available the information required to provide an accounting of disclosures in accordance with 45 CFR section 164.528.

14. Compliance with DHCS Obligations. To the extent Business Associate is to carry out an obligation of DHCS under 45 CFR Part 164, Subpart E, comply with the requirements of the subpart that apply to DHCS in the performance of such obligation.

15. Access to Practices, Books and Records. Business Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI on behalf of DHCS available to DHCS upon reasonable request, and to the federal Secretary of Health and Human Services for purposes of determining DHCS' compliance with 45 CFR Part 164, Subpart E.

16. Return or Destroy PHI on Termination; Survival. At termination of this Agreement, if feasible, Business Associate shall return or destroy all PHI and other confidential information received from, or created or received by Business Associate on behalf of, DHCS that Business Associate still maintains in any form and retain no copies of such information. If return or destruction is not feasible,

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Business Associate shall notify DHCS of the conditions that make the return or destruction infeasible, and DHCS and Business Associate shall determine the terms and conditions under which Business Associate may retain the PHI. If such return or destruction is not feasible, Business Associate shall extend the protections of this Agreement to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

17. Special Provision for SSA Data. If Business Associate receives data from or on behalf of DHCS that was verified by or provided by the Social Security Administration (SSA data) and is subject to an agreement between DHCS and SSA, Business Associate shall provide, upon request by DHCS, a list of all employees and agents and employees who have access to such data, including employees and agents of its agents, to DHCS.

18. Breaches and Security Incidents. Business Associate shall implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and take the following steps:

18.1 Notice to DHCS.

18.1.1 Business Associate shall notify DHCS **immediately** upon the discovery of a suspected breach or security incident that involves SSA data. This notification will be provided by email upon discovery of the breach. If Business Associate is unable to provide notification by email, then Business Associate shall provide notice by telephone to DHCS.

18.1.2 Business Associate shall notify DHCS **within 24 hours by email** (or by telephone if Business Associate is unable to email DHCS) of the discovery of:

18.1.2.1 Unsecured PHI if the PHI is reasonably believed to have been accessed or acquired by an unauthorized person;

18.1.2.2 Any suspected security incident which risks unauthorized access to PHI and/or other confidential information;

18.1.2.3 Any intrusion or unauthorized access, use or disclosure of PHI in violation of this Agreement; or

18.1.2.4 Potential loss of confidential data affecting this Agreement.

18.1.3 Notice shall be provided to the DHCS Program Contract Manager (as applicable), the DHCS Privacy Office, and the DHCS

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Information Security Office (collectively, “DHCS Contacts”) using the DHCS Contact Information at Section 18.6. below.

Notice shall be made using the current DHCS “Privacy Incident Reporting Form” (“PIR Form”; the initial notice of a security incident or breach that is submitted is referred to as an “Initial PIR Form”) and shall include all information known at the time the incident is reported. The form is available online at

<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Documents/Privacy-Incident-Report-PIR.pdf>.

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI, Business Associate shall take:

18.1.3.1 Prompt action to mitigate any risks or damages involved with the security incident or breach; and

18.1.3.2 Any action pertaining to such unauthorized disclosure required by applicable Federal and State law.

18.2 Investigation. Business Associate shall immediately investigate such security incident or confidential breach.

18.3 Complete Report. To provide a complete report of the investigation to the DHCS contacts– within ten (10) working days of the discovery of the security incident or breach. This “Final PIR” must include any applicable additional information not included in the Initial Form. The Final PIR Form shall include an assessment of all known factors relevant to a determination of whether a breach occurred under HIPAA and other applicable federal and state laws. The report shall also include a full, detailed corrective action plan, including its implementation date and information on mitigation measures taken to halt and/or contain the improper use or disclosure. If DHCS requests information in addition to that requested through the PIR form, Business Associate shall make reasonable efforts to provide DHCS with such information. A “Supplemental PIR” may be used to submit revised or additional information after the Final PIR is submitted. DHCS will review and approve or disapprove Business Associate’s determination of whether a breach occurred, whether the security incident or breach is reportable to the appropriate entities, if individual notifications are required, and Business Associate’s corrective action plan.

18.3.1 If Business Associate does not complete a Final PIR within the ten (10) working day timeframe, Business Associate shall request

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approval from DHCS within the ten (10) working day timeframe of a new submission timeframe for the Final PIR.

18.4 Notification of Individuals. If the cause of a breach is attributable to Business Associate or its agents, Business Associate shall notify individuals accordingly and shall pay all costs of such notifications, as well as all costs associated with the breach. The notifications shall comply with applicable federal and state law. DHCS shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made.

18.5 Responsibility for Reporting of Breaches to Entities Other than DHCS. If the cause of a breach of PHI is attributable to Business Associate or its subcontractors, Business Associate is responsible for all required reporting of the breach as required by applicable federal and state law.

18.6 DHCS Contact Information. To direct communications to the above referenced DHCS staff, D-SNP Contractor shall initiate contact as indicated here. DHCS reserves the right to make changes to the contact information below by giving written notice to Business Associate. These changes shall not require an amendment to this Agreement.

DHCS Program Contract Manager	DHCS Privacy Office	DHCS Information Security Office
See the Scope of Work Exhibit for Program Contract Manager information. If this Business Associate Agreement is not attached as an exhibit to a contract, contact the DHCS signatory to this Agreement.	Privacy Office c/o: Office of HIPAA Compliance Department of Health Care Services P.O. Box 997413, MS 4722 Sacramento, CA 95899-7413 Email: incidents@dhcs.ca.gov Telephone: (916) 445-4646	Information Security Office DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413 Email: incidents@dhcs.ca.gov

19. Responsibility of DHCS. DHCS agrees to not request the Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA and/or other applicable federal and/or state law.

20. Audits, Inspection and Enforcement

20.1 From time to time, DHCS may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement. Business Associate shall promptly remedy any violation of this Agreement

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and shall certify the same to the DHCS Privacy Officer in writing. Whether or how DHCS exercises this provision shall not in any respect relieve Business Associate of its responsibility to comply with this Agreement.

20.2 If Business Associate is the subject of an audit, compliance review, investigation or any proceeding that is related to the performance of its obligations pursuant to this Agreement, or is the subject of any judicial or administrative proceeding alleging a violation of HIPAA, Business Associate shall promptly notify DHCS unless it is legally prohibited from doing so.

21. Termination

21.1 Termination for Cause. Upon DHCS' knowledge of a violation of this Agreement by Business Associate, DHCS may in its discretion:

21.1.1 Provide an opportunity for Business Associate to cure the violation and terminate this Agreement if Business Associate does not do so within the time specified by DHCS; or

21.1.2 Terminate this Agreement if Business Associate has violated a material term of this Agreement.

21.2 Judicial or Administrative Proceedings. DHCS may terminate this Agreement if Business Associate is found to have violated HIPAA, or stipulates or consents to any such conclusion, in any judicial or administrative proceeding.

22. Miscellaneous Provisions

22.1 Disclaimer. DHCS makes no warranty or representation that compliance by Business Associate with this Agreement will satisfy Business Associate's business needs or compliance obligations. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI and other confidential information.

22.2. Amendment.

22.2.1 Any provision of this Agreement which is in conflict with current or future applicable Federal or State laws is hereby amended to conform to the provisions of those laws. Such amendment of this Agreement shall be effective on the effective date of the laws necessitating it, and shall be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties.

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22.2.2 Failure by Business Associate to take necessary actions required by amendments to this Agreement under Section 22.2.1 shall constitute a material violation of this Agreement.

22.3 Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and its employees and agents available to DHCS at no cost to DHCS to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against DHCS, its directors, officers and/or employees based upon claimed violation of HIPAA, which involve inactions or actions by the Business Associate.

22.4 No Third-Party Beneficiaries. Nothing in this Agreement is intended to or shall confer, upon any third person any rights or remedies whatsoever.

22.5 Interpretation. The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA and other applicable laws.

22.6 No Waiver of Obligations. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

Additional Detail for CY 2025 Agreement 16-93274

Section/Provision:	PDF page	Updates to Provision:
Exhibit A - SCOPE OF WORK		
1. Service Overview	2	<ul style="list-style-type: none"> • Clarifies language (provision 1.C) to explicitly state members in Applicable Integrated Plans have Skilled Nursing Facility (SNF) services with coverage for 180 days under the capitated Managed Care Plan (MCP) contract. • In that same provision, also added Home Health Services to the list of benefits covered by the capitated MCP contract.
1. Care Coordination	3-6	<ul style="list-style-type: none"> • Technical correction (1.B) to referencing the IHSS program as In-Home Supportive Service, formerly included as "Support Service". • Updates to (1.C) Medi-Cal Dental Managed Care contact information, specifically for Los Angeles and Sacramento counties. • Added language (1.F) to specify the D-SNP Model of Care must meet the requirements of and earn approval from the National Committee for Quality Assurance (NCQA), in addition to including the state-specific requirements outlined in the 2025 CalAIM DHCS D-SNP Policy Guide. • Added a provision (1.F.3) for including a question in the Member's Health Risk Assessment (HRA) to identify any engaged Caregiver and submit the HRA tool to DHCS. <ul style="list-style-type: none"> ▶ Added a provision (1.F.10) for a requirement to discuss advanced care planning in the Annual wellness visit or other provider visits. DHCS prefaced that language in the Boilerplates on Advance Care Planning will be further clarified through guidance in a future revision of the 2025 D-SNP Policy Guide Care Coordination chapter.
5. Quality and Data Reporting	10	<ul style="list-style-type: none"> • New provisions (5.B.4) - B.6)) to include new reporting elements in 2025 for: <ul style="list-style-type: none"> 4) State-specific ECM-like care management measures; 5) State-specific palliative care measures; and 6) Integrated Appeals and Grievances data.
6. Consumer Participation in Governance Boards	11	<ul style="list-style-type: none"> • Clarifies existing provision (6.B.) to specify the regulatory deadline and submission method for the deliverables: <ul style="list-style-type: none"> ▶ reporting committee charter and membership to DHCS annually, by <u>3/1/25</u> through its DHCS Contract Manager via email. • reporting meeting minutes and agendas to DHCS quarterly through its DHCS Contract Manager via email no later than <u>30 days after the end of each quarter</u>.
12. Medicare Continuity of Care	14	<ul style="list-style-type: none"> • Updates the provision (12.A) to cite to the newer COC All Plan Letter (APL - replacing APL 22-032) APL 23-022: COC for Medi-Cal Beneficiaries who newly enroll in Medi-Cal Managed Care from Medi-Cal Fee-for-Service, on or after 1/1/23.
13. Medi-Cal and Medicare Eligibility Verification and Medi-Cal Plan Enrollment	15	<ul style="list-style-type: none"> • New provision (13.D) added to reference D-SNP' providers may use the Medicare Administrative Contractor (MAC) online provider portal to check their patient's Medicare eligibility. Additional information on checking Medicare eligibility can be found on the following link: https://www.cms.gov/MAC-info.
15. Contract Term	15	<ul style="list-style-type: none"> • Modifies the contract term to be defined as only for 2025 - 1/1/25-12/31/25.
20. Integrated Appeals and Grievances	17-23	<ul style="list-style-type: none"> • Adding new provision (20.D) to specify requirements that: <ul style="list-style-type: none"> ▶ Integrated appeals and grievances procedures apply to all benefits offered under an EAE D-SNP including optional supplemental benefits. ▶ For benefits that are carved out, such as Medi-Cal Dental, EAE D-SNPs must also follow the regulations at §§ 422.562(a)(5) and 422.629(e) that require EAE D-SNPs to provide Members reasonable

Section/Provision:	PDF page	Updates to Provision:
		<p>assistance completing forms and taking other procedural steps to assist Members with appeals and grievances. This includes offering to assist Members with obtaining Medi-Cal covered services and navigating Medi-Cal appeals and grievances in connection with the Member's own Medi-Cal coverage, regardless of whether such coverage is in Medi-Cal fee-for-service or a separate Medi-Cal Dental Managed Care Plan.</p> <ul style="list-style-type: none"> ▶ If the Member accepts the assistance, the EAE D-SNP should assist the Member as needed, such as identifying and reaching out to a Medi-Cal fee-for-service point of contact, providing assistance in filing an appeal or grievance, helping to obtain documentation to support a request for Medi-Cal appeal or grievance, or completing paperwork that may be needed in filing an appeal or grievance. • Updating provision (20.F.9) to include the federal citation to 42 CFR <u>§422.631(d)(2)(i)(A)</u>, regarding having a procedure to ensure that prior to terminating, suspending, or reducing a previously approved item or service, D-SNP Contractor must provide Members with an integrated coverage decision letter at least ten (10) calendar days in advance of the effective date of the adverse organization determination. • Updating provision (20.G) to include the federal citation to 42 CFR <u>§422.633(f)(1)</u>, regarding having a procedure to resolve standard Integrated Appeals as expeditiously as the Member's health condition requires but to not exceeding 30 calendar days from the date of receipt of the request. • Updating provision (H.1).b)) to <u>remove</u> the language about expiration of an extension described in 42 CFR <u>§422.633(f)</u> • Updating provision (H.2)) to include the federal citation to 42 CFR <u>§422.634(d)(2)</u>, regarding having a procedure to authorize or provide the disrupted service(s) if a State Hearing officer reverses D-SNP Contractor's Integrated Appeal decision to deny, limit, or delay services that were not provided while the Appeal was pending, as expeditiously as the Member's health condition requires but no later than 72 hours of the date it receives notice reversing the determination. • Updating provision (H.3)) to include the federal citation to 42 CFR <u>§422.634(d)(3)</u>, regarding having a procedure to effectuate decisions made by a Part C independent review entity, an administrative law judge or attorney adjudicator at the Office of Medicare Hearings and Appeals, or the Medicare Appeals Council to reverse D-SNP Contractor's decision under the same timelines applicable to other Medicare Advantage plans.
Exhibit E, Attachment 1 Definitions		
Definitions	39-43	<ul style="list-style-type: none"> • Revise existing definitions, as well as adds new terms, such as: <ul style="list-style-type: none"> ▶ Caregiver (new) ▶ Integrated Appeal (revised) ▶ Integrated Organization Determination (revised)

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

5. Approve New CalOptima Health Policy EE.1144: Memorandum of Understanding Requirements for CalOptima Health and Third-Party Entities

Contacts

Yunkyung Kim, Chief Operating Officer, 714-923-8834

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

Recommended Actions

Approve New CalOptima Health Policy EE.1144: Memorandum of Understanding Requirements for CalOptima Health and Third-Party Entities.

Background and Discussion

Staff requests CalOptima Health Board of Directors (Board) approval of new CalOptima Health Policy EE.1144: Memorandum of Understanding (MOU) Requirements for CalOptima Health and Third-Party Entities.

In October 2023, the California Department of Health Care Services (DHCS) released All Plan Letter 23-029: *Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Third-Party Entities* (APL 23-029). APL 23-029 provides guidance to Medi-Cal managed care plans (MCPs) on requirements related to new, standardized DHCS MOU templates that MCPs must use for contracting with certain third-party entities. CalOptima Health's MCP contract with DHCS requires CalOptima Health to build partnerships with third-party entities, including but not limited to local health departments, local educational and governmental agencies, and social services.

The new MOUs implemented by DHCS for use between MCPs and third-party entities provide mechanisms for dispute resolution, memorializing data that will be shared between CalOptima Health and third-party entities, providing transparency into relationships between CalOptima Health and the third-party entity, clarifying of roles and responsibilities, improving member care coordination, and improving accountability for both parties. The new MOU templates include standard provisions that are binding for MCPs and Third-Party Entities to help achieve these goals and objectives.

CalOptima Health establishes new policies and procedures to guide the implementation of federal and state laws, programs, and regulations. Policy EE.1144 was created to support and enforce the regulatory requirements of APL 23-029 and memorialize the December 2023 Board decision to approve CalOptima Health's use of the DHCS standard MOU templates. Staff requests the Board approve the adoption of Policy EE.1144 to provide CalOptima Health with guidance on and to ensure compliance with regulatory requirements for entering into MOUs with third-party entities.

Fiscal Impact

The recommended action is operational in nature and has no additional fiscal impact beyond what was incorporated in the CalOptima Health Fiscal Year 2023-24 Operating Budget.

Rationale for Recommendation

Adoption of Policy EE.1144 would ensure that CalOptima Health has an official source of guidance and information on APL 23-029, allowing CalOptima Health to align and update its operations accordingly, and remain in compliance.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. CalOptima Health Policy EE.1144: Memorandum of Understanding Requirements for CalOptima Health and Third-Party Entities
2. APL 23-029: Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Third-Party Entities

Board Actions

Board Meeting Dates	Action	Term	Not to Exceed Amount
December 7, 2023	Authorize New DHCS Mou Templates		

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date



Policy: EE.1144
 Title: **Memorandum of Understanding (MOU) Requirements for CalOptima Health and Third-Party Entities**

Department: Contracting
 Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/01/2024
 Revised Date: Not Applicable

Applicable to: Medi-Cal
 OneCare
 PACE
 Administrative

1 **I. PURPOSE**

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 3 This Policy describes the Memorandum of Understanding (MOU) requirements for CalOptima Health
 4 and Third-Party Entities as defined by the CalOptima Health Contract with the Department of Health
 5 Care Services (DHCS) for Medi-Cal, and All Plan Letter (APL) 23-029: Memorandum of
 6 Understanding Requirements for Medi-Cal Managed Care Plans and Third-Party Entities.

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 8 **II. POLICY**

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 10 A. CalOptima Health shall establish MOUs with Third-Party Entities to ensure Member care is
 11 coordinated, and Members have access to resources to support Whole-Person Care.

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 13 B. CalOptima Health shall establish MOUs that:

- 14
 15 1. Clarify roles and responsibilities by department for coordination of the delivery of care and
 16 services to Members;
- 17
 18 2. Establish agreed upon processes for collaboration between all impacted parties;
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 20 3. Streamline the Referral processes, and the exchange of information necessary to facilitate Care
 21 Coordination; and
- 22
 23 4. Outline partnerships between CalOptima Health and Third-Party Entities.

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 25 C. CalOptima Health’s Internal Audit Department shall maintain documentation of Internal Oversight
 26 activities as described in CalOptima Health Policy HH.4002: CalOptima Health Internal Oversight.

27
 28 D. CalOptima Health shall use either the Base MOU or Bespoke MOU Template, as described below
 29 in Section III of this Policy, and in accordance with DHCS APL 23-029: Memorandum of
 30 Understanding Requirements for Medi-Cal Managed Care Plans and Third-Party Entities.
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E. CalOptima Health shall make a good faith effort to execute MOUs with the following organizations by as outlined below:

MOUs Effective January 1, 2024	
Third-Party Entity	MOU Program(s)
County Behavioral Health Departments	Specialty Mental Health Services
County Behavioral Health Departments	Substance Use Disorder Services - Drug Medi-Cal Organized Delivery System (DMC-ODS)
Local Health Departments	Including, without limitation: <ul style="list-style-type: none"> • California Children’s Services, • Maternal, Child, and Adolescent Health • Tuberculosis Direct Observed Therapy
WIC Local Agencies or Non-Profit Entities	Women, Infant and Children
Regional Center	Includes Behavioral Health Treatment (BHT), Intermediate Care Facilities, Developmentally Disabled (ICF-DD), Early Intervention Services and Lanterman Developmental Disability Act provisions
Local Government Agency	In-Home Supportive Services (IHSS)
Local Government Agency	County Social Services programs and Child Welfare

MOUs Effective July 1, 2024 (DHCS Template Forthcoming)	
Third-Party Entity	Program/Services
Local Government Agency	County-Based Targeted Case Management (TCM)

MOUs Effective January 1, 2025	
Home and Community Based Services (HCBS) Waiver Agencies and Programs	
Local Government Agency (LGA) /California Department of Corrections and Rehabilitation, county jails, and youth correctional facilities	
Continuum of Care	
First 5 Programs	
Area Agencies on Aging	
California Caregiver Resource Centers	
Local Education Agencies (LEAs)	
Indian Health Services/Tribal Entities	

F. CalOptima Health shall ensure that all Subcontractors, Downstream Subcontractors, and Providers comply with all applicable provisions outlined in DHCS APL 23-029: Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Third-Party Entities.

G. CalOptima Health shall commit to resolving conflicts that arise between MOU parties within a reasonable timeframe.

III. PROCEDURE

A. DHCS MOU Template (Base Template) and Program Specific MOU (Bespoke Template):

1. Each MOU shall include, at minimum, general provisions listed in the Base Template pursuant to the DHCS contract.
2. The executed Base and or Bespoke Template shall include the following provisions:

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- a. Services listed within the MOU which describe the services that must be coordinated for Members who reside in the Third-Party Entities jurisdiction or who receive the Third-Party Entities' services;
 - b. Description of the roles and responsibilities for each entity and designates liaisons to coordinate with each other and ensure compliance with MOU requirements;
 - c. Training and education;
 - d. Referral requirements that outline the Referral pathway and process to ensure both parties understand how to make a Referral to one another's services to assist Members with obtaining services;
 - e. Description of policies and procedures of Care Coordination between both parties, including but not limited to:
 - i. Addressing barriers to Care Coordination;
 - ii. Ensuring ongoing monitoring; and
 - iii. Improving Care Coordination, the process to remove potential barriers to services and ensure documented processes are implemented and monitored for their effectiveness.
 - f. Quarterly meetings in accordance with Section III.F. of this Policy, and DHCS APL 23-029: Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Third-Party Entities;
 - g. Quality Improvement MOU-specific policies to ensure ongoing oversight and improvement of MOU requirements;
 - h. Data sharing in accordance with CalOptima Health Policy HH.3023: Information Sharing;
 - i. A dispute resolution provision that describes the policies and procedures for resolving disputes between parties and for engaging DHCS; and
 - j. General requirements that include posting executed MOUs on CalOptima Health's public-facing website, annually reviewing the MOU for necessary updates, and that MOUs cannot be delegated except as permitted by the CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal.
3. DHCS Program-Specific Bespoke MOU Provisions
- a. Bespoke MOUs build on the above referenced Base MOU and are tailored to the unique relationships and specific needs at the local level that exist between CalOptima Health and the Third-Party Entity.
 - b. Bespoke Templates include tailored provisions for the following programs:
 - i. Specialty Mental Health Services (SMHS);
 - ii. Substance Use Disorder (SUD) Services;

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- iii. SUD Services in DMC State Plan Counties;
- iv. Local Health Departments, including program-specific exhibits for California Children’s Services (CCS), Maternal, Child, and Adolescence Health (MCAH), Tuberculosis Direct Observed Therapy, and Non-Contracted Services;
- v. Women, Infants, and Children (WIC);
- vi. Regional Centers;
- vii. In-Home Supportive Services (IHSS);
- viii. County Social Services programs and Child Welfare; and
- ix. County-Based Targeted Case Management (TCM).

4. Base Templates and Bespoke Templates cannot be altered to remove any required provisions. However, parties may agree to consolidate MOUs and include additional provisions or language that add to increased collaboration and communication and reduce administrative burden between parties.

B. MOU Compliance and Oversight Requirements

- 1. CalOptima Health’s Director of Medi-Cal Compliance is ultimately responsible for the MOU compliance and must ensure deficiencies in MOU compliance are addressed in accordance with CalOptima Health’s compliance program policies.
- 2. CalOptima Health’s Responsible Person named in each MOU shall serve as a liaison between CalOptima Health and the Third-Party Entity to ensure MOU requirements are implemented.
- 3. CalOptima Health’s Responsible Person shall:
 - a. Conduct regular meetings, with Third-Party Entities at least on a quarterly basis, to address policy and practical concerns;
 - b. Ensure appropriate leadership involvement in implementation and oversight of the MOU engagements;
 - c. Report on CalOptima Health compliance with the MOU to CalOptima Health’s Director of Medi-Cal Compliance; and
 - d. Ensure applicable training and education MOU provisions are conducted annually, at a minimum, with Third-Party Entities, Subcontractors, Downstream Subcontractors, and/or Network Providers.
- 4. CalOptima Health must notify DHCS of any changes to the Responsible Person as soon as practicable, but no later than five (5) Working Days of the change.
- 5. If DHCS requests a review of any existing executed MOU, CalOptima Health shall submit the requested MOU within ten (10) business days of receipt of DHCS’s request.

- 1 6. CalOptima Health shall submit to DHCS all executed MOUs with Third-Party Entity(s) and
2 county programs required by DHCS.
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4 C. Dispute Resolution
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- 6 1. CalOptima Health shall work collaboratively with Third-Party Entity(s) to establish dispute
7 resolution processes as required in the Base Template. This includes resolving issues related to
8 coverage, payment of services or other concerns related to administered services to Members.
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10 2. If a failure to resolve a dispute according to the processes and timeframes in the MOU should
11 occur, CalOptima Health shall submit a written "Request for Resolution" to DHCS, and the
12 Third-Party may submit the dispute to their relevant State oversight department. If CalOptima
13 Health submits the Request for Resolution, it must:
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15 a. Be signed by CalOptima Health's Chief Executive Officer (CEO) or the CEO's designee;
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17 b. Include a summary of the disputed issue(s) and a statement of the desired remedies,
18 including any disputed services that have been or are expected to be delivered to a Member;
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20 c. Include a history of the attempts to resolve the issue(s) with the Third-Party Entity;
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22 d. Include justification for the desired remedy;
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24 e. Include any additional documentation relevant to resolve the disputed issue(s), if applicable;
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26 f. Be submitted to DHCS via secure email to MCPMOUS@dhcs.ca.gov.
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- 28 D. CalOptima Health shall ensure that all applicable Third-Party Entities comply with all provisions of
29 their respective MOUs.
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31 E. Training and Education
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- 33 1. CalOptima Health shall provide education for Members and Providers regarding access to
34 Covered Services and the Third-Party Entity services.
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36 2. Within sixty (60) days of the MOU effective date, and annually thereafter, Third Party Entities
37 shall receive MOU service requirement training from CalOptima Health.
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39 F. Quarterly meetings
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- 41 1. CalOptima Health and Third-Party Entity(s) shall meet at least quarterly to address Care
42 Coordination, Quality Improvement activities, quality outcomes, systemic and case-specific
43 concerns, and communication. Quarterly meetings are not intended for public participation and
44 may be held virtually.
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46 a. Each meeting will hold an opportunity to discuss and address care coordination and MOU-
47 related issues directly with county executives when applicable.
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49 2. Appropriate representatives from both parties to the MOU, who are knowledgeable of the topics
50 to be discussed, must:
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52 a. Be present; and

- b. Include at least one individual that directly interacts with the member population being served.
3. Within thirty (30) Working Days after each quarterly meeting, CalOptima Health shall post the date and time that the meeting occurred on the CalOptima Health website.
4. CalOptima Health shall support engagement with local partners by inviting the appropriate person(s) from the Third-Party Entity(s) to quarterly meetings.
5. CalOptima Health shall demonstrate a good faith effort to meet the Quarterly Reporting requirements of DHCS APL 23-029: Memorandum of Understanding Requirements for Medical Managed Care Plans and Third-Party Entities.

G. Monitoring and Reporting

1. CalOptima Health must review MOU(s) annually and submit to DHCS Managed Care Operations Division (MCO) Contract Manager an annual report that includes updates from:
 - a. Quarterly Meetings; and
 - b. Results of the annual MOU review.
2. The annual report must include the following elements:
 - a. List of all attendees, including CalOptima Health's Responsible Person(s), leadership, and county executives;
 - b. All Care Coordination and Referral concerns discussed;
 - c. Strengths, barriers, and plans to improve effective collaboration between CalOptima Health and Third-Party Entities;
 - d. All disputes and resulting outcomes;
 - e. Strategies to address duplication of services;
 - f. Member engagement challenges and successes;
 - g. Evidence of CalOptima Health's annual review of MOUs, to include a summary of the review process and outcomes, and any resulting amendments to the MOU or policies and procedures; and .
 - h. Copies of any MOUs modified or renewed.
3. CalOptima Health shall report to DHCS, updates from each regularly held MOU meeting in a manner and frequency specified by DHCS.
4. To the extent CalOptima Health does not execute an MOU required by the DHCS Contract within four (4) months of the effective date, CalOptima Health must submit quarterly reports to their DHCS Contract Manager documenting CalOptima Health's continuing good faith efforts to execute the MOU, until such time as the MOU is executed.

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2 a. Documentation of good faith efforts to execute the MOU must include a justification for
3 why the MOU has not been executed.
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5 **IV. ATTACHMENT(S)**

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7 Not Applicable
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9 **V. REFERENCE(S)**

- 10 A. CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal
11 B. CalOptima Health Policy HH.3023: Information Sharing
12 C. CalOptima Health Policy HH.4002: CalOptima Health Internal Oversight
13 D. Department of Health Care Services (DHCS) CalAIM: Population Health Management (PHM)
14 Policy Guide, April 2023
15 E. Department of Health Care Services (DHCS) Memoranda of Understanding Between Medi-Cal
16 Managed Care Plans and Third Party Entities
17 F. Department of Health Care Services (DHCS) All Plan Letter (APL) 23-029: Memorandum of
18 Understanding Requirements for Medi-Cal Managed Care Plans and Third-Party Entities
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21 **VI. REGULATORY AGENCY APPROVAL(S)**
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Date	Regulatory Agency	Response
02/07/2024	Department of Health Care Services (DHCS)	Approved as Submitted

23 **VII. BOARD ACTION(S)**
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Date	Meeting
TBD	Regular Meeting of the CalOptima Health Board of Directors

26 **VIII. REVISION HISTORY**
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Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2024	EE.1144	Memorandum of Understanding (MOU) Requirements for CalOptima Health and Third-Party Entities	Medi-Cal OneCare

1 IX. GLOSSARY
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Term	Definition
All Plan Letter (APL)	A binding document that has been dated, numbered, and issued by DHCS that provides clarification of CalOptima Health’s contractual obligations, implementation instructions for CalOptima Health’s contractual obligations due to changes in State and federal law or judicial decisions, and/or guidance with regulatory force and effect when DHCS interprets, implements, or makes specific relevant State statutes under its authority.
Area Agencies on Aging	A public or private non-profit agency, designated by the state to address the needs and concerns of all older persons at the regional and local levels.
Base MOU Template	DHCS provided template that outlines the minimum required provisions and requirements between CalOptima Health and a Third-Party Entity, including Services to be Covered, Party Obligations, Training & Education, Referrals, Care Coordination, Quarterly Meetings, Quality Improvement, Data Sharing and Confidentiality, Dispute Resolution, and other General Provisions.
Bespoke MOU Template	DHCS provided template that outlines everything included in the Base MOU Template and includes tailored provisions for the following programs: Specialty Mental Health Services, Substance Use Disorders DMC-ODS, Local Health Department programs such as CCS, MCAH, TB and other non-contracted services, Women Infants & Children, Regional Centers, In-Home Support Services, and Social Services programs & Child Welfare and Target Case Management
California Caregiver Resource Centers	Serve family caregivers who are providing support for someone affected by chronic and debilitating health conditions including dementia, Alzheimer’s disease, cerebrovascular diseases (such as stroke or aneurysms), degenerative diseases such as Parkinson’s, Huntington’s and Multiple Sclerosis, or traumatic brain injury (TBI), among many others.
California Children’s Services (CCS)	A State and county program providing Medically Necessary services to treat CCS-Eligible Conditions.
California Department of Corrections and Rehabilitation	Manages the State of California's prison system including. rehabilitation, community reintegration and restorative justice.
Care Coordination	<p><u>Medi-Cal</u>: Care coordination involves deliberately organizing member care activities and sharing information among all of those involved with patient care. CalOptima Health’s coordination of care delivery and services for Members, either within or across delivery systems including services the Member receives by CalOptima Health, any other managed care health plan; Fee-For-Service (FFS); Out-of-Network Providers; carve-out programs, such as pharmacy, Substance Use Disorder (SUD), mental health, and dental services; and community and social support Providers. Care Coordination services may be included in Basic Case Management, Complex Case Management, Enhanced Care Management (ECM), Person Centered Planning and Transitional Care Services.</p> <p><u>OneCare</u>: The identification of a medical condition or services that are not covered by OneCare under whose authority CalOptima Health operates. Encompasses services included in Basic Case Management, Complex Case Management, Comprehensive Medical Case Management Services, Person Centered Planning and Discharge Planning and are included as part of a</p>

Term	Definition
	functioning Medical Home. A process used by a person or team to assist Members in accessing Medicare and Medi-Cal Services, as well as social, educational, and other support services, regardless of the funding source for the services. It is characterized by advocacy, communication, and resource management to promote quality, cost effectiveness, and positive outcomes.
Continuum of Care	For the purposes of this policy, a regional or local planning body that coordinates housing and services funding for homeless families and individuals.
Covered Services	<p><u>Medi-Cal</u>: Those health care services, set forth in W&I sections 14000 et seq. and 14131 et seq., 22 CCR section 51301 et seq., 17 CCR section 6800 et seq., the Medi-Cal Provider Manual, the California Medicaid State Plan, the California Section 1115 Medicaid Demonstration Project, this Contract, and APLs that are made the responsibility of CalOptima Health pursuant to the California Section 1915(b) Medicaid Waiver authorizing the Medi-Cal managed care program or other federally approved managed care authorities maintained by DHCS.</p> <p>Covered Services do not include:</p> <ol style="list-style-type: none"> 1. Home and Community-Based Services (HCBS) program as specified in Exhibit A, Attachment III, Subsections 4.3.15 (Services for Persons with Developmental Disabilities), 4.3.20 (Home and Community-Based Services Programs) regarding waiver programs, 4.3.21 (In-Home Supportive Services), and Department of Developmental Services (DDS) Administered Medicaid Home and Community-Based Services Waiver. HCBS programs do not include services that are available as an Early and Periodic Screening, Diagnosis and Treatment (EPSDT) service, as described in 22 CCR sections 51184, 51340 and 51340.1. EPSDT services are covered under this Contract, as specified in Exhibit A, Attachment III, Subsection 4.3.11 (Targeted Case Management Services), Subsection F4 regarding services for Members less than 21 years of age. CalOptima Health is financially responsible for the payment of all EPSDT services; 2. California Children’s Services (CCS) as specified in Exhibit A, Attachment III, Subsection 4.3.14 (California Children’s Services), except for Contractors providing Whole Child Model (WCM) services; 3. Specialty Mental Health Services as specified in Exhibit A, Attachment III, Subsection 4.3.12 (Mental Health Services); 4. Alcohol and SUD treatment services, and outpatient heroin and other opioid detoxification, except for medications for addiction treatment as specified in Exhibit A, Attachment III, Subsection 4.3.13 (Alcohol and Substance Use Disorder Treatment Services); 5. Fabrication of optical lenses except as specified in Exhibit A, Attachment III, Subsection 5.3.7 (Services for All Members); 6. Direct Observed Therapy for Treatment of Tuberculosis (TB) as specified in Exhibit A, Attachment III, Subsection 4.3.18 (Direct Observed Therapy for Treatment of Tuberculosis); 7. Dental services as specified in W&I sections 14131.10, 14132(h), 14132.22, 14132.23, and 14132.88, and EPSDT dental services as

Term	Definition
	<p>described in 22 CCR section 51340.1(b). However, CalOptima Health is responsible for all Covered Services as specified in Exhibit A, Attachment III, Subsection 4.3.17 (Dental) regarding dental services;</p> <ol style="list-style-type: none"> 8. Prayer or spiritual healing as specified in 22 CCR section 51312; 9. Educationally Necessary Behavioral Health Services that are covered by a Local Education Agency (LEA) and provided pursuant to a Member’s Individualized Education Plan (IEP) as set forth in Education Code section 56340 et seq., Individualized Family Service Plan (IFSP) as set forth in California Government Code (GC) section 95020, or Individualized Health and Support Plan (IHSP). However, CalOptima Health is responsible for all Medically Necessary Behavioral Health Services as specified in Exhibit A, Attachment III Subsection 4.3.16 (School-Based Services); 10. Laboratory services provided under the State serum alpha-feto-protein-testing program administered by the Genetic Disease Branch of California Department of Public Health (CDPH); 11. Pediatric Day Health Care, except for Contractors providing Whole Child Model (WCM) services; 12. State Supported Services; 13. Targeted Case Management (TCM) services as set forth in 42 USC section 1396n(g), W&I sections 14132.48 and 14021.3, 22 CCR sections 51185 and 51351, and as described in Exhibit A, Attachment III, Subsection 4.3.11 (Targeted Case Management Services). However, if Members less than 21 years of age are not eligible for or accepted by a Regional Center (RC) or a local government health program for TCM services, CalOptima Health must ensure access to comparable services under the EPSDT benefit in accordance with APL 23-005; 14. Childhood lead poisoning case management provided by county health departments; 15. Non-medical services provided by Regional Centers (RC) to individuals with Developmental Disabilities, including but not limited to respite, out-of-home placement, and supportive living; 16. End of life services as stated in Health and Safety Code (H&S) section 443 et seq., and APL 16-006; and 17. Prescribed and covered outpatient drugs, medical supplies, and enteral nutritional products when appropriately billed by a pharmacy on a pharmacy claim, in accordance with APL 22-012. <p><u>OneCare</u>: Those medical services, equipment, or supplies that CalOptima Health is obligated to provide to Members under the Centers of Medicare & Medicaid Services (CMS) Contract.</p>
Data Sharing and Confidentiality	The minimum data and information that the MCP must share with the Third-Party Entity to ensure the MOU requirements are met and describes the data and information that the Third-Party Entity may share with the MCP to improve care coordination and referral processes.
Department of Health Care Services (DHCS)	The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.

For 202405

Term	Definition
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.
Dispute Resolution	The policies and procedures for resolving disputes between parties and the process for bringing the disputes to DHCS (and other departments as appropriate) when the parties are unable to resolve disputes between themselves.
Downstream Entity	Any party that enters into a written arrangement acceptable to DHCS and/or CMS, with persons or entities involved with a CalOptima Health Program benefit, below the level of the arrangement between CalOptima Health and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.
Drug Medi-Cal Organized Delivery System (DMC-ODS)	A program for the organized delivery of Substance Use Disorder (SUD) services to Medi-Cal-eligible individuals with SUD residing in a county that has elected to participate in the DMC-ODS. Critical elements of DMC ODS include providing a continuum of care modeled after the American Society of Addiction Medicine (ASAM) Criteria® for SUD treatment services, increased local control and accountability, greater administrative oversight, creation of utilization controls to improve care and efficient use of resources, evidence-based practices in substance use treatment, and increased coordination with other systems of care.
Enhanced Care Management (ECM)	A whole-person, interdisciplinary approach to care that addresses the clinical and non-clinical needs of high-need and/or high cost Members through systematic coordination of services and comprehensive care management that is community-based, interdisciplinary, high-touch, and person-centered. ECM is a Medi-Cal benefit.
First 5 Program	Comprehensive system of education, health services, childcare, and other crucial programs for parents, caregivers, and children ages zero (0) to five (5).
Home and Community Based Services (HCBS)	Home and Community- Based Services (HCBS) benefit is defined by the services listed in Title 42, Code of Federal Regulations, Section 440.182(c).
Indian Health Services/Tribal Entities	Means an agency within the United States Department of Health and Human Services responsible for providing federal health services to American Indians and Alaska Natives. The IHS is the principal federal health care provider and health advocate for these populations and provides them with a comprehensive Indian health care delivery system.
In-Home Support Services (IHSS)	Services provided to Members by a county in accordance with the requirements set forth in W&I Code sections 12300 et seq., 14132.95, 14132.952, and 14132.956.
Local Education Agencies (LEAs)	A school district, county office of education, charter school, community college district, California State University or University of California campus.
Local Government Agency (LGA)	A local governmental entity including, but not limited to, a county child welfare agency, county probation department, county behavioral health department, county social services department, county public health department, school district, or county office of education.
Managed Care Plan (MCP)	High quality, accessible, and cost-effective health care through managed care delivery systems such as CalOptima Health. MCP contracts for health care services through established networks of organized systems of care, which emphasize primary and preventive care.

Term	Definition
Maternal, Child and Adolescent Health (MCAH)	Refers to health service provided to mothers (women in their childbearing age) and children.
Medi-Cal	California's Medicaid health care program. This program pays for a variety of medical services for children and adults with limited income and resources.
Medically Necessary	<p><u>Medi-Cal</u>: Reasonable and necessary Covered Services to protect life, to prevent significant illness or significant disability, or alleviate severe pain through the diagnosis or treatment of disease, illness, or injury, as required under W&I Code 14059.5(a) and Title 22 CCR Section 51303(a). Medically Necessary services shall include Covered Services necessary to achieve age-appropriate growth and development, and attain, maintain, or regain functional capacity. For Members under 21 years of age, a service is Medically Necessary if it meets the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) standard of medical necessity set forth in Section 1396dI(5) of Title 42 of the United States Code, as required by W&I Code 14059.5(b) and W&I Code Section 14132(v). Without limitation, Medically Necessary services for Members under 21 years of age include Covered Services necessary to achieve or maintain age-appropriate growth and development, attain, regain or maintain functional capacity, or improve, support or maintain the Member's current health condition. CalOptima Health shall determine Medical Necessity on a case-by-case basis, taking into account the individual needs of the child.</p> <p><u>OneCare</u>: Reasonable and necessary medical services to protect life, to prevent significant illness or significant disability, or alleviate severe pain through the diagnosis or treatment of disease, illness, or injury, as required under W&I Code 14059.5(a) and Title 22 CCR Section 51303(a). Medically Necessary services includes Medi-Cal Services necessary to achieve age-appropriate growth and development, and attain, maintain, or regain functional capacity.</p>
Member	A beneficiary enrolled in a CalOptima Health program.
Memorandum of Understanding (MOU)	A formal written agreement between CalOptima Health and local government agencies, county programs, and third-party entities.
Population Health Management (PHM)	A service that collects and links Medi-Cal Member information from disparate sources and performs Risk Stratification and Segmentation (RSS) and Risk Tiering functions, conducts analytics and reporting, identifies gaps in care, performs other population health functions, and allows for multi-party data access and use in accordance with state and federal laws, regulations, and policies.
Provider	<p><u>Medi-Cal</u>: Any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is licensed or certified to do so.</p> <p><u>OneCare</u>: Any Medicare provider (e.g., hospital, skilled nursing facility, home health agency, outpatient physical therapy, comprehensive outpatient rehabilitation facility, end-stage renal disease facility, hospice, physician, non-physician provider, laboratory, supplier) providing Covered Services under Medicare Part B. Any organization, institution, or individual that provides Covered Services to Medicare members. Physicians, ambulatory</p>

Term	Definition
	surgical centers, and outpatient clinics are some of the providers of Covered Services under Medicare Part B.
Quality Improvement	Systematic and continuous actions that lead to measurable improvements in the way health care is delivered and outcomes for Members.
Referral	The process of a Provider directing a Member to another Provider for care and or services. A referral may or may not need to be authorized and the Member may be redirected to another Provider from the original requested Provider.
Regional Center	A non-profit, community-based entity that is contracted by Department of Developmental Services (DDS) and that develops, purchases, and manages services for Members with developmental disabilities and their families
Responsible Person	Oversees CalOptima Health’s compliance with the relevant MOU(s) in accordance with Department of Health Care Services (DHCS) All Plan Letter (APL) 23-029: Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Third-Party Entities and the relevant provisions therein. Is well-versed with the MOU(s) provisions, has developed relationships with the relevant Other Party, and is empowered to meet compliance with the MOU(s).
Specialty Mental Health Services (SMHS)	Medi-Cal covered mental health service provided or arranged by county mental health plans for Members in their counties that need Medically Necessary specialty mental health services.
State	The State of California.
Subcontractor	An individual or entity that has a Subcontractor Agreement with Contractor that relates directly or indirectly to the performance of Contractor’s obligations under this Contract. A Network Provider is not a Subcontractor solely because it enters into a Network Provider Agreement.
Targeted Case Management (TCM)	Services which assist Members within specified target groups to gain access to needed medical, social, educational and other services, as set forth in 42 USC section 1396n(g). In prescribed circumstances, TCM is available as a Medi-Cal benefit and a discrete service through State or local government entities and their contractors.
Third-Party Entity	Local programs and services, including, but not limited to public health, social services; child welfare departments; local education agencies, Indian Health Services, county behavioral health department, Continuum of Care programs; First 5 programs and providers; Regional Centers; Area Agencies on Aging; Caregiver Resource Centers; Women, Infants and Children Supplemental Nutrition Programs (WIC); Home and Community-Based Services (HCBS) waiver agencies, correctional health, and providers to ensure Member care is coordinated and Members have access to community-based resources in order to support Whole-Person Care.
Tuberculosis Direct Observed Therapy (TB DOT)	The observation of a person taking his/her prescribed medication for the treatment of tuberculosis (TB) disease or TB infection. This requires a person who has received training in observing patients taking medications prescribed for the treatment or prevention of TB disease.
Whole-Person Care	Overarching goals including coordination of health, behavioral health, and social services. Comprehensive coordinated care for Medi-Cal beneficiaries resulting in better health outcomes.
Women, Infant & Children (WIC)	Program helps families across the state by providing nutrition education, breastfeeding support, healthy foods and referrals to health care and other community services.

Term	Definition
Working Days	Monday through Friday, except for state holidays as identified at the California Department of Human Resources State Holidays page.

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For 20240502 BOD Review Only



DATE: October 11, 2023

ALL PLAN LETTER 23-029

TO: ALL MEDI-CAL MANAGED CARE PLANS

SUBJECT: MEMORANDUM OF UNDERSTANDING REQUIREMENTS FOR MEDI-CAL MANAGED CARE PLANS AND THIRD-PARTY ENTITIES

PURPOSE:

The purpose of this All Plan Letter (APL) is to clarify the intent of the Memorandum of Understanding (MOU) required to be entered into by the Medi-Cal managed care plans (MCPs) and Third Party Entities (defined below) under the Medi-Cal Managed Care Contract (MCP Contract) with the Department of Health Care Services (DHCS), and to specify the responsibilities of MCPs under those MOUs. In addition, this APL contains an MOU template with general provisions required to be included in all MOUs (Base Template) that the MCPs must execute pursuant to the MCP Contract and MOU templates tailored for certain programs, which contain the required general MOU provisions and program-specific provisions (Bespoke Templates).

Further, this APL addresses DHCS' expectations and oversight of MCP obligations under this APL and the MOUs, including MCP reporting requirements.

BACKGROUND AND INTENT:

The MCP Contract requires MCPs to build partnerships with the following Third Party Entities: local health departments; local educational and governmental agencies, such as county behavioral health departments for specialty mental health care and Substance Use Disorder (SUD) services; other local programs and services, including social services; child welfare departments; Continuum of Care programs; First 5 programs and providers; Regional Centers; Area Agencies on Aging; Caregiver Resource Centers; Women, Infants and Children Supplemental Nutrition Programs (WIC); Home and Community-Based Services (HCBS) waiver agencies and providers; and justice departments to ensure Member care is coordinated and Members have access to community-based resources in order to support whole-person care. This requirement can be found in the MCP Contract, Exhibit A, Attachment III, Section 5.6 (MOUs with Third Parties).

The MOUs are intended to be effective vehicles to clarify roles and responsibilities among parties, support local engagement, and facilitate care coordination and the exchange of information necessary to enable care coordination and improve the referral

processes between the parties. The MOUs are also intended to improve transparency and accountability by setting forth certain existing requirements for each party as it relates to service or care delivery and coordination so that the parties are aware of each other's obligations.

Each MOU is a binding, contractual agreement between the MCP and a Third-Party Entity (referred to in this APL as the "Other Party") and outlines the responsibilities and obligations of the MCP to coordinate and facilitate the provision of services to Members where Members are served by multiple parties. The purpose of the MOU is to:

- List the minimum MOU components required by the MCP Contract;
- Clarify roles and responsibilities for coordination of the delivery of care and services of all Members, particularly across MCP carved-out services, which may be provided by the Other Party;
- Establish negotiated and agreed upon processes for how the MCP and the Other Party will collaborate and coordinate on population health and/or other programs and initiatives;
- Memorialize what data will be shared between the MCP and the Other Party and how the data will be shared to support care coordination and enable monitoring;
- Provide public transparency into relationships and roles/responsibilities between the MCP and the Other Party; and
- Provide mechanisms for the parties to resolve disputes and ensure overall oversight and accountability under the MOU.

The MOU does not impose new requirements on the Other Party, but rather restates or cross-references existing requirements imposed on the Other Party by their respective oversight body, if any, in order to clarify the Other Party's roles and responsibilities under existing laws, regulations, and guidance ("existing requirements").

POLICY:

MCPs must make a good faith effort to execute MOUs with Other Parties by either January 1, 2024, July 1, 2024, or January 1, 2025, as outlined below:

MOUs Effective January 1, 2024	
Department	Program/Services
County Behavioral Health Departments	Specialty Mental Health Services in Medi-Cal Mental Health Plans

MOUs Effective January 1, 2024	
Department	Program/Services
County Behavioral Health Departments	SUD Services in Drug Medi-Cal Organized Delivery System (ODS) Counties
Local Health Departments	Including, without limitation, California Children’s Services (CCS), ¹ Maternal, Child, and Adolescent Health (MCAH), and Tuberculosis Direct Observed Therapy
WIC Local Agencies or Non-Profit Entities	WIC <small>DRAFT</small>
Regional Centers	Intermediate Care Facility – Developmentally Disabled Services
Local Government Agencies (LGA)	In-Home Supportive Services (IHSS)
LGA/County Social Services Departments	County Social Services programs and Child Welfare

MOUs Effective July 1, 2024	
Department	Program
LGA	County-Based Targeted Case Management (TCM) ¹
County Behavioral Health Departments	Substance Use Disorder Treatment Services in Drug Medi-Cal State Plan Counties

¹ The County TCM MOU will be effective July 1, 2024, to align with the program changes set forth in the Enhanced Care Management Policy Guide dated July of 2023, available at: <https://www.dhcs.ca.gov/Documents/MCQMD/ECM-Policy-Guide.pdf>

MOUs Effective January 1, 2025	
HCBS Waiver Agencies and Programs	
LGA/California Department of Corrections and Rehabilitation, county jails, and youth correctional facilities	
Continuum of Care	
First 5 Programs	
Area Agencies on Aging	
California Caregiver Resource Centers	
Local Education Agencies (LEAs)	DRAFT
Indian Health Services/Tribal Entities	

PROVISIONS REQUIRED TO BE INCLUDED IN MOUs

MCPs are responsible for providing Medically Necessary Covered Services to Members and coordinating Member care, particularly for services carved out of the MCP Contract. The MOU between the MCP and the Other Party is intended to serve as the primary vehicle for documenting and developing processes and procedures to ensure the MCP and the Other Party coordinate services, including health related social service needs, when Members are accessing services from both systems. For example, for the CCS program, the MOU will outline the roles and responsibilities of the MCP as well as the local agency county health departments for coordinating care, exchanging information, and conducting administrative activities related to CCS-enrolled Members accessing and receiving care.

Each MOU with all Other Parties must include, at a minimum, all of the provisions required in **Attachment A, Base MOU Template** and as required in the MCP Contract, including the following:

- Services Covered by This MOU: Describes the services that the MCP and the Other Party must coordinate for Members who reside in the Other Party's jurisdiction or who receive the Other Party's services.
- Party Obligations: Describes each party's provision of services and oversight responsibilities (e.g., the parties must designate liaisons to coordinate with each other and ensure compliance with the MOU requirements, including the MCP ensuring compliance by its Subcontractors, Downstream Subcontractors, and Network Providers). The intent of this provision is to ensure each party is aware of what services the other is required to provide or arrange under existing

requirements. This provision is also intended to ensure that the parties know how and who to contact for each party to support the MOU implementation. This provision also requires the MCP to impose certain MOU requirements on its Subcontractors, Downstream Subcontractors, and Network Providers.

- Training and Education: Requires the MCP to provide education to Members and Network Providers about accessing Covered Services and the Other Party's services. Requires the MCP to train its employees who carry out responsibilities under the MOU and, as applicable, train Network Providers, Subcontractors and Downstream Subcontractors on the MOU requirements and services provided by the Other Party. This provision is intended to ensure the MCP provides its Subcontractors, Downstream Subcontractors, and Network Providers with information necessary for them to coordinate care with, and make referrals to, or receive referrals from, the Other Party.
- Referrals: Describes the requirement that the parties refer to each other as appropriate and describes each party's referral pathways to ensure both parties understand and are able to refer to or assist Members with obtaining services from each other. The intent of this provision is to encourage the parties to develop and document how parties can refer Members to one another and what information may need to accompany each referral.
- Care Coordination: Describes the policies and procedures for coordinating care between the parties, addressing barriers to care coordination, and ensuring the ongoing monitoring and improving of such care coordination. This provision is intended to encourage the parties to develop and document how the parties will coordinate care, monitor whether those processes are working, and improve the processes, as necessary.
- Quarterly Meetings: Requires the parties to meet at least quarterly to address care coordination, Quality Improvement (QI) activities, QI outcomes, systemic and case-specific concerns, and communicating with others within their organizations about such activities. Within 30 Working Days after each quarterly meeting, the MCP must post on its website the date and time the quarterly meeting occurred in order to demonstrate transparency that the meetings are taking place. The intent of this provision is to ensure that the parties have a set time to meet to assess whether the MOU is effective in supporting care coordination and whole-person care, as well as to address specific issues that may have arisen in the prior quarter. These meetings are not intended to be open to the public. These meetings may be conducted virtually.
- Quality Improvement: Requires that the parties have in place MOU-specific QI policies to ensure each party's ongoing oversight and improvement of the MOU requirements. These QI policies and activities are separate and apart from an MCP's other QI requirements. The intent of this provision is to encourage the parties to develop and document how they will assess whether the MOU is

improving care coordination and whole-person care and to develop metrics to evaluate whether the MOU is effective in achieving its goals.

- **Data Sharing and Confidentiality**: Describes the minimum data and information that the MCP must share with the Other Party to ensure the MOU requirements are met and describes the data and information the Other Party may share with the MCP to improve care coordination and referral processes. This provision is intended to encourage the parties to determine and document the minimum necessary information that must be shared to facilitate referrals and coordinate care, how to share that information, and whether Member consent is required. The data sharing requirements set forth in the MOUs are not intended to supersede any federal or state laws or regulations governing the ability of the MCP or Other Party to exchange information.
- **Dispute Resolution**: Describes the policies and procedures for resolving disputes between the parties and the process for bringing the disputes to DHCS (and other departments as appropriate) when the parties are unable to resolve disputes between themselves. The intent of this provision is to encourage the parties to develop and document a dispute resolution process to resolve conflicts with regard to each parties' responsibilities under the MOU.
- **General**: Describes additional general Contract requirements, such as the requirements that the MCP must publicly post the executed MOU, the MCP must annually review the MOU, and the MOU cannot be delegated, except as permitted under the MCP Contract.

Program-Specific MOU Requirements (Bespoke Templates)

MOUs are intended to acknowledge the unique relationships and specific needs that exist at the local level, as outlined in the MCP Contract. As such, the **Attachment B, Bespoke Templates** build on the Base Template requirements by including tailored provisions for the following programs:

1. Specialty Mental Health Services in Medi-Cal Mental Health Plans;
2. SUD Services in Drug Medi-Cal Organized Delivery System (ODS) Counties
3. SUD Services in Drug Medi-Cal State Plan Counties;
4. Local Health Departments, including program-specific exhibits for CCS, MCAH, Tuberculosis Direct Observed Therapy, and Non-Contracted Services;
5. WIC;
6. Regional Centers;
7. IHSS;
8. County Social Services programs and Child Welfare; and
9. TCM.

MCPs cannot remove or alter the minimum requirements in the Base Template or Bespoke Templates. However, the MCP and the Other Party may agree to include additional provisions, including, without limitation, the optional provisions included in the templates, provided any additional provision does not conflict with the required minimum provisions. The templates include language that the parties may want to add to their MOUs to increase collaboration and communications. The proposed language is not exhaustive.

MOU COMPLIANCE AND OVERSIGHT REQUIREMENTS

The MCP Contract outlines specific processes that MCPs must have in place in order to maintain collaboration with the Other Party and have appropriate oversight of the MOU requirements.

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Ultimately, the MCP compliance officer is responsible for MOU compliance, and ensuring compliance with the MOU must be part of the MCP's compliance program. The MCP compliance officer must ensure that deficiencies in MOU compliance are addressed in accordance with MCP's compliance program policies.

MCP Responsible Person and MCP-Other Party Liaison

The MCP must designate a responsible person(s) for overseeing the MCP's compliance with the relevant MOU(s) and the relevant provisions (MCP Responsible Person). This MCP Responsible Person must provide reports to the MCP compliance officer. For example, the MCP may consider designating staff within their contract management, provider relations, or community relations functional areas. The MCP must ensure the responsible person(s) is well-versed with the MOU(s) provisions, has developed relationships with the relevant Other Party, and is empowered to meet compliance with the MOU(s). MCPs must notify DHCS of a change in the responsible person/liaison as soon as practicable, but no later than five Working Days of the change.

As outlined in the Base Template, and incorporated in the Bespoke Templates, under "MCP Obligations: Oversight Responsibility," the MCP Responsible Person must:

1. Conduct regular meetings, on at least a quarterly basis, to address policy and practical concerns that may arise between MOU parties (See the Quarterly Meetings Section of the Base Template for an example of the required language);
2. Ensure an appropriate level of leadership (i.e., persons with decision-making authority) are involved in implementation and oversight of the MOU engagements and ensure the appropriate levels of leadership from the Other Party are invited to participate in the MOU engagements, as appropriate;

3. Report on the MCP's compliance with the MOU to the MCP's compliance officer no less frequently than quarterly;
4. Ensure there is sufficient staff at the MCP to support compliance with, and management of, the relevant MOU(s) and its provisions;
5. Ensure training and education regarding MOU provisions are conducted annually for the MCP's employees responsible for carrying out activities under the MOU, and as applicable, for Network Providers, Subcontractors, and Downstream Subcontractors;
6. Ensure that the MCP's Subcontractors, Downstream Subcontractors, and Network Providers, as applicable, comply with all applicable provisions of the MOUs (see the "Subcontractor and Network Providers" section below and the MOU templates for further details); and
7. Serve as, or designate a person at the MCP to serve as, the point of contact and liaison with the Other Party or Other Party programs (MCP-Other Party Liaison). This liaison is to serve as the subject matter expert for the Other Party to address day-to-day concerns for administering the MOU. For example, the MCP-CCS Liaison would serve as the contact for the CCS County administrator to address immediate concerns related to specialty care services for CCS Members in a particular county. The MCP must notify the Other Party of any changes to the MCP-Other Party Liaison in writing as soon as reasonably practical but no later than the date of change and must notify DHCS within five Working Days of the change.

Data Sharing and Confidentiality

MCPs must share the minimum necessary data and information to facilitate referrals and coordinate care under the MOU. MCPs must have policies and procedures for supporting the timely and frequent exchange of Member information and data, which may include behavioral health and physical health data; for ensuring the confidentiality of exchanged information and data; and, if necessary, for obtaining Member consent. MCPs must share information in compliance with applicable law, which may include the Health Insurance Portability and Accountability Act and its implementing regulations, as amended, Title 42 Code of Federal Regulations (CFR) Part 2, as well as other state and federal privacy laws.² As applicable and for the purposes of care management and coordination, MCPs should share information in compliance with the California Health and Human Services Agency Data Exchange Framework as referenced in APL 23-013

² The CFR is searchable at: <https://www.ecfr.gov/>

and any subsequent iterations on this topic, as well as DHCS' California Advancing and Innovating Medi-Cal Data Sharing Authorization Guidance.³

Dispute Resolution

MCPs must work collaboratively with the Other Party to establish dispute resolution processes and timeframes within the MOU. This includes how the MCP will work with the Other Party to resolve issues related to coverage or payment of services under conflicts regarding respective roles for care management for specific Members, or other concerns related to the administered services to Members. See the Base Template "Dispute Resolution" section for an example of the required language.

After a failure to resolve the dispute pursuant to the process and timeframe established in the MOU, the MCP must submit a written "Request for Resolution" to DHCS and the Other Party may submit the dispute to the relevant department with oversight of the Other Party (e.g., California Department of Social Services, California Department of Public Health, or California Department of Developmental Services). If the MCP submits the Request for Resolution, it must be signed by the MCP's Chief Executive Officer (CEO) or the CEO's designee. If the Request for Resolution is submitted by the Other Party, it should be signed by an authorized representative of the Other Party.

MCP's Request for Resolution to DHCS must include:

1. A summary of the disputed issue(s) and a statement of the desired remedies, including any disputed services that have been or are expected to be delivered to a Member;
2. A history of the attempts to resolve the issue(s) with the Other Party;
3. Justification for the desired remedy; and
4. Any additional documentation relevant to resolve the disputed issue(s), if applicable.

MCPs must submit the Request for Resolution to DHCS via secure email to MCPMOUS@dhcs.ca.gov.

DHCS, in collaboration with the sister department as appropriate, will communicate the final decision to the MCP and the Other Party, including any actions the MCP must take to implement the decision.

³ APLs are searchable at: <https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>

Subcontractors and Network Providers

MCPs must ensure that their Subcontractors, Downstream Subcontractors, and Network Providers, as applicable, comply with all applicable provisions of the MOUs.

If an MCP has a Subcontractor or Downstream Subcontractor arrangement delegating part or all of the responsibilities relating to effectuating the MOUs to a Knox-Keene licensed health care service plan(s), this Subcontractor or Downstream Subcontractor must be added as an express party to the MOU and named in the MOU as having the responsibilities set forth as applicable to this Subcontractor or Downstream Subcontractor. For example, if an MCP delegates risk for an assigned portion of its membership to a Subcontractor or Downstream Subcontractor, the signatories of the MOU must include the MCP, the Subcontractor or Downstream Subcontractor, and the Other Party.

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Training

MCPs must provide training and orientation on the MOU requirements to their employees who carry out responsibilities under the MOU and, as applicable, to their Subcontractors, Downstream Subcontractors, and Network Providers. The training must include information on MOU requirements and the services that are provided or arranged for by each party and how those services can be accessed or coordinated for the Member. MCPs must provide this training within a specified time after the MOU is effective and at least annually thereafter.

Local Engagement

As noted, the MOU is intended to be a vehicle to support engagement with local partners. To that end, the MCP must ensure an appropriate local presence at its quarterly meetings by inviting the appropriate responsible person(s) and program executives from the Other Party. At each quarterly meeting, the MCP must ensure there is the opportunity to discuss and address care coordination and MOU-related issues with county executives.

Signatories

As noted above, if an MCP has a Subcontractor or Downstream Subcontractor arrangement delegating part or all of the responsibilities related to effectuating the MOU to a Knox-Keene licensed health care service plan(s), the signatories of the MOU must include the MCP, the Subcontractor or Downstream Subcontractor, and the Other Party. In addition, to minimize administrative burden on counties and Other Parties, DHCS encourages multi-party MOUs, which may include more than one MCP and/or Other Party signing an MOU. In addition, MCPs may work with the Other Party to consolidate signature pages for multiple types of MOUs, for example, if an MCP is

entering into an agreement for multiple county administered programs.

MONITORING AND REPORTING

Starting January 1, 2025, MCPs must submit to their DHCS Managed Care Operations Division (MCOD) Contract Manager an annual report that includes updates from the quarterly meetings with the Other Party and the results of their annual MOU review. The quarterly meetings are to discuss care coordination activities and the specific MOU-related issues. The report must include the following elements:

- A list of all attendees, including MCP Responsible Person(s), leadership, and county executives;
- All care coordination and referral concerns discussed;
- Strengths, barriers, and plans to improve effective collaboration between the MCP and the Other Party;
- All disputes and resulting outcomes;
- Strategies to address duplication of services; and
- Member engagement challenges and successes

To continuously evaluate the effectiveness of the MOU processes, MCPs must review their MOUs annually to determine if any amendments are needed, including incorporating any applicable contractual requirements and policy guidance to their MOUs. The annual report submission must include evidence of the annual review as well as copies of any MOUs amended or renewed as a result. The evidence of the annual review described in the annual report must include a summary of the review process and outcomes, and any resulting amendments to the MOU or policies and procedures.

If DHCS requests a review of any MOU and/or any requested policies and procedures related to the MOU, the MCP must submit the requested MOU documents to DHCS within ten Working Days of receipt of the request.

Quarterly Reporting

MCPs must demonstrate a good faith effort to meet the requirements of this APL. MCPs that are unable to execute their MOUs by the required execution date for MOUs for which DHCS has issued templates, must submit quarterly progress reports and documentation to DHCS demonstrating evidence of their good faith effort to execute the MOU.

DHCS Submissions and Reports

MCPs must submit all fully executed MOUs to their MCOD Contract Manager for file and use. In their submissions, MCPs must attest that they did not modify any of the

provisions of the Base Template or Bespoke Templates except to add provisions that do not conflict with or reduce either party's obligations under the Base Template or Bespoke Templates. If the MCP modifies any of the provisions of the Base Template or Bespoke Templates, the MCP must submit a redlined version of the MOU to DHCS for review and approval, prior to execution.

MCP Website Posting

MCPs must publish the MOU(s) and the annual report on their websites within 30 calendar days of MOU execution and report due date, respectively.

Subcontractor Compliance

MCPs are further responsible for ensuring that their Subcontractors, Downstream Subcontractors, and Network Providers comply with all applicable state and federal laws and regulations, Contract requirements, and other DHCS guidance, including APLs and Policy Letters.⁴ These requirements must be communicated by each MCP to all Subcontractors, Downstream Subcontractors, and Network Providers. DHCS may impose Corrective Action Plans (CAP), as well as administrative and/or monetary sanctions for non-compliance. For additional information regarding administrative and monetary sanctions, see APL 23-012, and any subsequent iterations on this topic. Any failure to meet the requirements of this APL may result in a CAP and subsequent sanctions.

If you have any questions regarding this APL, please contact your MCO Contract Manager.

Sincerely,

Original Signed by Dana Durham

Dana Durham, Chief
Managed Care Quality and Monitoring Division

⁴ For more information on Subcontractors and Network Providers, including the definition and applicable requirements, see APL 19-001, and any subsequent APLs on this topic.



CalOptima Health

Financial Summary

March 31, 2024

Board of Directors Meeting
May 2, 2024

Nancy Huang, Chief Financial Officer

Our Mission

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

Our Vision

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

Financial Highlights: March 2024

March 2024				July 2023 - March 2024				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
932,168	854,737	77,431	9.1%	Member Months	8,638,066	8,318,876	319,190	3.8%
389,712,967	323,484,462	66,228,505	20.5%	Revenues	3,633,021,963	3,076,842,981	556,178,982	18.1%
351,410,561	310,548,965	(40,861,596)	(13.2%)	Medical Expenses	3,376,791,097	2,885,911,317	(490,879,780)	(17.0%)
16,658,610	22,622,641	5,964,031	26.4%	Administrative Expenses	166,128,775	189,809,446	23,680,671	12.5%
21,643,796	(9,687,144)	31,330,940	323.4%	Operating Margin	90,102,091	1,122,218	88,979,873	7,928.9%
				Non-Operating Income (Loss)				
15,243,528	2,083,330	13,160,198	631.7%	Net Investment Income/Expense	131,484,574	18,749,970	112,734,604	601.3%
(53,621)	(89,380)	35,759	40.0%	Net Rental Income/Expense	(140,750)	(634,419)	493,669	77.8%
28,384	-	28,384	100.0%	Net MCO Tax	813,015	-	813,015	100.0%
-	(1,003,219)	1,003,219	(100.0%)	Grant Expense	(29,485,861)	(29,028,974)	(456,887)	(1.6%)
15	-	15	100.0%	Other Income/Expense	(829,973)	-	(829,973)	(100.0%)
15,218,306	990,731	14,227,575	1,436.1%	Total Non-Operating Income (Loss)	101,841,005	(10,913,423)	112,754,428	1,033.2%
36,862,102	(8,696,413)	45,558,515	523.9%	Change in Net Assets	191,943,095	(9,791,205)	201,734,301	2,060.4%
90.2%	96.0%	(5.8%)		Medical Loss Ratio	92.9%	93.8%	(0.8%)	
4.3%	7.0%	2.7%		Administrative Loss Ratio	4.6%	6.2%	1.6%	
5.6%	(3.0%)	8.5%		Operating Margin Ratio	2.5%	0.0%	2.4%	
100.0%	100.0%			Total Operating	100.0%	100.0%		
89.6%	96.0%	(6.4%)		*MLR (excluding Directed Payments)	91.7%	93.8%	(2.1%)	
4.5%	7.0%	2.5%		*ALR (excluding Directed Payments)	5.0%	6.2%	1.2%	

*CalOptima Health updated the category of Directed Payments per Department of Health Care Services instructions

Financial Highlights Notes: March 2024

- Notable events/items in March 2024
 - \$76.3 million of Intergovernmental Transfers (IGT) were received in March 2024 for the period of July 2023 through December 2023. This was a pass-through item with minimum impact to CalOptima Health's Change in Net Assets.
 - \$21.2 million of Calendar Year (CY) 2023 Skilled Nursing Facility Workforce & Quality Incentive Program (SNF WQIP) received. Both revenue and estimated expenses were recorded in March 2024.

FY 2023-24: Management Summary

- Change in Net Assets Surplus or (Deficit)
 - Month To Date (MTD) March 2024: \$36.9 million, favorable to budget \$45.6 million or 523.9%
 - Year To Date (YTD) July 2023 – March 2024: \$191.9 million, favorable to budget \$201.7 million or 2,060.4% due to favorable performance and net investment income
- Enrollment
 - MTD: 932,168 members, favorable to budget 77,431 or 9.1%
 - YTD: 8,638,066 member months, favorable to budget 319,190 or 3.8%

FY 2023-24: Management Summary (cont.)

○ Revenue

- MTD: \$389.7 million, favorable to budget \$66.2 million or 20.5% driven by the Medi-Cal (MC) Line of Business (LOB)
 - Due to CY 2023 SNF WQIP, favorable enrollment, membership mix and capitation rates from the Department of Health Care Services (DHCS)
- YTD: \$3,633.0 million, favorable to budget \$556.2 million or 18.1%
 - Driven primarily by Hospital Directed Payments (DP), CalAIM Incentive Payment Program (IPP), favorable membership mix and capitation rates from DHCS

FY 2023-24: Management Summary (cont.)

○ Medical Expenses

- MTD: \$351.4 million, unfavorable to budget \$40.9 million or 13.2%
 - Other Medical expense unfavorable variance of \$22.3 million due to CY 2023 SNF WQIP
 - Professional Claims expense unfavorable variance of \$21.8 million due to volume and Community Support (CS) services
- YTD: \$3,376.8 million, unfavorable to budget \$490.9 million or 17.0%
 - Driven primarily by Hospital DP, post Public Health Emergency (PHE) payments, CS services, and Housing and Homelessness Incentive Program (HHIP)

FY 2023-24: Management Summary (cont.)

○ Administrative Expenses

- MTD: \$16.7 million, favorable to budget \$6.0 million or 26.4%
- YTD: \$166.1 million, favorable to budget \$23.7 million or 12.5%

○ Non-Operating Income (Loss)

- MTD: \$15.2 million, favorable to budget \$14.2 million or 1,436.1% due primarily to net investment income
- YTD: \$101.8 million, favorable to budget \$112.8 million or 1,033.2% due primarily to net investment income

FY 2023-24: Key Financial Ratios

- Medical Loss Ratio (MLR)
 - MTD: Actual 90.2% (89.6% excluding DP), Budget 96.0%
 - YTD: Actual 92.9% (91.7% excluding DP), Budget 93.8%
- Administrative Loss Ratio (ALR)
 - MTD: Actual 4.3% (4.5% excluding DP), Budget 7.0%
 - YTD: Actual 4.6% (5.0% excluding DP), Budget 6.2%
- Balance Sheet Ratios
 - Current ratio*: 1.5
 - Board Designated Reserve level: 1.85
 - Net-position: \$1.9 billion, including required Tangible Net Equity (TNE) of \$121.4 million

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

Enrollment Summary: March 2024

Actual	March 2024			Enrollment (by Aid Category)	July 2023 - March 2024			
	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
138,497	134,526	3,971	3.0%	SPD	1,274,013	1,246,581	27,432	2.2%
304,564	273,529	31,035	11.3%	TANF Child	2,640,343	2,703,923	(63,580)	(2.4%)
113,840	130,104	(16,264)	(12.5%)	TANF Adult	1,264,114	1,170,555	93,559	8.0%
2,539	3,116	(577)	(18.5%)	LTC	25,261	28,056	(2,795)	(10.0%)
345,271	284,797	60,474	21.2%	MCE	3,174,186	2,906,095	268,091	9.2%
9,706	10,555	(849)	(8.0%)	WCM	97,831	99,985	(2,154)	(2.2%)
914,417	836,627	77,790	9.3%	Medi-Cal Total	8,475,748	8,155,195	320,553	3.9%
17,277	17,620	(343)	(1.9%)	OneCare	158,301	159,445	(1,144)	(0.7%)
474	490	(16)	(3.3%)	PACE	4,017	4,236	(219)	(5.2%)
484	568	(84)	(14.8%)	MSSP	4,449	5,112	(663)	(13.0%)
932,168	854,737	77,431	9.1%	CalOptima Health Total	8,638,066	8,318,876	319,190	3.8%

*CalOptima Health Total does not include MSSP

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Consolidated Revenue & Expenses: March 2024 MTD

	Medi-Cal Classic/WCM	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
MEMBER MONTHS	569,146	345,271	914,417	17,277		474	484	932,168
REVENUES								
Capitation Revenue	\$ 210,312,593	\$ 135,693,705	\$ 346,006,298	\$ 39,519,919	\$ -	\$ 3,973,440	\$ 213,312	\$ 389,712,967
Total Operating Revenue	210,312,593	135,693,705	346,006,298	39,519,919	-	3,973,440	213,312	389,712,967
MEDICAL EXPENSES								
Provider Capitation	52,270,265	46,738,860	99,009,125	17,892,018				116,901,143
Claims	77,868,942	46,890,476	124,759,418	7,713,553	2,602	1,725,963		134,201,536
MLTSS	42,601,681	5,576,612	48,178,294		5,531	(24,118)	26,171	48,185,878
Prescription Drugs	-			9,567,396		511,266		10,078,662
Case Mgmt & Other Medical	29,480,735	9,510,688	38,991,423	1,734,921	22,005	1,153,240	141,754	42,043,343
Total Medical Expenses	202,221,622	108,716,637	310,938,259	36,907,887	30,138	3,366,351	167,925	351,410,561
Medical Loss Ratio	96.2%	80.1%	89.9%	93.4%	100.0%	84.7%	78.7%	90.2%
GROSS MARGIN	8,090,971	26,977,068	35,068,038	2,612,031	(30,138)	607,089	45,386	38,302,406
ADMINISTRATIVE EXPENSES								
Salaries & Benefits			10,568,790	933,380		157,739	74,976	11,734,885
Non-Salary Operating Expenses			3,457,448	276,207		1,761	1,338	3,736,754
Depreciation & Amortization			(1,303,003)			1,277		(1,301,726)
Other Operating Expenses			2,116,002	54,294		6,977	6,786	2,184,059
Indirect Cost Allocation, Occupancy			(1,002,635)	1,281,872		18,319	7,081	304,638
Total Administrative Expenses			13,836,601	2,545,754	-	186,074	90,181	16,658,610
Administrative Loss Ratio			4.0%	6.4%	0.0%	4.7%	42.3%	4.3%
Operating Income/(Loss)			21,231,437	66,277	(30,138)	421,015	(44,795)	21,643,796
Investments and Other Non-Operating			28,399					15,218,306
CHANGE IN NET ASSETS			\$ 21,259,836	\$ 66,277	\$ (30,138)	\$ 421,015	\$ (44,795)	\$ 36,862,102
BUDGETED CHANGE IN NET ASSETS			(7,161,510)	(2,405,032)	-	(47,857)	(72,745)	(8,696,413)
Variance to Budget - Fav/(Unfav)	\$ 28,421,346	\$ 2,471,309	\$ (30,138)	\$ 468,872	\$ 27,950	\$ 45,558,515		

Consolidated Revenue & Expenses: March 2024 YTD

	Medi-Cal Classic/WCM	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
MEMBER MONTHS	5,301,562	3,174,186	8,475,748	158,301		4,017	4,449	8,638,066
REVENUES								
Capitation Revenue	\$ 1,943,209,787	\$ 1,361,244,756	\$3,304,454,543	\$ 293,520,886	\$ (1,367,196)	\$ 34,490,846	\$ 1,922,884	\$ 3,633,021,963
Total Operating Revenue	1,943,209,787	1,361,244,756	3,304,454,543	293,520,886	(1,367,196)	34,490,846	1,922,884	3,633,021,963
MEDICAL EXPENSES								
Provider Capitation	534,697,947	428,868,817	963,566,764	123,395,109				1,086,961,873
Claims	691,664,766	437,942,920	1,129,607,686	59,147,569	32,107	14,238,417		1,203,025,779
MLTSS	395,555,514	52,591,531	448,147,045	-	(20,476)	14,050	224,975	448,365,595
Prescription Drugs	(11,660)		(11,660)	72,620,889	(1,822,942)	4,428,422		75,214,708
Case Mgmt & Other Medical	329,571,929	209,958,672	539,530,600	11,928,330	74,094	10,379,326	1,310,791	563,223,142
Total Medical Expenses	1,951,478,495	1,129,361,940	3,080,840,435	267,091,897	(1,737,216)	29,060,215	1,535,767	3,376,791,097
Medical Loss Ratio	100.4%	83.0%	93.2%	91.0%	127.1%	84.3%	79.9%	92.9%
GROSS MARGIN	(8,268,707)	231,882,815	223,614,108	26,428,989	370,020	5,430,631	387,117	256,230,866
ADMINISTRATIVE EXPENSES								
Salaries & Benefits			97,794,689	8,967,771	(0)	1,465,392	848,814	109,076,666
Non-Salary Operating Expenses			23,324,682	3,096,517	(4,364)	373,343	12,038	26,802,216
Depreciation & Amortization			5,693,697			10,236		5,703,933
Other Operating Expenses			20,597,273	532,086		78,920	51,830	21,260,109
Indirect Cost Allocation, Occupancy			(5,509,577)	8,603,879		135,184	56,365	3,285,851
Total Administrative Expenses			141,900,764	21,200,255	(4,364)	2,063,074	969,047	166,128,775
Administrative Loss Ratio			4.3%	7.2%	0.3%	6.0%	50.4%	4.6%
Operating Income/(Loss)			81,713,344	5,228,735	374,384	3,367,557	(581,929)	90,102,091
Investments and Other Non-Operating			(16,959)					101,841,005
CHANGE IN NET ASSETS			\$ 81,696,386	\$ 5,228,735	\$ 374,384	\$ 3,367,557	\$ (581,929)	\$ 191,943,095
BUDGETED CHANGE IN NET ASSETS			22,189,579	(20,491,632)	-	80,482	(656,211)	(9,791,205)
Variance to Budget - Fav/(Unfav)			\$ 59,506,807	\$ 25,720,367	\$ 374,384	\$ 3,287,075	\$ 74,282	\$ 201,734,301

Balance Sheet: As of March 2024

ASSETS

Current Assets	
Operating Cash	\$954,540,198
Short-term Investments	1,841,708,213
Receivables & Other Current Assets	652,017,882
Total Current Assets	3,448,266,293
Capital Assets	
Capital Assets	173,707,374
Less Accumulated Depreciation	(77,881,679)
Capital Assets, Net of Depreciation	95,825,696
Other Assets	
Restricted Deposits	300,000
Board Designated Reserve	632,454,619
Total Other Assets	632,754,619
TOTAL ASSETS	4,176,846,608
Deferred Outflows	75,969,067
TOTAL ASSETS & DEFERRED OUTFLOWS	4,252,815,675

LIABILITIES & NET POSITION

Current Liabilities	
Accounts Payable	\$279,399,434
Medical Claims Liability and Capitation Payable	1,853,248,590
Capitation and Withholds	132,853,518
Other Current Liabilities	37,333,890
Total Current Liabilities	2,302,835,432
Other Liabilities	
GASB 96 Subscription Liabilities	17,007,553
Postemployment Health Care Plan	19,382,680
Net Pension Liabilities	40,465,145
Total Other Liabilities	76,855,378
TOTAL LIABILITIES	2,379,690,810
Deferred Inflows	11,175,516
Net Position	
Required TNE	121,388,995
Funds in Excess of TNE	1,740,560,354
TOTAL NET POSITION	1,861,949,349
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	4,252,815,675

Board Designated Reserve and TNE Analysis: As of March 2024

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	251,955,018				
	Tier 1 - MetLife	249,755,333				
Board Designated Reserve		501,710,351	358,371,047	563,982,493	143,339,304	(62,272,142)
	Tier 2 - Payden & Rygel	65,530,235				
	Tier 2 - MetLife	65,214,032				
TNE Requirement		130,744,268	121,388,995	121,388,995	9,355,273	9,355,273
	Consolidated:	632,454,619	479,760,042	685,371,488	152,694,577	(52,916,869)
	<i>Current reserve level</i>	<i>1.85</i>	<i>1.40</i>	<i>2.00</i>		

Spending Plan: As of March 2024

Category	Item Description	Amount (millions)	Approved Initiative	Expense to Date	%
	Total Net Position @ 3/31/2024	\$1,861.9			100.0%
Resources Assigned	Board Designated Reserve ¹	\$632.5			34.0%
	Capital Assets, net of Depreciation ²	\$95.8			5.1%
Resources Allocated³	Homeless Health Initiative ⁴	\$19.4	\$61.7	\$42.3	1.0%
	Housing and Homelessness Incentive Program ⁴	26.6	87.4	60.8	1.4%
	Intergovernmental Transfers (IGT)	57.7	111.7	54.0	3.1%
	Digital Transformation and Workplace Modernization	56.9	100.0	43.1	3.1%
	Mind OC Grant (Orange)	0.0	1.0	1.0	0.0%
	CalFresh Outreach Strategy	0.9	2.0	1.1	0.0%
	CalFresh and Redetermination Outreach Strategy	3.5	6.0	2.5	0.2%
	Coalition of Orange County Community Health Centers Grant	30.0	50.0	20.0	1.6%
	Mind OC Grant (Irvine)	0.0	15.0	15.0	0.0%
	OneCare Member Health Rewards and Incentives	0.5	1.0	0.5	0.0%
	General Awareness Campaign	1.1	2.7	1.6	0.1%
	Member Health Needs Assessment	1.1	1.3	0.2	0.1%
	Five-Year Hospital Quality Program Beginning MY 2023	141.1	153.5	12.4	7.6%
	Medi-Cal Annual Wellness Initiative	1.9	3.8	1.9	0.1%
	Skilled Nursing Facility Access Program	10.0	10.0	0.0	0.5%
	In-Home Care Pilot Program with the UCI Family Health Center	2.0	2.0	0.0	0.1%
	National Alliance for Mental Illness Orange County Peer Support Program	4.0	5.0	1.0	0.2%
	Community Living and PACE center (previously approved for project located in Tustin)	17.6	18.0	0.4	0.9%
	Stipend Program for Master of Social Work Students	0.0	5.0	5.0	0.0%
	Wellness & Prevention Program	2.1	2.7	0.6	0.1%
	CalOptima Health Provider Workforce Development Fund	50.0	50.0	0.0	2.7%
	Distribution Event- Naloxone	2.5	15.0	12.5	0.1%
	Garden Grove Bldg. Improvement	10.2	10.5	0.3	0.5%
	Post-Pandemic Supplemental	40.2	107.5	67.3	2.2%
	CalOptima Health Community Reinvestment Program	38.0	38.0	0.0	2.0%
	Outreach Strategy for newly eligible Adult Expansion members	4.8	5.0	0.2	0.3%
	Quality Initiatives from unearned Pay for Value Program	23.3	23.3	0.0	1.3%
	Subtotal:	\$545.4	\$889.1	\$343.7	29.3%
Resources Available for New Initiative	Unallocated/Unassigned ¹	\$588.3			31.6%

¹ Total of Board Designated Reserve and unallocated reserve amount can support approximately 104 days of CalOptima Health's current operations

² Increase due to the adoption of GASB 96 Subscription-Based Information Technology Arrangements

³ Initiatives that have been paid in full in the previous year are omitted from the list of Resources Allocated

⁴ See HHI and HHIP summaries and Allocated Funds for list of Board approved initiatives. Amount reported includes only portion funded by reserves.

Homeless Health Initiative and Allocated Funds: As of March 2024

Funds Allocation, approved initiatives:	Allocated Amount	Utilized Amount	Remaining Approved Amount
Enhanced Medi-Cal Services at the Be Well OC Regional Mental Health and Wellness Campus	11,400,000	11,400,000	-
Recuperative Care	6,194,190	6,194,190	-
Medical Respite	250,000	250,000	-
Day Habilitation (County for HomeKey)	2,500,000	2,500,000	-
Clinical Field Team Start-up & Federally Qualified Health Center (FQHC)	1,600,000	1,600,000	-
CalOptima Health Homeless Response Team	1,681,734	1,681,734	-
Homeless Coordination at Hospitals	10,000,000	9,956,478	43,522
CalOptima Health Days, Homeless Clinical Access Program (HCAP) and FQHC Administrative Support	963,261	759,884	203,377
FQHC (Community Health Center) Expansion	21,902	21,902	-
HCAP and CalOptima Health Days	9,888,914	3,420,400	6,468,514
Vaccination Intervention and Member Incentive Strategy	123,348	54,649	68,699
Street Medicine ¹	10,076,652	4,493,877	5,582,775
Outreach and Engagement	7,000,000	-	7,000,000
Housing and Homelessness Incentive Program (HHIP) ²	40,100,000	-	40,100,000
Subtotal of Approved Initiatives	\$101,800,000	\$42,333,113	\$59,466,887
Transfer of funds to HHIP ²	(40,100,000)	-	(40,100,000)
Program Total	\$61,700,000	\$42,333,113	\$19,366,887

Notes:

¹On March 7, 2024, CalOptima Health's Board of Directors approved \$5M. \$3.2 million remaining from Street Medicine Initiative (from the HHI reserve) and \$1.8 million from existing reserves to fund 2-year agreements to Healthcare in Action and Celebrating Life Community Health Center

²On September 1, 2022, CalOptima Health's Board of Directors approved reallocation of \$40.1M from HHI to HHIP.

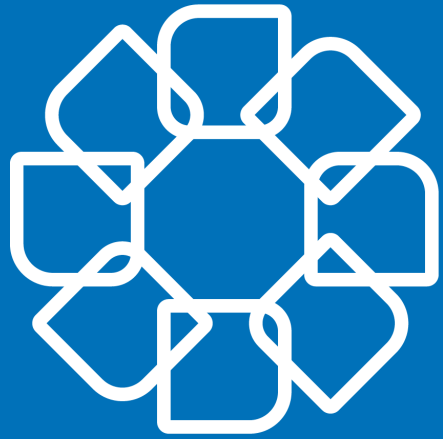
Housing and Homelessness Incentive Program As of March 2024

Summary by Funding Source:	Total Funds	Allocated Amount	Utilized Amount	Remaining Approved Amount	Funds Available for new Initiatives
DHCS HHIP Funds	34,850,994	34,850,994	23,438,419	11,412,575	-
Existing Reserves & HHI Transfer	87,384,530	87,384,530	60,832,265	26,552,265	-
Total	122,235,524	122,235,524	84,270,684	37,964,840	-

Funds Allocation, approved initiatives:	Allocated Amount	Utilized Amount	Remaining Approved Amount
Office of Care Coordination	2,200,000	2,200,000	-
Pulse For Good	800,000	404,700	395,300
Consultant	600,000	-	600,000
Equity Grants for Programs Serving Underrepresented Populations	4,021,311	2,922,299	1,099,013
Infrastructure Projects	5,832,314	5,321,731	510,583
Capital Projects	98,247,369	73,300,000	24,947,369
System Change Projects	10,180,000	-	10,180,000
Non-Profit Healthcare Academy	354,530	121,955	232,575
Total of Approved Initiatives	\$122,235,524¹	\$84,270,684	\$37,964,840

Notes:

¹ Total funding \$122.2M: \$40.1M Board-approved reallocation from HHI, \$47.2M from CalOptima Health existing reserves and \$34.9M from DHCS HHIP incentive payments



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UNAUDITED FINANCIAL STATEMENTS

March 31, 2024

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**CalOptima Health - Consolidated
Financial Highlights
For the Nine Months Ending March 31, 2024**

March 2024				July 2023 - March 2024				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
932,168	854,737	77,431	9.1%	Member Months	8,638,066	8,318,876	319,190	3.8%
389,712,967	323,484,462	66,228,505	20.5%	Revenues	3,633,021,963	3,076,842,981	556,178,982	18.1%
351,410,561	310,548,965	(40,861,596)	(13.2%)	Medical Expenses	3,376,791,097	2,885,911,317	(490,879,780)	(17.0%)
16,658,610	22,622,641	5,964,031	26.4%	Administrative Expenses	166,128,775	189,809,446	23,680,671	12.5%
21,643,796	(9,687,144)	31,330,940	323.4%	Operating Margin	90,102,091	1,122,218	88,979,873	7,928.9%
				Non-Operating Income (Loss)				
15,243,528	2,083,330	13,160,198	631.7%	Net Investment Income/Expense	131,484,574	18,749,970	112,734,604	601.3%
(53,621)	(89,380)	35,759	40.0%	Net Rental Income/Expense	(140,750)	(634,419)	493,669	77.8%
28,384	-	28,384	100.0%	Net MCO Tax	813,015	-	813,015	100.0%
-	(1,003,219)	1,003,219	(100.0%)	Grant Expense	(29,485,861)	(29,028,974)	(456,887)	(1.6%)
15	-	15	100.0%	Other Income/Expense	(829,973)	-	(829,973)	(100.0%)
15,218,306	990,731	14,227,575	1,436.1%	Total Non-Operating Income (Loss)	101,841,005	(10,913,423)	112,754,428	1,033.2%
36,862,102	(8,696,413)	45,558,515	523.9%	Change in Net Assets	191,943,095	(9,791,205)	201,734,301	2,060.4%
90.2%	96.0%	(5.8%)		Medical Loss Ratio	92.9%	93.8%	(0.8%)	
4.3%	7.0%	2.7%		Administrative Loss Ratio	4.6%	6.2%	1.6%	
5.6%	(3.0%)	8.5%		Operating Margin Ratio	2.5%	0.0%	2.4%	
100.0%	100.0%			Total Operating	100.0%	100.0%		
89.6%	96.0%	(6.4%)		*MLR (excluding Directed Payments)	91.7%	93.8%	(2.1%)	
4.5%	7.0%	2.5%		*ALR (excluding Directed Payments)	5.0%	6.2%	1.2%	

*CalOptima Health updated the category of Directed Payments per Department of Health Care Services instructions

**CalOptima Health - Consolidated
Full Time Employee Data
For the Nine Months Ending March 31, 2024**

Total FTE's MTD			
	Actual	Budget	Fav/Unfav
Medi-Cal	1,264	1,341	77
OneCare	173	194	21
PACE	107	115	8
MSSP	19	24	5
Total	1,562	1,673	111

Total FTE's YTD			
	Actual	Budget	Fav/Unfav
Medi-Cal	11,317	12,138	821
OneCare	1,621	1,764	143
PACE	944	958	14
MSSP	176	212	36
Total	14,059	15,071	1,012

MM per FTE MTD			
	Actual	Budget	Fav/Unfav
Medi-Cal	724	624	(100)
OneCare	100	91	(9)
PACE	4	4	(0)
MSSP	26	24	(2)
Consolidated	597	511	(86)

MM per FTE YTD			
	Actual	Budget	Fav/Unfav
Medi-Cal	749	672	(77)
OneCare	98	90	(8)
PACE	4	4	0
MSSP	25	24	(1)
Consolidated	614	552	(62)

Open FTE			
	Total	Medical	Admin
Medi-Cal	86	37	49
OneCare	11	6	5
PACE	3	3	0
MSSP	3	2	1
Total	103	48	55

**CalOptima Health - Consolidated - Month to Date
Statement of Revenues and Expenses
For the One Month Ending March 31, 2024**

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
MEMBER MONTHS	932,168		854,737		77,431	
REVENUE						
Medi-Cal	\$ 346,006,298	\$ 378.39	\$ 286,378,702	\$ 342.30	\$ 59,627,596	\$ 36.09
OneCare	39,519,919	2,287.43	32,600,177	1,850.18	6,919,742	437.25
OneCare Connect	-	-	-	-	-	-
PACE	3,973,440	8,382.78	4,252,065	8,677.68	(278,625)	(294.90)
MSSP	213,312	440.73	253,518	446.33	(40,206)	(5.60)
Total Operating Revenue	<u>389,712,967</u>	<u>418.07</u>	<u>323,484,462</u>	<u>378.46</u>	<u>66,228,505</u>	<u>39.61</u>
MEDICAL EXPENSES						
Medi-Cal	310,938,259	340.04	273,925,913	327.42	(37,012,346)	(12.62)
OneCare	36,907,887	2,136.24	32,352,764	1,836.14	(4,555,123)	(300.10)
OneCare Connect	30,138	-	-	-	(30,138)	-
PACE	3,366,351	7,102.01	4,051,597	8,268.57	685,246	1,166.56
MSSP	167,925	346.95	218,691	385.02	50,766	38.07
Total Medical Expenses	<u>351,410,561</u>	<u>376.98</u>	<u>310,548,965</u>	<u>363.33</u>	<u>(40,861,596)</u>	<u>(13.65)</u>
GROSS MARGIN	38,302,406	41.09	12,935,497	15.13	25,366,909	25.96
ADMINISTRATIVE EXPENSES						
Salaries and Benefits	11,734,885	12.59	12,430,735	14.54	695,850	1.95
Professional Fees	860,624	0.92	1,184,367	1.39	323,743	0.47
Purchased Services	2,581,139	2.77	3,136,388	3.67	555,249	0.90
Printing & Postage	294,991	0.32	663,614	0.78	368,623	0.46
Depreciation & Amortization	(1,301,726)	(1.40)	400,900	0.47	1,702,626	1.87
Other Expenses	2,184,059	2.34	4,361,758	5.10	2,177,699	2.76
Indirect Cost Allocation, Occupancy	304,638	0.33	444,879	0.52	140,241	0.19
Total Administrative Expenses	<u>16,658,610</u>	<u>17.87</u>	<u>22,622,641</u>	<u>26.47</u>	<u>5,964,031</u>	<u>8.60</u>
NET INCOME (LOSS) FROM OPERATIONS	21,643,796	23.22	(9,687,144)	(11.33)	31,330,940	34.55
INVESTMENT INCOME						
Interest Income	14,743,971	15.82	2,083,330	2.44	12,660,641	13.38
Realized Gain/(Loss) on Investments	(372,599)	(0.40)	-	-	(372,599)	(0.40)
Unrealized Gain/(Loss) on Investments	872,155	0.94	-	-	872,155	0.94
Net Investment Income	<u>15,243,528</u>	<u>16.35</u>	<u>2,083,330</u>	<u>2.44</u>	<u>13,160,198</u>	<u>13.91</u>
NET RENTAL INCOME/EXPENSE	(53,621)	(0.06)	(89,380)	(0.10)	35,759	0.04
NET MCO TAX	28,384	0.03	-	-	28,384	0.03
GRANT EXPENSE	-	-	(1,003,219)	(1.17)	1,003,219	1.17
OTHER INCOME/EXPENSE	15	-	-	-	15	-
CHANGE IN NET ASSETS	<u>36,862,102</u>	<u>39.54</u>	<u>(8,696,413)</u>	<u>(10.17)</u>	<u>45,558,515</u>	<u>49.71</u>
MEDICAL LOSS RATIO	90.2%		96.0%		(5.8%)	
ADMINISTRATIVE LOSS RATIO	4.3%		7.0%		2.7%	

CalOptima Health- Consolidated - Year to Date
Statement of Revenues and Expenses
For the Nine Months Ending March 31, 2024

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
MEMBER MONTHS	8,638,066		8,318,876		319,190	
REVENUE						
Medi-Cal	\$ 3,304,454,543	\$ 389.87	2,750,963,610	\$ 337.33	\$ 553,490,933	\$ 52.54
OneCare	293,520,886	1,854.19	287,228,859	1,801.43	6,292,027	52.76
OneCare Connect	(1,367,196)		-		(1,367,196)	0.00
PACE	34,490,846	8,586.22	36,368,850	8,585.66	(1,878,004)	0.56
MSSP	1,922,884	432.21	2,281,662	446.33	(358,778)	(14.12)
Total Operating Revenue	<u>3,633,021,963</u>	<u>420.58</u>	<u>3,076,842,981</u>	<u>369.86</u>	<u>556,178,982</u>	<u>50.72</u>
MEDICAL EXPENSES						
Medi-Cal	3,080,840,435	363.49	2,565,838,003	314.63	(515,002,432)	(48.86)
OneCare	267,091,897	1,687.24	283,773,557	1,779.76	16,681,660	92.52
OneCare Connect	(1,737,216)		-		1,737,216	0.00
PACE	29,060,215	7,234.31	34,336,648	8,105.91	5,276,433	871.60
MSSP	1,535,767	345.19	1,963,109	384.02	427,342	38.83
Total Medical Expenses	<u>3,376,791,097</u>	<u>390.92</u>	<u>2,885,911,317</u>	<u>346.91</u>	<u>(490,879,780)</u>	<u>(44.01)</u>
GROSS MARGIN	256,230,866	29.66	190,931,664	22.95	65,299,202	6.71
ADMINISTRATIVE EXPENSES						
Salaries and Benefits	109,076,666	12.63	112,697,797	13.55	3,621,131	0.92
Professional Fees	7,437,601	0.86	10,088,588	1.21	2,650,987	0.35
Purchased Services	14,615,277	1.69	21,112,386	2.54	6,497,109	0.85
Printing & Postage	4,749,338	0.55	5,145,151	0.62	395,813	0.07
Depreciation & Amortization	5,703,933	0.66	3,608,100	0.43	(2,095,833)	(0.23)
Other Expenses	21,260,109	2.46	33,153,513	3.99	11,893,404	1.53
Indirect Cost Allocation, Occupancy	3,285,851	0.38	4,003,911	0.48	718,060	0.10
Total Administrative Expenses	<u>166,128,775</u>	<u>19.23</u>	<u>189,809,446</u>	<u>22.82</u>	<u>23,680,671</u>	<u>3.59</u>
NET INCOME (LOSS) FROM OPERATIONS	90,102,091	10.43	1,122,218	0.13	88,979,873	10.30
INVESTMENT INCOME						
Interest Income	118,521,599	13.72	18,749,970	2.25	99,771,629	11.47
Realized Gain/(Loss) on Investments	(3,975,342)	(0.46)	-	0.00	(3,975,342)	(0.46)
Unrealized Gain/(Loss) on Investments	16,938,317	1.96	-	0.00	16,938,317	1.96
Net Investment Income	<u>131,484,574</u>	<u>15.22</u>	<u>18,749,970</u>	<u>2.25</u>	<u>112,734,604</u>	<u>12.97</u>
NET RENTAL INCOME/EXPENSE	(140,750)	(0.02)	(634,419)	(0.08)	493,669	0.06
NET MCO TAX	813,015	0.09	-	0.00	813,015	0.09
GRANT EXPENSE	(29,485,861)	(3.41)	(29,028,974)	(3.49)	(456,887)	0.08
OTHER INCOME/EXPENSE	(829,973)	(0.10)	-	0.00	(829,973)	(0.10)
CHANGE IN NET ASSETS	<u>191,943,095</u>	<u>22.22</u>	<u>(9,791,205)</u>	<u>(1.18)</u>	<u>201,734,301</u>	<u>23.40</u>
MEDICAL LOSS RATIO	92.9%		93.8%		(0.8%)	
ADMINISTRATIVE LOSS RATIO	4.6%		6.2%		1.6%	

CalOptima Health - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ending March 31, 2024

	Medi-Cal Classic/WCM	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
MEMBER MONTHS	569,146	345,271	914,417	17,277		474	484	932,168
REVENUES								
Capitation Revenue	\$ 210,312,593	\$ 135,693,705	\$ 346,006,298	\$ 39,519,919	\$ -	\$ 3,973,440	\$ 213,312	\$ 389,712,967
Total Operating Revenue	210,312,593	135,693,705	346,006,298	39,519,919	-	3,973,440	213,312	389,712,967
MEDICAL EXPENSES								
Provider Capitation	52,270,265	46,738,860	99,009,125	17,892,018				116,901,143
Claims	77,868,942	46,890,476	124,759,418	7,713,553	2,602	1,725,963		134,201,536
MLTSS	42,601,681	5,576,612	48,178,294		5,531	(24,118)	26,171	48,185,878
Prescription Drugs	-			9,567,396		511,266		10,078,662
Case Mgmt & Other Medical	29,480,735	9,510,688	38,991,423	1,734,921	22,005	1,153,240	141,754	42,043,343
Total Medical Expenses	202,221,622	108,716,637	310,938,259	36,907,887	30,138	3,366,351	167,925	351,410,561
<i>Medical Loss Ratio</i>	96.2%	80.1%	89.9%	93.4%	100.0%	84.7%	78.7%	90.2%
GROSS MARGIN	8,090,971	26,977,068	35,068,038	2,612,031	(30,138)	607,089	45,386	38,302,406
ADMINISTRATIVE EXPENSES								
Salaries & Benefits			10,568,790	933,380		157,739	74,976	11,734,885
Non-Salary Operating Expenses			3,457,448	276,207		1,761	1,338	3,736,754
Depreciation & Amortization			(1,303,003)			1,277		(1,301,726)
Other Operating Expenses			2,116,002	54,294		6,977	6,786	2,184,059
Indirect Cost Allocation, Occupancy			(1,002,635)	1,281,872		18,319	7,081	304,638
Total Administrative Expenses			13,836,601	2,545,754	-	186,074	90,181	16,658,610
<i>Administrative Loss Ratio</i>			4.0%	6.4%	0.0%	4.7%	42.3%	4.3%
Operating Income/(Loss)			21,231,437	66,277	(30,138)	421,015	(44,795)	21,643,796
Investments and Other Non-Operating			28,399					15,218,306
CHANGE IN NET ASSETS			\$ 21,259,836	\$ 66,277	\$ (30,138)	\$ 421,015	\$ (44,795)	\$ 36,862,102
BUDGETED CHANGE IN NET ASSETS			(7,161,510)	(2,405,032)	-	(47,857)	(72,745)	(8,696,413)
Variance to Budget - Fav/(Unfav)			\$ 28,421,346	\$ 2,471,309	\$ (30,138)	\$ 468,872	\$ 27,950	\$ 45,558,515

CalOptima Health - Consolidated - Year to Date
Statement of Revenues and Expenses by LOB
For the Nine Months Ending March 31, 2024

	Medi-Cal Classic/WCM	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	MSSP	Consolidated
MEMBER MONTHS	5,301,562	3,174,186	8,475,748	158,301		4,017	4,449	8,638,066
REVENUES								
Capitation Revenue	\$ 1,943,209,787	\$ 1,361,244,756	\$ 3,304,454,543	\$ 293,520,886	\$ (1,367,196)	\$ 34,490,846	\$ 1,922,884	\$ 3,633,021,963
Total Operating Revenue	1,943,209,787	1,361,244,756	3,304,454,543	293,520,886	(1,367,196)	34,490,846	1,922,884	3,633,021,963
MEDICAL EXPENSES								
Provider Capitation	534,697,947	428,868,817	963,566,764	123,395,109				1,086,961,873
Claims	691,664,766	437,942,920	1,129,607,686	59,147,569	32,107	14,238,417		1,203,025,779
MLTSS	395,555,514	52,591,531	448,147,045	-	(20,476)	14,050	224,975	448,365,595
Prescription Drugs	(11,660)		(11,660)	72,620,889	(1,822,942)	4,428,422		75,214,708
Case Mgmt & Other Medical	329,571,929	209,958,672	539,530,600	11,928,330	74,094	10,379,326	1,310,791	563,223,142
Total Medical Expenses	1,951,478,495	1,129,361,940	3,080,840,435	267,091,897	(1,737,216)	29,060,215	1,535,767	3,376,791,097
<i>Medical Loss Ratio</i>	<i>100.4%</i>	<i>83.0%</i>	<i>93.2%</i>	<i>91.0%</i>	<i>127.1%</i>	<i>84.3%</i>	<i>79.9%</i>	<i>92.9%</i>
GROSS MARGIN	(8,268,707)	231,882,815	223,614,108	26,428,989	370,020	5,430,631	387,117	256,230,866
ADMINISTRATIVE EXPENSES								
Salaries & Benefits			97,794,689	8,967,771	(0)	1,465,392	848,814	109,076,666
Non-Salary Operating Expenses			23,324,682	3,096,517	(4,364)	373,343	12,038	26,802,216
Depreciation & Amortization			5,693,697			10,236		5,703,933
Other Operating Expenses			20,597,273	532,086		78,920	51,830	21,260,109
Indirect Cost Allocation, Occupancy			(5,509,577)	8,603,879		135,184	56,365	3,285,851
Total Administrative Expenses			141,900,764	21,200,255	(4,364)	2,063,074	969,047	166,128,775
<i>Administrative Loss Ratio</i>			<i>4.3%</i>	<i>7.2%</i>	<i>0.3%</i>	<i>6.0%</i>	<i>50.4%</i>	<i>4.6%</i>
Operating Income/(Loss)			81,713,344	5,228,735	374,384	3,367,557	(581,929)	90,102,091
Investments and Other Non-Operating			(16,959)					101,841,005
CHANGE IN NET ASSETS			\$ 81,696,386	\$ 5,228,735	\$ 374,384	\$ 3,367,557	\$ (581,929)	\$ 191,943,095
BUDGETED CHANGE IN NET ASSETS			22,189,579	(20,491,632)	-	80,482	(656,211)	(9,791,205)
Variance to Budget - Fav/(Unfav)	\$ 59,506,807	\$ 25,720,367	\$ 374,384	\$ 3,287,075	\$ 74,282	\$ 201,734,301		

CalOptima Health

Unaudited Financial Statements as of March 31, 2024

MONTHLY RESULTS:

- Change in Net Assets is \$36.9 million, favorable to budget \$45.6 million
- Operating surplus is \$21.7 million, with a surplus in non-operating income of \$15.2 million

YEAR TO DATE RESULTS:

- Change in Net Assets is \$191.9 million, \$201.7 million favorable to budget
- Operating surplus is \$90.1 million, with a surplus in non-operating income of \$101.8 million

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

March 2024				July 2023 - March 2024		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
21.2	(7.2)	28.4	Operating Income (Loss)	81.7	22.2	59.5
			Medi-Cal			
0.1	(2.4)	2.5	OneCare	5.2	(20.5)	25.7
0.0	0.0	0.0	OCC	0.4	0.0	0.4
0.4	0.0	0.4	PACE	3.4	0.1	3.3
<u>0.0</u>	<u>(0.1)</u>	<u>0.0</u>	MSSP	<u>(0.6)</u>	<u>(0.7)</u>	<u>0.1</u>
21.6	(9.7)	31.3	Total Operating Income (Loss)	90.1	1.1	89.0
			Non-Operating Income (Loss)			
15.2	2.1	13.2	Net Investment Income/Expense	131.5	18.7	112.7
(0.1)	(0.1)	0.0	Net Rental Income/Expense	(0.1)	(0.6)	0.5
0.0	0.0	0.0	Net MCO Tax	0.8	0.0	0.8
0.0	(1.0)	1.0	Grant Expense	(29.5)	(29.0)	(0.5)
<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	Other Income/Expense	<u>(0.8)</u>	<u>0.0</u>	<u>(0.8)</u>
15.2	1.0	14.2	Total Non-Operating Income/(Loss)	101.8	(10.9)	112.8
36.8	(8.7)	45.6	TOTAL	191.9	(9.8)	201.7

**CalOptima Health - Consolidated
Enrollment Summary
For the Nine Months Ending March 31, 2024**

March				July 2023 - March 2024					
Actual	Budget	\$ Variance	%Variance	Enrollment (by Aid Category)	Actual	Budget	\$ Variance	%Variance	
138,497	134,526	3,971	3.0%	SPD	1,274,013	1,246,581	27,432	2.2%	
304,564	273,529	31,035	11.3%	TANF Child	2,640,343	2,703,923	(63,580)	(2.4%)	
113,840	130,104	(16,264)	(12.5%)	TANF Adult	1,264,114	1,170,555	93,559	8.0%	
2,539	3,116	(577)	(18.5%)	LTC	25,261	28,056	(2,795)	(10.0%)	
345,271	284,797	60,474	21.2%	MCE	3,174,186	2,906,095	268,091	9.2%	
9,706	10,555	(849)	(8.0%)	WCM	97,831	99,985	(2,154)	(2.2%)	
914,417	836,627	77,790	9.3%	Medi-Cal Total	8,475,748	8,155,195	320,553	3.9%	
17,277	17,620	(343)	(1.9%)	OneCare	158,301	159,445	(1,144)	(0.7%)	
474	490	(16)	(3.3%)	PACE	4,017	4,236	(219)	(5.2%)	
484	568	(84)	(14.8%)	MSSP	4,449	5,112	(663)	(13.0%)	
932,168	854,737	77,431	9.1%	CalOptima Health Total	8,638,066	8,318,876	319,190	3.8%	
				Enrollment (by Network)					
306,483	301,023	5,460	1.8%	HMO	2,510,346	2,518,806	(8,460)	(0.3%)	
184,062	168,312	15,750	9.4%	PHC	1,686,702	1,587,946	98,756	6.2%	
147,434	122,638	24,796	20.2%	Shared Risk Group	1,807,785	1,703,670	104,115	6.1%	
276,438	244,654	31,784	13.0%	Fee for Service	2,470,915	2,344,773	126,142	5.4%	
914,417	836,627	77,790	9.3%	Medi-Cal Total	8,475,748	8,155,195	320,553	3.9%	
17,277	17,620	(343)	(0)	OneCare	158,301	159,445	(1,144)	(0)	
474	490	(16)	(3.3%)	PACE	4,017	4,236	(219)	(5.2%)	
484	568	(84)	(14.8%)	MSSP	4,449	5,112	(663)	(13.0%)	
932,168	854,737	77,431	9.1%	CalOptima Health Total	8,638,066	8,318,876	319,190	3.8%	

Note:* Total membership does not include MSSP

**CalOptima Health
Enrollment Trend by Network
Fiscal Year 2024**

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	YTD Actual	YTD Budget	Variance
HMOs															
SPD	14,267	14,287	14,179	14,193	14,222	14,337	16,258	16,563	16,462				134,768	131,292	3,476
TANF Child	69,607	69,928	69,010	69,620	69,177	68,696	65,998	65,784	76,870				624,690	717,913	(93,223)
TANF Adult	50,979	51,388	50,896	50,392	49,538	48,637	61,010	63,447	52,817				479,104	480,022	(918)
LTC		1			(1)	1	1	1	1				3		3
MCE	132,523	133,978	131,301	130,441	129,207	127,361	154,424	157,160	159,033				1,255,428	1,170,609	84,819
WCM	2,050	2,095	2,021	2,041	2,019	1,982	1,438	1,406	1,301				16,353	18,970	(2,617)
Total	269,426	271,677	267,407	266,687	264,162	261,014	299,129	304,361	306,483				2,510,346	2,518,806	(8,460)
PHCs															
SPD	4,581	4,599	4,623	4,588	4,705	4,770	4,525	4,754	4,731				41,876	38,576	3,300
TANF Child	147,946	148,557	145,969	145,186	144,127	143,149	142,068	141,456	154,158				1,312,616	1,265,717	46,899
TANF Adult	8,999	9,050	9,404	8,885	8,692	8,451	8,540	8,619	(4,493)				66,147	31,787	34,360
LTC															
MCE	23,230	23,489	22,708	22,540	22,400	22,185	22,237	22,769	23,127				204,685	190,298	14,387
WCM	6,919	6,974	6,900	6,829	7,044	6,799	6,289	6,585	6,539				61,378	61,568	(190)
Total	191,675	192,669	189,604	188,028	186,968	185,354	184,159	184,183	184,062				1,686,702	1,587,946	98,756
Shared Risk Groups															
SPD	11,210	11,137	11,111	10,982	10,833	10,803	6,448	6,775	6,798				86,097	84,355	1,742
TANF Child	55,211	55,471	54,427	53,505	52,934	52,285	31,419	31,364	36,668				423,284	447,805	(24,521)
TANF Adult	43,118	43,425	42,894	42,250	41,524	40,564	26,809	29,619	27,157				337,360	296,102	41,258
LTC	1	1			2	2	2	2					8		8
MCE	124,149	125,749	122,600	121,935	120,343	117,859	70,007	72,870	76,078				951,590	865,393	86,197
WCM	1,234	1,247	1,180	1,165	1,190	1,129	800	768	733				9,446	10,015	(569)
Total	234,923	237,030	232,212	229,837	226,826	222,642	135,483	141,398	147,434				1,807,785	1,703,670	104,115
Fee for Service (Dual)															
SPD	99,242	99,832	99,750	99,630	100,115	100,302	93,362	95,142	95,771				883,146	877,315	5,831
TANF Child									6				6	18	(12)
TANF Adult	2,442	2,397	2,370	2,307	2,247	2,150	1,888	1,694	1,604				19,099	21,873	(2,774)
LTC	2,661	2,630	2,612	2,492	2,525	2,421	2,411	2,350	2,239				22,341	24,732	(2,391)
MCE	8,968	9,230	9,418	9,312	9,117	8,759	7,761	7,209	6,465				76,239	80,925	(4,686)
WCM	15	14	14	13	13	10	6	7	7				99	162	(63)
Total	113,328	114,103	114,164	113,754	114,017	113,642	105,428	106,402	106,092				1,000,930	1,005,025	(4,095)
Fee for Service (Non-Dual - Total)															
SPD	13,519	13,778	13,957	13,921	14,278	14,643	14,683	14,612	14,735				128,126	115,043	13,083
TANF Child	29,143	30,159	31,025	29,500	29,973	30,070	31,492	31,523	36,862				279,747	272,470	7,277
TANF Adult	37,044	37,794	37,966	37,126	36,903	36,189	54,765	47,862	36,755				362,404	340,771	21,633
LTC	349	360	345	327	318	331	316	263	300				2,909	3,324	(415)
MCE	70,923	73,165	72,983	71,223	71,263	71,175	90,156	84,788	80,568				686,244	598,870	87,374
WCM	1,164	1,259	1,212	1,129	1,166	1,114	1,161	1,224	1,126				10,555	9,270	1,285
Total	152,142	156,515	157,488	153,226	153,901	153,522	192,573	180,272	170,346				1,469,985	1,339,748	130,237
Grand Totals															
SPD	142,819	143,633	143,620	143,314	144,153	144,855	135,276	137,846	138,497				1,274,013	1,246,581	27,432
TANF Child	301,907	304,115	300,431	297,811	296,211	294,200	270,977	270,127	304,564				2,640,343	2,703,923	(63,580)
TANF Adult	142,582	144,054	143,530	140,960	138,904	135,991	153,012	151,241	113,840				1,264,114	1,170,555	93,559
LTC	3,011	2,992	2,957	2,819	2,844	2,755	2,728	2,616	2,539				25,261	28,056	(2,795)
MCE	359,793	365,611	359,010	355,451	352,330	347,339	344,585	344,796	345,271				3,174,186	2,906,095	268,091
WCM	11,382	11,589	11,327	11,177	11,432	11,034	10,194	9,990	9,706				97,831	99,985	(2,154)
Total MediCal MM	961,494	971,994	960,875	951,532	945,874	936,174	916,772	916,616	914,417				8,475,748	8,155,195	320,553
OneCare															
	17,695	17,815	17,836	17,757	17,648	17,593	17,380	17,300	17,277				158,301	159,445	(1,144)
PACE															
	429	432	437	442	446	447	453	457	474				4,017	4,236	(219)
MSSP															
	503	500	503	494	491	494	492	488	484				4,449	5,112	(663)
Grand Total	979,618	990,241	979,148	969,731	963,968	954,214	934,605	934,373	932,168				8,638,066	8,318,876	319,190

Note: * Total membership does not include MSSP

ENROLLMENT:

Overall, March enrollment was 932,168

- Favorable to budget 77,431 or 9.1%
- Decreased 2,205 from Prior Month (PM) (February 2024)
- Decreased 45,921 or 4.7% from Prior Year (PY) (March 2023)

Medi-Cal enrollment was 914,417

- Favorable to budget 77,790 or 9.3% due to disenrollment being slower than originally anticipated based on the current economic conditions and expanded renewal outreach efforts.
- Medi-Cal Expansion (MCE) favorable to budget 60,474
- Temporary Assistance for Needy Families (TANF) favorable to budget 14,771
- Seniors and Persons with Disabilities (SPD) favorable to budget 3,971
- Whole Child Model (WCM) unfavorable to budget 849
- Long-Term Care (LTC) unfavorable to budget 577
- Decreased 2,199 from PM

OneCare enrollment was 17,277

- Unfavorable to budget 343 or 1.9%
- Decreased 23 from PM

PACE enrollment was 474

- Unfavorable to budget 16 or 3.3%
- Increased 17 from PM

MSSP enrollment was 484

- Unfavorable to budget 84 or 14.8% due to MSSP currently being understaffed. There is a staff to member ratio that must be met.
- Decreased 4 from PM

**CalOptima Health
Medi-Cal
Statement of Revenues and Expenses
For the Nine Months Ending March 31, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
914,417	836,627	77,790	9.3%	Member Months	8,475,748	8,155,195	320,553	3.9%
				Revenues				
346,006,298	286,378,702	59,627,596	20.8%	Medi-Cal Capitation Revenue	3,304,454,543	2,750,963,610	553,490,933	20.1%
346,006,298	286,378,702	59,627,596	20.8%	Total Operating Revenue	3,304,454,543	2,750,963,610	553,490,933	20.1%
				Medical Expenses				
99,009,125	99,391,456	382,331	0.4%	Provider Capitation	963,566,764	923,922,458	(39,644,306)	(4.3%)
59,385,707	64,558,053	5,172,346	8.0%	Facilities Claims	611,505,441	638,328,915	26,823,474	4.2%
65,373,711	43,887,289	(21,486,422)	(49.0%)	Professional Claims	518,102,245	407,952,769	(110,149,476)	(27.0%)
48,178,294	51,477,166	3,298,872	6.4%	MLTSS	448,147,045	458,347,556	10,200,511	2.2%
-	-	-	0.0%	Prescription Drugs	(11,660)	-	11,660	100.0%
6,769,019	5,931,854	(837,165)	(14.1%)	Incentive Payments	150,731,918	59,966,040	(90,765,878)	(151.4%)
8,972,094	7,692,219	(1,279,875)	(16.6%)	Medical Management	61,452,626	68,257,354	6,804,728	10.0%
23,250,309	987,876	(22,262,433)	(2,253.6%)	Other Medical Expenses	327,346,057	9,062,911	(318,283,146)	(3,511.9%)
310,938,259	273,925,913	(37,012,346)	(13.5%)	Total Medical Expenses	3,080,840,435	2,565,838,003	(515,002,432)	(20.1%)
35,068,038	12,452,789	22,615,249	181.6%	Gross Margin	223,614,108	185,125,607	38,488,501	20.8%
				Administrative Expenses				
10,568,790	10,973,900	405,110	3.7%	Salaries, Wages & Employee Benefits	97,794,689	99,787,942	1,993,253	2.0%
826,703	1,133,130	306,427	27.0%	Professional Fees	6,784,862	9,417,455	2,632,593	28.0%
2,424,405	2,841,370	416,965	14.7%	Purchased Services	12,784,453	18,603,654	5,819,201	31.3%
206,340	526,030	319,690	60.8%	Printing & Postage	3,755,367	3,957,610	202,244	5.1%
(1,303,003)	400,000	1,703,003	425.8%	Depreciation & Amortization	5,693,697	3,600,000	(2,093,697)	(58.2%)
2,116,002	4,265,960	2,149,958	50.4%	Other Operating Expenses	20,597,273	32,304,186	11,706,913	36.2%
(1,002,635)	(526,091)	476,544	90.6%	Indirect Cost Allocation, Occupancy	(5,509,577)	(4,734,819)	774,758	16.4%
13,836,601	19,614,299	5,777,698	29.5%	Total Administrative Expenses	141,900,764	162,936,028	21,035,264	12.9%
				Non-Operating Income (Loss)				
28,384	-	28,384	100.0%	Net Operating Tax	813,015	-	813,015	100.0%
15	-	15	100.0%	Other Income/Expense	(829,973)	-	(829,973)	(100.0%)
28,399	-	28,399	100.0%	Total Non-Operating Income (Loss)	(16,958)	-	(16,958)	(100.0%)
21,259,836	(7,161,510)	28,421,346	396.9%	Change in Net Assets	81,696,386	22,189,579	59,506,807	268.2%
89.9%	95.7%	(5.8%)		Medical Loss Ratio	93.2%	93.3%	(0.0%)	
4.0%	6.8%	2.9%		Admin Loss Ratio	4.3%	5.9%	1.6%	

MEDI-CAL INCOME STATEMENT – MARCH MONTH:

REVENUES of \$346.0 million are favorable to budget \$59.6 million driven by:

- Favorable volume related variance of \$26.6 million
- Favorable price related variance of \$33.0 million
 - \$21.2 million of Calendar Year (CY) 2023 Skilled Nursing Facility Workforce & Quality Incentive Program (SNF WQIP)
 - \$14.1 million due to favorable capitation rates and enrollment mix
 - Offset by \$3.0 million from Enhanced Care Management (ECM) and Proposition 56 risk corridors

MEDICAL EXPENSES of \$310.9 million are unfavorable to budget \$37.0 million driven by:

- Unfavorable volume related variance of \$25.5 million
- Unfavorable price related variance of \$11.5 million
 - Other Medical expense unfavorable variance of \$22.2 million due primarily to CY 2023 SNF WQIP
 - Professional Claims expense unfavorable variance of \$17.4 million due primarily to Community Support (CS) services
 - Offset by:
 - Facilities Claims expense favorable variance of \$11.2 million
 - Provider Capitation expense favorable variance of \$9.6 million due primarily to Fiscal Year (FY) 2023 WCM Risk Corridor
 - Managed Long-Term Services and Supports (MLTSS) expense favorable variance of \$8.1 million

ADMINISTRATIVE EXPENSES of \$13.8 million are favorable to budget \$5.8 million driven by:

- Non-Salary expenses favorable to budget \$5.4 million
- Salary, Wages & Employee Benefits expense favorable to budget \$0.4 million

CHANGE IN NET ASSETS is \$21.3 million, favorable to budget \$28.4 million

**CalOptima Health
OneCare
Statement of Revenues and Expenses
For the Nine Months Ending March 31, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
17,277	17,620	(343)	(1.9%)	Member Months	158,301	159,445	(1,144)	(0.7%)
				Revenues				
30,571,444	23,782,709	6,788,735	28.5%	Medicare Part C Revenue	216,467,457	208,299,309	8,168,148	3.9%
8,948,474	8,817,468	131,006	1.5%	Medicare Part D Revenue	77,053,429	78,929,550	(1,876,121)	(2.4%)
39,519,919	32,600,177	6,919,742	21.2%	Total Operating Revenue	293,520,886	287,228,859	6,292,027	2.2%
				Medical Expenses				
17,892,018	15,405,395	(2,486,623)	(16.1%)	Provider Capitation	123,395,109	124,700,383	1,305,274	1.0%
5,929,206	3,861,821	(2,067,385)	(53.5%)	Inpatient	45,033,818	42,799,461	(2,234,357)	(5.2%)
1,784,347	1,273,711	(510,636)	(40.1%)	Ancillary	14,113,751	12,518,709	(1,595,042)	(12.7%)
-	81,232	81,232	100.0%	MLTSS	-	735,038	735,038	100.0%
9,567,396	10,173,837	606,441	6.0%	Prescription Drugs	72,620,889	88,440,749	15,819,860	17.9%
795,807	336,539	(459,268)	(136.5%)	Incentive Payments	2,885,429	3,323,457	438,028	13.2%
939,114	1,220,229	281,115	23.0%	Medical Management	9,041,552	11,255,760	2,214,208	19.7%
-	-	-	0.0%	Other Medical Expenses	1,350	-	(1,350)	(100.0%)
36,907,887	32,352,764	(4,555,123)	(14.1%)	Total Medical Expenses	267,091,897	283,773,557	16,681,660	5.9%
2,612,031	247,413	2,364,618	955.7%	Gross Margin	26,428,989	3,455,302	22,973,687	664.9%
				Administrative Expenses				
933,380	1,159,346	225,966	19.5%	Salaries, Wages & Employee Benefits	8,967,771	10,509,043	1,541,272	14.7%
32,588	45,000	12,413	27.6%	Professional Fees	321,023	615,000	293,977	47.8%
155,080	278,228	123,148	44.3%	Purchased Services	1,791,757	2,425,622	633,865	26.1%
88,540	142,847	54,307	38.0%	Printing & Postage	983,737	1,159,908	176,171	15.2%
54,294	78,441	24,147	30.8%	Other Operating Expenses	532,086	700,114	168,028	24.0%
1,281,872	948,583	(333,289)	(35.1%)	Indirect Cost Allocation, Occupancy	8,603,879	8,537,247	(66,632)	(0.8%)
2,545,754	2,652,445	106,691	4.0%	Total Administrative Expenses	21,200,255	23,946,934	2,746,679	11.5%
66,277	(2,405,032)	2,471,309	102.8%	Change in Net Assets	5,228,735	(20,491,632)	25,720,367	125.5%
93.4%	99.2%	(5.9%)		Medical Loss Ratio	91.0%	98.8%	(7.8%)	
6.4%	8.1%	1.7%		Admin Loss Ratio	7.2%	8.3%	1.1%	

ONECARE INCOME STATEMENT – MARCH MONTH:

REVENUES of \$39.5 million are favorable to budget \$6.9 million driven by:

- Unfavorable volume related variance of \$0.6 million
- Favorable price related variance of \$7.6 million due to CY 2023 Hierarchical Condition Category (HCC) estimate

MEDICAL EXPENSES of \$36.9 million are unfavorable to budget \$4.6 million driven by:

- Favorable volume related variance of \$0.6 million
- Unfavorable price related variance of \$5.2 million
 - Provider Capitation expense unfavorable variance of \$2.8 million due to CY 2023 HCC estimate
 - Inpatient expense unfavorable variance of \$2.1 million

ADMINISTRATIVE EXPENSES of \$2.5 million are favorable to budget \$0.1 million driven by:

- Salaries, Wages & Employee Benefits expense favorable to budget \$0.2 million
- Non-Salary expenses unfavorable to budget \$0.1 million

CHANGE IN NET ASSETS is \$0.1 million, favorable to budget \$2.5 million

**CalOptima Health
OneCare Connect - Total
Statement of Revenue and Expenses
For the Nine Months Ending March 31, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
-	-	-	0.0%	Member Months	-	-	-	0.0%
				Revenues				
-	-	-	0.0%	Medi-Cal Revenue	22,753	-	22,753	100.0%
-	-	-	0.0%	Medicare Part D Revenue	(1,389,949)	-	(1,389,949)	(100.0%)
-	-	-	0.0%	Total Operating Revenue	(1,367,196)	-	(1,367,196)	(100.0%)
				Medical Expenses				
(48,983)	-	48,983	100.0%	Facilities Claims	(561,444)	-	561,444	100.0%
51,585	-	(51,585)	(100.0%)	Ancillary	593,552	-	(593,552)	(100.0%)
5,531	-	(5,531)	(100.0%)	MLTSS	(20,476)	-	20,476	100.0%
-	-	-	0.0%	Prescription Drugs	(1,822,942)	-	1,822,942	100.0%
22,005	-	(22,005)	(100.0%)	Incentive Payments	126,696	-	(126,696)	(100.0%)
-	-	-	0.0%	Medical Management	(52,602)	-	52,602	100.0%
30,138	-	(30,138)	(100.0%)	Total Medical Expenses	(1,737,216)	-	1,737,216	100.0%
(30,138)	-	(30,138)	(100.0%)	Gross Margin	370,020	-	370,020	100.0%
				Administrative Expenses				
-	-	-	0.0%	Purchased Services	(4,364)	-	4,364	100.0%
-	-	-	0.0%	Total Administrative Expenses	(4,364)	-	4,364	100.0%
(30,138)	-	(30,138)	(100.0%)	Change in Net Assets	374,384	-	374,384	100.0%
<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>		<i>Medical Loss Ratio</i>	<i>127.1%</i>	<i>0.0%</i>	<i>127.1%</i>	
<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>		<i>Admin Loss Ratio</i>	<i>0.3%</i>	<i>0.0%</i>	<i>(0.3%)</i>	

**CalOptima Health
PACE
Statement of Revenues and Expenses
For the Nine Months Ending March 31, 2024**

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
474	490	(16)	(3.3%)	Member Months	4,017	4,236	(219)	(5.2%)
				Revenues				
2,988,098	3,195,898	(207,800)	(6.5%)	Medi-Cal Capitation Revenue	25,909,991	27,522,885	(1,612,894)	(5.9%)
680,061	832,275	(152,214)	(18.3%)	Medicare Part C Revenue	6,197,075	6,910,151	(713,076)	(10.3%)
305,281	223,892	81,389	36.4%	Medicare Part D Revenue	2,383,781	1,935,814	447,967	23.1%
3,973,440	4,252,065	(278,625)	(6.6%)	Total Operating Revenue	34,490,846	36,368,850	(1,878,004)	(5.2%)
				Medical Expenses				
1,153,240	1,265,181	111,941	8.8%	Medical Management	10,379,326	10,922,006	542,680	5.0%
819,167	972,260	153,093	15.7%	Facilities Claims	6,042,531	8,222,773	2,180,242	26.5%
681,428	901,531	220,103	24.4%	Professional Claims	6,152,147	7,829,673	1,677,526	21.4%
511,266	509,642	(1,624)	(0.3%)	Prescription Drugs	4,428,422	4,223,651	(204,771)	(4.8%)
(24,118)	125,459	149,577	119.2%	MLTSS	14,050	1,077,525	1,063,475	98.7%
225,368	277,524	52,156	18.8%	Patient Transportation	2,043,739	2,061,020	17,281	0.8%
3,366,351	4,051,597	685,246	16.9%	Total Medical Expenses	29,060,215	34,336,648	5,276,433	15.4%
607,089	200,468	406,621	202.8%	Gross Margin	5,430,631	2,032,202	3,398,429	167.2%
				Administrative Expenses				
157,739	206,218	48,479	23.5%	Salaries, Wages & Employee Benefits	1,465,392	1,572,757	107,365	6.8%
-	4,904	4,904	100.0%	Professional Fees	319,715	44,136	(275,579)	(624.4%)
1,649	16,790	15,141	90.2%	Purchased Services	43,393	83,110	39,717	47.8%
112	(5,263)	(5,375)	(102.1%)	Printing & Postage	10,235	27,633	17,398	63.0%
1,277	900	(377)	(41.8%)	Depreciation & Amortization	10,236	8,100	(2,136)	(26.4%)
6,977	9,914	2,937	29.6%	Other Operating Expenses	78,920	82,226	3,306	4.0%
18,319	14,862	(3,457)	(23.3%)	Indirect Cost Allocation, Occupancy	135,184	133,758	(1,426)	(1.1%)
186,074	248,325	62,251	25.1%	Total Administrative Expenses	2,063,074	1,951,720	(111,354)	(5.7%)
421,015	(47,857)	468,872	979.7%	Change in Net Assets	3,367,557	80,482	3,287,075	4,084.2%
84.7%	95.3%	(10.6%)		Medical Loss Ratio	84.3%	94.4%	(10.2%)	
4.7%	5.8%	1.2%		Admin Loss Ratio	6.0%	5.4%	(0.6%)	

CalOptima Health
Multipurpose Senior Services Program
Statement of Revenues and Expenses
For the Nine Months Ending March 31, 2024

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
484	568	(84)	(14.8%)	Member Months	4,449	5,112	(663)	(13.0%)
				Revenues				
213,312	253,518	(40,206)	(15.9%)	Revenue	1,922,884	2,281,662	(358,778)	(15.7%)
213,312	253,518	(40,206)	(15.9%)	Total Operating Revenue	1,922,884	2,281,662	(358,778)	(15.7%)
				Medical Expenses				
141,754	185,734	43,980	23.7%	Medical Management	1,310,791	1,666,496	355,705	21.3%
26,171	32,957	6,786	20.6%	Waiver Services	224,975	296,613	71,638	24.2%
141,754	185,734	43,980	23.7%	Total Medical Management	1,310,791	1,666,496	355,705	21.3%
26,171	32,957	6,786	20.6%	Total Waiver Services	224,975	296,613	71,638	24.2%
167,925	218,691	50,766	23.2%	Total Program Expenses	1,535,767	1,963,109	427,342	21.8%
45,386	34,827	10,559	30.3%	Gross Margin	387,117	318,553	68,564	21.5%
				Administrative Expenses				
74,976	91,271	16,295	17.9%	Salaries, Wages & Employee Benefits	848,814	828,055	(20,759)	(2.5%)
1,333	1,333	(0)	(0.0%)	Professional Fees	12,000	11,997	(3)	(0.0%)
5	-	(5)	(100.0%)	Purchased Services	38	-	(38)	(100.0%)
6,786	7,443	657	8.8%	Other Operating Expenses	51,830	66,987	15,157	22.6%
7,081	7,525	444	5.9%	Indirect Cost Allocation, Occupancy	56,365	67,725	11,360	16.8%
90,181	107,572	17,391	16.2%	Total Administrative Expenses	969,047	974,764	5,717	0.6%
(44,795)	(72,745)	27,950	38.4%	Change in Net Assets	(581,929)	(656,211)	74,282	11.3%
78.7%	86.3%	(7.5%)		<i>Medical Loss Ratio</i>	79.9%	86.0%	(6.2%)	
42.3%	42.4%	0.1%		<i>Admin Loss Ratio</i>	50.4%	42.7%	(7.7%)	

CalOptima Health
Building - 505 City Parkway
Statement of Revenues and Expenses
For the Nine Months Ending March 31, 2024

<u>Month to Date</u>				<u>Year to Date</u>				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				Revenues				
-	-	-	0.0%	Rental Income	-	-	-	0.0%
-	-	-	0.0%	Total Operating Revenue	-	-	-	0.0%
				Administrative Expenses				
45,417	50,473	5,056	10.0%	Purchased Services	406,912	339,857	(67,055)	(19.7%)
179,565	211,000	31,435	14.9%	Depreciation & Amortization	1,605,359	1,899,000	293,641	15.5%
22,758	34,000	11,242	33.1%	Insurance Expense	204,824	306,000	101,176	33.1%
116,440	138,702	22,262	16.0%	Repair & Maintenance	1,095,628	1,362,718	267,090	19.6%
39,313	57,859	18,546	32.1%	Other Operating Expenses	533,355	520,731	(12,624)	(2.4%)
(403,493)	(492,034)	(88,541)	(18.0%)	Indirect Cost Allocation, Occupancy	(3,846,078)	(4,428,306)	(582,228)	(13.1%)
-	-	-	0.0%	Total Administrative Expenses	-	-	-	0.0%
-	-	-	0.0%	Change in Net Assets	-	-	-	0.0%

CalOptima Health
Building - 500 City Parkway
Statement of Revenues and Expenses
For the Nine Months Ending March 31, 2024

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				Revenues				
156,423	133,810	22,613	16.9%	Rental Income	1,411,897	1,204,290	207,607	17.2%
156,423	133,810	22,613	16.9%	Total Operating Revenue	1,411,897	1,204,290	207,607	17.2%
				Administrative Expenses				
-	-	-	0.0%	Professional Fees	-	-	-	0.0%
35,635	31,141	(4,494)	(14.4%)	Purchased Services	255,208	184,209	(70,999)	(38.5%)
34,573	40,000	5,427	13.6%	Depreciation & Amortization	311,156	360,000	48,844	13.6%
7,500	10,091	2,591	25.7%	Insurance Expense	69,785	90,819	21,034	23.2%
68,518	60,845	(7,673)	(12.6%)	Repair & Maintenance	410,841	643,665	232,824	36.2%
17,062	24,446	7,384	30.2%	Other Operating Expenses	214,864	220,014	5,150	2.3%
-	-	-	0.0%	Indirect Cost Allocation, Occupancy	-	-	-	0.0%
163,288	166,523	3,235	1.9%	Total Administrative Expenses	1,261,854	1,498,707	236,853	15.8%
(6,865)	(32,713)	25,848	79.0%	Change in Net Assets	150,043	(294,417)	444,460	151.0%

CalOptima Health
Building - 7900 Garden Grove Blvd
Statement of Revenues and Expenses
For the Nine Months Ending March 31, 2024

Month to Date				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				Revenues				
-	-	-	0.0%	Rental Income	-	-	-	0.0%
-	-	-	0.0%	Total Operating Revenue	-	-	-	0.0%
				Administrative Expenses				
-	-	-	0.0%	Professional Fees	-	-	-	0.0%
31,530	56,667	25,137	44.4%	Purchased Services	119,900	340,002	220,102	64.7%
9,397	-	(9,397)	(100.0%)	Depreciation & Amortization	56,385	-	(56,385)	(100.0%)
4,415	-	(4,415)	(100.0%)	Insurance Expense	26,487	-	(26,487)	(100.0%)
842	-	(842)	(100.0%)	Repair & Maintenance	79,281	-	(79,281)	(100.0%)
572	-	(572)	(100.0%)	Other Operating Expenses	8,740	-	(8,740)	(100.0%)
-	-	-	0.0%	Indirect Cost Allocation, Occupancy	-	-	-	0.0%
46,756	56,667	9,911	17.5%	Total Administrative Expenses	290,793	340,002	49,209	14.5%
(46,756)	(56,667)	9,911	17.5%	Change in Net Assets	(290,793)	(340,002)	49,209	14.5%

OTHER PROGRAM INCOME STATEMENTS – MARCH MONTH:

ONECARE CONNECT

- **CHANGE IN NET ASSETS** is **(\$30,138)**, unfavorable to budget \$30,138 due to PY activities

PACE

- **CHANGE IN NET ASSETS** is \$0.4 million, favorable to budget \$0.5 million

MSSP

- **CHANGE IN NET ASSETS** is **(\$44,795)**, favorable to budget \$27,950

NON-OPERATING INCOME STATEMENTS – MARCH MONTH

BUILDING 500

- **CHANGE IN NET ASSETS** is **(\$6,865)**, favorable to budget \$25,848
 - Net of \$0.2 million in rental income and \$0.2 million in expenses

BUILDING 7900

- **CHANGE IN NET ASSETS** is **(\$46,756)**, unfavorable to budget \$9,911

INVESTMENT INCOME

- Favorable variance of \$13.2 million due to \$12.7 million of interest income and \$0.5 million of realized and unrealized net gain on investments

CalOptima Health
Balance Sheet
March 31, 2024

	<u>March-24</u>	<u>February-24</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	954,540,198	977,315,669	(22,775,471)	(2.3%)
Short-term Investments	1,841,708,213	1,621,088,233	220,619,980	13.6%
Premiums due from State of CA and CMS	639,362,826	954,302,565	(314,939,740)	(33.0%)
Prepaid Expenses and Other	12,655,056	12,470,564	184,492	1.5%
Total Current Assets	3,448,266,293	3,565,177,032	(116,910,739)	(3.3%)
Board Designated Assets				
Cash and Cash Equivalents	7,449,117	1,571,595	5,877,522	374.0%
Investments	625,005,502	628,174,304	(3,168,802)	(0.5%)
Total Board Designated Assets	632,454,619	629,745,898	2,708,721	0.4%
Restricted Deposit	300,000	300,588	(588)	(0.2%)
Capital Assets, Net	95,825,696	94,307,475	1,518,220	1.6%
Total Assets	4,176,846,608	4,289,530,993	(112,684,386)	(2.6%)
Deferred Outflows of Resources				
Advance Discretionary Payment	49,999,717	49,999,717	-	0.0%
Net Pension	24,373,350	24,373,350	-	0.0%
Other Postemployment Benefits	1,596,000	1,596,000	-	0.0%
Total Deferred Outflows of Resources	75,969,067	75,969,067	-	0.0%
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	4,252,815,675	4,365,500,060	(112,684,386)	(2.6%)
LIABILITIES				
Current Liabilities				
Medical Claims Liability	1,846,169,629	1,934,347,985	(88,178,356)	(4.6%)
Provider Capitation and Withholds	132,853,518	116,988,475	15,865,043	13.6%
Accrued Reinsurance Costs to Providers	7,078,962	8,653,347	(1,574,385)	(18.2%)
Unearned Revenue	15,558,304	15,260,531	297,774	2.0%
Accounts Payable and Other	279,399,434	358,693,823	(79,294,389)	(22.1%)
Accrued Payroll and Employee Benefits and Other	21,749,095	20,099,600	1,649,496	8.2%
Deferred Lease Obligations	26,490	29,743	(3,253)	(10.9%)
Total Current Liabilities	2,302,835,432	2,454,073,503	(151,238,071)	(6.2%)
GASB 96 Subscription Liabilities	17,007,553	15,381,056	1,626,496	10.6%
Postemployment Health Care Plan	19,382,680	19,317,593	65,087	0.3%
Net Pension Liability	40,465,145	40,465,145	-	0.0%
Total Liabilities	2,379,690,810	2,529,237,298	(149,546,488)	(5.9%)
Deferred Inflows of Resources				
Net Pension	3,387,516	3,387,516	-	0.0%
Other Postemployment Benefits	7,788,000	7,788,000	-	0.0%
Total Deferred Inflows of Resources	11,175,516	11,175,516	-	0.0%
Net Position				
Required TNE	121,388,995	126,493,476	(5,104,482)	(4.0%)
Funds in excess of TNE	1,740,560,354	1,698,593,770	41,966,584	2.5%
Total Net Position	1,861,949,349	1,825,087,247	36,862,102	2.0%
TOTAL LIABILITIES & DEFERRED INFLOWS & NET POSITION	4,252,815,675	4,365,500,060	(112,684,386)	(2.6%)

BALANCE SHEET – MARCH MONTH:

ASSETS of \$4.3 billion decreased \$112.7 million from February or 2.6%

- Premiums due from the State of California (CA) and the Centers for Medicare & Medicaid Services (CMS) decreased \$314.9 million due primarily to CY 2023 Managed Care Organization (MCO) Tax receivable of \$222.4 million, CY 2022 Quality Incentive Program (QIP) of \$7.1 million and timing of cash receipts.
- Operating Cash and Short-term Investments net increase of \$197.8 million due primarily to receipts for CY 2023 MCO tax of \$222.4 million, CY 2022 Intergovernmental Transfers (IGT) of \$76.3 million, CY 2023 SNF WQIP \$21.2 million and CY 2022 QIP \$7.1 million, offset by CY 2023 MCO Tax payment of \$127.4 million.
- Total Board Designated Assets increased \$2.7 million due to a decrease in long-term interest rates, resulting in higher earnings for long term bonds.

LIABILITIES of \$2.4 billion decreased \$149.5 million from February or 5.9%

- Medical Claims Liabilities decreased \$88.2 million due primarily to CY 2022 Hospital Directed Payments (DP), IGT and timing of claims payments.
- Accounts Payable and Other decreased \$79.3 million due primarily to CY 2023 MCO Tax payment of \$127.4 million offset by accrual for CY 2024 MCO Tax payable of \$46.8 million.
- Provider Capitation and Withholds increased \$15.9 million due to CY 2023 HCC estimate of \$4.0 million for OneCare and timing of capitation payments.

NET ASSETS of \$1.9 billion, increased \$36.9 million from February or 2.0%

CalOptima Health
Board Designated Reserve and TNE Analysis
as of March 31, 2024

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	251,955,018				
	Tier 1 - MetLife	249,755,333				
Board Designated Reserve		501,710,351	358,371,047	563,982,493	143,339,304	(62,272,142)
	Tier 2 - Payden & Rygel	65,530,235				
	Tier 2 - MetLife	65,214,032				
TNE Requirement		130,744,268	121,388,995	121,388,995	9,355,273	9,355,273
	Consolidated:	632,454,619	479,760,042	685,371,488	152,694,577	(52,916,869)
	<i>Current reserve level</i>	<i>1.85</i>	<i>1.40</i>	<i>2.00</i>		

**CalOptima Health
Statement of Cash Flow
March 31, 2024**

	Month Ended	Year-To-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	36,862,102	191,943,095
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation & Amortization	(1,078,191)	7,676,833
Changes in assets and liabilities:		
Prepaid expenses and other	(184,492)	2,405,646
Capitation receivable	314,939,740	(165,439,127)
Medical claims liability	(89,752,742)	213,009,826
Deferred revenue	297,774	(47,884,607)
Payable to health networks	15,865,043	7,409,493
Accounts payable	(79,294,389)	264,317,491
Accrued payroll	1,714,583	(1,175,615)
Other accrued liabilities	1,623,244	871,019
Net cash provided by/(used in) operating activities	200,992,671	473,134,054
 GASB 68, GASB 75 and Advance Discretionary Payment Adjustments	-	(49,999,717)
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Net Asset transfer from Foundation	-	-
Net cash provided by (used in) in capital and related financing activities	-	-
 CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Investments	(220,619,980)	(164,972,150)
Change in Property and Equipment	(440,029)	(19,295,024)
Change in Restricted Deposit & Other	588	-
Change in Board designated reserves	(2,708,721)	(55,902,925)
Change in Homeless Health Reserve	-	-
Net cash provided by/(used in) investing activities	(223,768,142)	(240,170,099)
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(22,775,471)	182,964,237
 CASH AND CASH EQUIVALENTS, beginning of period	\$977,315,669	771,575,961
 CASH AND CASH EQUIVALENTS, end of period	954,540,198	954,540,198

**CalOptima Health
Spending Plan
For the Nine Months Ending March 31, 2024**

Category	Item Description	Total Net Position @ 3/31/2024	Amount (millions) \$1,861.9	Approved Initiative	Expense to Date	%
Resources Assigned	Board Designated Reserve ¹		\$632.5			34.0%
	Capital Assets, net of Depreciation ²		\$95.8			5.1%
Resources Allocated³	Homeless Health Initiative ⁴		\$19.4	\$61.7	\$42.3	1.0%
	Housing and Homelessness Incentive Program ⁴		26.6	87.4	60.8	1.4%
	Intergovernmental Transfers (IGT)		57.7	111.7	54.0	3.1%
	Digital Transformation and Workplace Modernization		56.9	100.0	43.1	3.1%
	Mind OC Grant (Orange)		0.0	1.0	1.0	0.0%
	CalFresh Outreach Strategy		0.9	2.0	1.1	0.0%
	CalFresh and Redetermination Outreach Strategy		3.5	6.0	2.5	0.2%
	Coalition of Orange County Community Health Centers Grant		30.0	50.0	20.0	1.6%
	Mind OC Grant (Irvine)		0.0	15.0	15.0	0.0%
	OneCare Member Health Rewards and Incentives		0.5	1.0	0.5	0.0%
	General Awareness Campaign		1.1	2.7	1.6	0.1%
	Member Health Needs Assessment		1.1	1.3	0.2	0.1%
	Five-Year Hospital Quality Program Beginning MY 2023		141.1	153.5	12.4	7.6%
	Medi-Cal Annual Wellness Initiative		1.9	3.8	1.9	0.1%
	Skilled Nursing Facility Access Program		10.0	10.0	0.0	0.5%
	In-Home Care Pilot Program with the UCI Family Health Center		2.0	2.0	0.0	0.1%
	National Alliance for Mental Illness Orange County Peer Support Program		4.0	5.0	1.0	0.2%
	Community Living and PACE center (previously approved for project located in Tustin)		17.6	18.0	0.4	0.9%
	Stipend Program for Master of Social Work Students		0.0	5.0	5.0	0.0%
	Wellness & Prevention Program		2.1	2.7	0.6	0.1%
	CalOptima Health Provider Workforce Development Fund		50.0	50.0	0.0	2.7%
	Distribution Event- Naloxone		2.5	15.0	12.5	0.1%
	Garden Grove Bldg. Improvement		10.2	10.5	0.3	0.5%
	Post-Pandemic Supplemental		40.2	107.5	67.3	2.2%
	CalOptima Health Community Reinvestment Program		38.0	38.0	0.0	2.0%
	Outreach Strategy for newly eligible Adult Expansion members		4.8	5.0	0.2	0.3%
	Quality Initiatives from unearned Pay for Value Program		23.3	23.3	0.0	1.3%
	Subtotal:		\$545.4	\$889.1	\$343.7	29.3%
Resources Available for New Initiatives	Unallocated/Unassigned ¹		\$588.3			31.6%

¹ Total of Board Designated Reserve and unallocated reserve amount can support approximately 104 days of CalOptima Health's current operations

² Increase due to the adoption of GASB 96 Subscription-Based Information Technology Arrangements


³ Initiatives that have been paid in full in the previous year are omitted from the list of Resources Allocated

⁴ See HHI and HHIP summaries and Allocated Funds for list of Board approved initiatives. Amount reported includes only portion funded by reserves.

CalOptima Health
Key Financial Indicators
As of March 2024

	Item Name	March 2024				July 2023 - March 2024			
		Actual	Budget	Variance	%	Actual	Budget	Variance	%
Income Statement	Member Months	932,168	854,737	77,431	9.1%	8,638,066	8,318,876	319,190	3.8%
	Operating Revenue	389,712,967	323,484,462	66,228,505	20.5%	3,633,021,963	3,076,842,981	556,178,982	18.1%
	Medical Expenses	351,410,561	310,548,965	(40,861,596)	(13.2%)	3,376,791,097	2,885,911,317	(490,879,780)	(17.0%)
	General and Administrative Expense	16,658,610	22,622,641	5,964,031	26.4%	166,128,775	189,809,446	23,680,671	12.5%
	Non-Operating Income/(Loss)	15,218,306	990,731	14,227,575	1,436.1%	101,841,005	(10,913,423)	112,754,428	1,033.2%
Summary of Income & Expenses		36,862,102	(8,696,413)	45,558,515	523.9%	191,943,095	(9,791,205)	201,734,301	2,060.4%
Ratios	Medical Loss Ratio (MLR)	Actual	Budget	Variance		Actual	Budget	Variance	
	Consolidated	90.2%	96.0%	(5.8%)		92.9%	93.8%	(0.8%)	
Ratios	Administrative Loss Ratio (ALR)	Actual	Budget	Variance		Actual	Budget	Variance	
	Consolidated	4.3%	7.0%	2.7%		4.6%	6.2%	1.6%	

Key:

> 0%	
> -20%, < 0%	
< -20%	

Investment	Investment Balance (excluding CCE)	Current Month	Prior Month	Change	%
		@3/31/2024	2,447,558,338	2,232,317,417	215,240,921
Investment	Unallocated/Unassigned Reserve Balance	Current Month	Fiscal Year Ending	Change	%
		@ March 2024	June 2022		
	Consolidated	588,284,504	354,771,258	233,513,246	65.8%
	Days Cash On Hand*	104			

*Total of Board Designated reserve and unallocated reserve amount can support approximately 104 days of CalOptima Health's current operations.

CalOptima Health
Digital Transformation Strategy (\$100 million total reserve)
Funding Balance Tracking Summary
For the Nine Months Ending March 31, 2024

	March 2024				July 2023 - March 2024			
	Actual Spend	Approved Budget	Variance \$	Variance %	Actual Spend	Approved Budget	Variance \$	Variance %
Capital Assets (Cost, Information Only):								
Total Capital Assets	249,250	1,450,664	1,201,414	82.8%	18,625,178	15,791,976	(2,833,202)	(17.9%)

All Time to Date			
Actual Spend	Approved Budget	Variance \$	Variance %
22,223,229	52,637,976	30,414,747	57.8%

Operating Expenses:								
Salaries, Wages & Benefits	616,222	609,649	(6,573)	(1.1%)	5,633,151	5,486,841	(146,310)	(2.7%)
Professional Fees	5,000	192,916	187,916	97.4%	1,191,733	1,666,244	474,511	28.5%
Purchased Services	(130,959)	155,000	285,959	184.5%	69,041	1,395,000	1,325,959	95.1%
Other Expenses	833,232	1,996,009	1,162,777	58.3%	7,320,165	12,594,081	5,273,916	41.9%
Total Operating Expenses	1,323,495	2,953,574	1,630,079	55.2%	14,214,089	21,142,166	6,928,077	32.8%

9,051,727	10,779,074	1,727,347	16.0%
1,457,926	3,898,744	2,440,818	62.6%
69,041	1,705,000	1,635,959	96.0%
10,334,941	15,886,461	5,551,520	34.9%
20,913,635	32,269,279	11,355,644	35.2%

Funding Balance Tracking:	Approved Budget	Actual Spend	Variance
Beginning Funding Balance	100,000,000	100,000,000	-
Less:			
Capital Assets ¹	56,990,000	22,223,229	34,766,771
FY2023 Operating Budget ²	11,127,113	6,699,546	4,427,567
FY2024 Operating Budget	30,002,899	14,214,089	15,788,810
FY2025 Operating Budget			
Ending Funding Balance	<u>1,879,988</u>	<u>56,863,136</u>	
Add: Prior year unspent Operating Budget	<u>4,427,567</u>		
Total Available Funding	<u><u>6,307,555</u></u>		

¹ Staff will continue to monitor the project status of DTS' Capital Assets
² Unspent budget from this period is added back to available DTS funding

Note: Report includes applicable transactions for GASB 96, Subscription.

CalOptima Health
Summary of Homeless Health Initiatives (HHI) and Allocated Funds
As of March 31, 2024

Funds Allocation, approved initiatives:	Allocated Amount	Utilized Amount	Remaining Approved Amount
Enhanced Medi-Cal Services at the Be Well OC Regional Mental Health and Wellness Campus	11,400,000	11,400,000	-
Recuperative Care	6,194,190	6,194,190	-
Medical Respite	250,000	250,000	-
Day Habilitation (County for HomeKey)	2,500,000	2,500,000	-
Clinical Field Team Start-up & Federally Qualified Health Center (FQHC)	1,600,000	1,600,000	-
CalOptima Health Homeless Response Team	1,681,734	1,681,734	-
Homeless Coordination at Hospitals	10,000,000	9,956,478	43,522
CalOptima Health Days, Homeless Clinical Access Program (HCAP) and FQHC Administrative Support	963,261	759,884	203,377
FQHC (Community Health Center) Expansion	21,902	21,902	-
HCAP and CalOptima Health Days	9,888,914	3,420,400	6,468,514
Vaccination Intervention and Member Incentive Strategy	123,348	54,649	68,699
Street Medicine ¹	10,076,652	4,493,877	5,582,775
Outreach and Engagement	7,000,000	-	7,000,000
Housing and Homelessness Incentive Program (HHIP) ²	40,100,000	-	40,100,000
Subtotal of Approved Initiatives	\$101,800,000	\$42,333,113	\$59,466,887
Transfer of funds to HHIP ²	(40,100,000)	-	(40,100,000)
Program Total	\$61,700,000	\$42,333,113	\$19,366,887

Notes:

¹On March 7, 2024, CalOptima Health's Board of Directors approved \$5M. \$3.2 million remaining from Street Medicine Initiative (from the HHI reserve) and \$1.8 million from existing reserves to fund 2-year agreements to Healthcare in Action and Celebrating Life Community Health Center

²On September 1, 2022, CalOptima Health's Board of Directors approved reallocation of \$40.1M from HHI to HHIP.

CalOptima Health
Summary of Housing and Homelessness Incentive Program (HHIP) and Allocated Funds
As of March 31, 2024

Summary by Funding Source:	Total Funds	Allocated Amount	Utilized Amount	Remaining Approved Amount	Funds Available for new Initiatives
DHCS HHIP Funds	34,850,994	34,850,994	23,438,419	11,412,575	-
Existing Reserves & HHI Transfer	87,384,530	87,384,530	60,832,265	26,552,265	-
Total	122,235,524	122,235,524	84,270,684	37,964,840	-

Funds Allocation, approved initiatives:	Allocated Amount	Utilized Amount	Remaining Approved Amount
Office of Care Coordination	2,200,000	2,200,000	-
Pulse For Good	800,000	404,700	395,300
Consultant	600,000	-	600,000
Equity Grants for Programs Serving Underrepresented Populations	4,021,311	2,922,299	1,099,013
Infrastructure Projects	5,832,314	5,321,731	510,583
Capital Projects	98,247,369	73,300,000	24,947,369
System Change Projects	10,180,000	-	10,180,000
Non-Profit Healthcare Academy	354,530	121,955	232,575
Total of Approved Initiatives	\$122,235,524¹	\$84,270,684	\$37,964,840

Notes:

¹ Total funding \$122.2M: \$40.1M Board-approved reallocation from HHI, \$47.2M from CalOptima Health existing reserves and \$34.9M from DHCS HHIP incentive payments

**CalOptima Health
Budget Allocation Changes
Reporting Changes as of March 2024**

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	Medi-Cal	Purchased Services - TB Shots, Flu Shots, COVID Related Services & COVID Cleaning/Building Sanitization	Moving Services	\$40,000	To repurpose from TB/Flu Shots and COVID Cleaning to provide more funding for Moving Services. (\$16,000 from TB Shots, Flu Shots, COVID related services, \$24,000 from COVID Cleaning/Building Sanitization)	2023-24
July	Medi-Cal	DTS Capital: I&O Internet Bandwidth	DTS Capital: I&O Network Bandwidth	\$36,000	To reallocate funds from I&O Internet Bandwidth to I&O Network Bandwidth to cover shortage of fund for RFP.	2023-24
July	OneCare	Communication - Professional Fees Marketing/Advertising Agency Consulting	Community Relations - Membership Fees	\$60,000	To reallocate funds from Communication - Professional Fees Marketing/Advertising Agency Consulting to Community Relations - Membership Fees to help fund E-Indicator Sponsorship bi-weekly newsletter.	2023-24
July	Medi-Cal	Corporate Application HR - Dayforce In-View	Corporate Application HR - SilkRoad OpenHire and Wingspan	\$23,000	To reallocate funds from Corporate Application HR - Dayforce iView to Corporate Application HR-SilkRoad OpenHire and Wingspan due to short of funds for renewal of contract.	2023-24
August	Medi-Cal	Quality Analytics - Other Operating Expenses - Incentives	Case Management - Other Operating Expenses - WPATH - Health Plan Provider Training	\$24,500	To reallocate funding from Quality Analytics - Incentives to Case Management - WPATH - Health Plan Provider Training to provide funding for Blue Peak training.	2023-24
August	Medi-Cal	Quality Analytics - Other Operating Expenses - Incentives	Utilization Management - Purchased Services	\$74,000	To reallocate funds from Quality Analytics - Incentives(MC) and Pharmacy Management - Professional Fees (OC) to Utilization Management - Purchased Services to provide funding for the Periscope Implementation.	2023-24
August	One Care	Pharmacy Management - Professional Fees	Utilization Management - Purchased Services	\$15,000	To reallocate funds from Quality Analytics - Incentives(MC) and Pharmacy Management - Professional Fees (OC) to Utilization Management - Purchased Services to provide funding for the Periscope Implementation.	2023-24
August	Medi-Cal	Strategic Development - Professional Fees - DC Equity Consultant & Equity Initiative Activities	Strategic Development - Other Operating Expenses - Incentives	\$67,000	To reallocate funds from Professional Fees - Equity Consultant, and Equity Initiative Activities to Purchased Services - Gift Cards to provide funding to purchase member incentive gift cards.	2023-24
September	One Care	Office of Compliance - Professional Fees - CPE Audit	Office of Compliance - Professional Fees - Blue Peak Services	\$20,000	To reallocate funds from Professional Fees - CPE Audit to Professional Fees - Blue Peak Services to provide funding for Blue Peak Services.	2023-24
September	Medi-Cal	Customer Service - Member Communication - Maintenance of Business, Ad-Hoc/New Projects	Provider Data Mgmt. Svcs - Purchased Services	\$60,000	To reallocate funds from Customer Service - Member Communication Maintenance of Business and Ad-Hoc/New Projects to Provider Data Management Services - Purchased Services to provide funding for provider directory PDF Remediation services.	2023-24
September	Medi-Cal	Facilities - Audio Visual Enhancements	Facilities - CalOptima Health New Vehicle	\$13,135	To reallocate funds from Facilities - Audio Visual Enhancements to Facilities - CalOptima Health New Vehicle for a new company vehicle.	2023-24
September	Medi-Cal	Medical Management - Other Operating Expenses - Training & Seminar	Behavioral Health Integration - Professional Fees	\$16,000	To reallocate funds from Medical Management - Other Operating Expenses - Training & Seminar to Behavioral Health Integration - Professional Fees to provide funding for Autism Spectrum Therapies.	2023-24
September	Medi-Cal	Population Health Management - Purchased Services - Capacity Building Vendor	Population Health Management - Purchased Services - Capacity Building	\$150,000	To repurpose funds from Purchased Services - Capacity Building Vendor to support the new Medi-Cal benefit, including incentives for contracting with CCN and delegated Health Networks, doula training, and technical assistance.	2023-24
September	Medi-Cal	IS - Enterprise Data & Sys Integration - Professional Fees	Enterprise Project Management Office - Professional Fees	\$75,000	To reallocate funds from Enterprise Project Management Office - Training & Seminar, IS - Enterprise Data & Sys Integration - Professional Fees and IS - Application Development - Maintenance HW/SW to provide funding for the BCP consultation project.	2023-24
September	Medi-Cal	IS - Application Development - Maintenance HW/SW	Enterprise Project Management Office - Professional Fees	\$55,000	To reallocate funds from Enterprise Project Management Office - Training & Seminar, IS - Enterprise Data & Sys Integration - Professional Fees and IS - Application Development - Maintenance HW/SW to provide funding for the BCP consultation project.	2023-24
October	Medi-Cal	DTS Capital: Migrate Data Warehouse / Analytics to the Cloud	DTS Capital: Enterprise Data Quality Enhancement	\$140,000	To reallocate funds from AppDev - Migrate Data Warehouse Analytics to AppDev - Enterprise Data Quality Enhancement to help with Collibra Data Governance invoice.	2023-24
October	Medi-Cal	Medi-Cal/Claim - Other Operating Expenses - Food Service Supply	Medi-Cal/Claim - Other Operating Expenses - Travel	\$16,000	To reallocate funds from Medi-Cal/Claim - Food Service Supply to Medi-Cal/Claim - Travel to provide funding for Center for Care Innovations.	2023-24
October	Medi-Cal	IS - Infrastructure - Other Operating Expenses - Maintenance HW/SW	Provider Data Management Services - Purchased Services	\$54,000	To reallocate funds from IS - Infrastructure - Microsoft Enterprise License Agreement, Sales & Marketing - FMO OneCare Marketing Partnership and IS - Application Management - Enthrive to Provider Data Management Services to provide funding for the provider directory PDF remediation service.	2023-24
October	One Care	IS - Application Management - Maintenance HW/SW	Provider Data Management Services - Purchased Services	\$24,000	To reallocate funds from IS - Infrastructure - Microsoft Enterprise License Agreement, Sales & Marketing - FMO OneCare Marketing Partnership and IS - Application Management - Enthrive to Provider Data Management Services to provide funding for the provider directory PDF remediation service.	2023-24
November	Medi-Cal	IS - Application Management - Maintenance HW/SW	Medical Management - Professional Fees	\$100,000	To reallocate funds from IS-Applications Management - Maintenance HW/SW IBM WebSphere to Medical Management - Professional Fees to fund a consulting project.	2023-24
November	Medi-Cal	Executive Office - Professional Fees	Executive Office - Other Operating Expenses - Professional Dues	\$28,000	To reallocate funds from Professional Fees to Professional Dues to pay for CCI Membership.	2023-24
November	Medi-Cal	Infrastructure - Misc HW/SW Technology Equipment (New Hire Equip)	Infrastructure - HW/SW Maintenance (Palo Alto Firewall)	\$84,000	To reallocate funds from Infrastructure Misc. HW/SW Technology Equipment (New Hire Equipment) to HW/SW Maintenance (Palo Alto Firewall) to help with shortage of funds due to contract is co-terminated.	2023-24
December	Medi-Cal	505 Building - Repair & Maintenance	505 Building - Purchased Services	\$228,798	To reallocate funds from Repair & Maintenance to Purchased Services to move security contracts to the appropriate account.	2023-24
December	Medi-Cal	500 Building - Repair & Maintenance	500 Building - Purchased Services	\$192,120	To reallocate funds from Repair & Maintenance to Purchased Services to move security contracts to the appropriate account.	2023-24
December	Medi-Cal	Infrastructure - Misc HW/SW Equip Sup	Infrastructure - Maintenance HW/SW - F5 Network	\$47,000	To reallocate funds from Infrastructure - Misc HW/SW Equip Supplies to Infrastructure - Maintenance HW/SW - F5 Network and Infrastructure - Maintenance HW/SW - Calabrio to help with the annual renewal invoice.	2023-24
December	Medi-Cal	Infrastructure - Misc HW/SW Equip Sup	Infrastructure - Maintenance HW/SW - Calabrio	\$29,000	To reallocate funds from Infrastructure - Misc HW/SW Equip Supplies to Infrastructure - Maintenance HW/SW - F5 Network and Infrastructure - Maintenance HW/SW - Calabrio to help with the annual renewal invoice.	2023-24
December	Medi-Cal	Application Mgmt. - Maintenance HW/SW (IBM WebSphere)	Enterprise Data & Sys Integration - Maintenance HW/SW (Tableau)	\$249,990	To reallocate funds from Application Mgmt. - Maintenance HW/SW (IBM WebSphere) to Enterprise Data & Sys Integration - Maintenance HW/SW (Tableau) to help with Tableau invoice.	2023-24
December	Medi-Cal	Facilities - Comp supply/Minor Equipment	Facilities - R&M - Building	\$100,000	To reallocate fund from Comp Supply/Minor Equipment to R&M - Building to address unanticipated repair costs.	2023-24
December	Medi-Cal	Professional Fees - Altruista	Purchased Services - MCG	\$40,000	To reallocate funds from Professional Fees - Altruista to Purchased Services - MCG to help with CMS requirement to add a link in CalOptima Health's website for Medicare members.	2023-24
January	Medi-Cal	IS - Infrastructure - Other Operating Expenses - Misc HW/SW Equipment	Delegation Oversight - Professional Fees	\$96,000	To reallocate funds from IS - Infrastructure - Misc HW/SW Equipment to Delegation Oversight - Professional Fees to provide funding for a consultant services.	2023-24
January	Medi-Cal	IS - Application Development - Professional Fees	Operations Management - Professional Fees	\$150,000	To reallocate funds from Application Development - Professional Fees to Operations Management - Professional Fees to help with additional services.	2023-24
January	Medi-Cal	Integrated Provider Data Management System	New Ticketing Tool for CalOptima Staff	\$50,000	To reallocate funds from Integrated Provider Data Management System to New Ticketing Tool for CalOptima Staff due to shortfall of funds in Phase II.	2023-24
February	Medi-Cal	IS - Infrastructure - New Hire Equipment	Executive Office - Public Activities	\$17,000	To reallocate funds from Infrastructure - New Hire Equipment to Executive Office - Public Activities to provide funding to support events.	2023-24
February	One Care	Customer Service - Printing and Postage - Communications	Cultural & Linguistics - Purchased Services	\$50,000	To reallocate funds from Customer Service - Printing and Postage to Cultural & Linguistics - Purchased Services to supplement the anticipated gap.	2023-24
February	Medi-Cal	IS - Enterprise Data & Sys Integration - Professional Fees	Grievance & Appeals - Purchased Services	\$20,000	To reallocate funds from Enterprise Data & Sys Integration - Professional Fees to Grievance & Appeals - Purchased Services to provide additional funding for data scanning and storage.	2023-24
February	Medi-Cal	IS-Infrastructure - Other Operating Expenses - Misc HW/SW Equipment Supplies	Provider Data Management Services - Purchased Services	\$71,000	To reallocate funds from IS - Infrastructure - Misc HW/SW Equipment Supplies to Provider Data Management Services - Professional Fees to provide funding for provider directory PDF Remediation Services.	2023-24
February	One Care	Communications - Professional Fees	Communications - Printing and Postage - Member Communication	\$150,000	To reallocate funds from Communications - Professional Fees to Member Communication to provide funding needed for OneCare marketing and advertising program.	2023-24
February	Medi-Cal	Infrastructure - New Hire Equipment	IS - Infrastructure - Cisco	\$18,000	To reallocate funds from Infrastructure - New Hire Equipment to Infrastructure - Cisco due to shortfall of funds.	2023-24
March	One Care	Quality Analytics - Professional Fees	Quality Analytics - Other Operating Expenses - Incentives	\$120,000	To reallocate funds from Quality Analytics - Professional Fees and Stars Initiatives to Incentives to provide funding for OC Health Reward Program.	2023-24
March	One Care	Quality Analytics - Purchased Services - Stars Initiatives	Quality Analytics - Other Operating Expenses - Incentives	\$120,000	To reallocate funds from Quality Analytics - Professional Fees and Stars Initiatives to Incentives to provide funding for OC Health Reward Program.	2023-24
March	Medi-Cal	Facilities - Other Operating Expenses - Office Supplies	Facilities - Other Operating Expenses - R&M - Building	\$100,000	To reallocate funds from Facilities - Office Supplies to R&M to provide funding needed for building maintenance.	2023-24
March	Medi-Cal	IS - Infrastructure - Technology Equipment	IS - Infrastructure - UGovernment	\$40,000	To reallocate funds from IS - Infrastructure Technology to UGovernment and Telco Misc HW/SW to Palo Alto Firewall due to shortfall of funds.	2023-24
March	Medi-Cal	IS - Infrastructure - Telco Misc HW/SW	IS - Infrastructure - Palo Alto Firewall	\$118,000	To reallocate funds from IS - Infrastructure Technology to UGovernment and Telco Misc HW/SW to Palo Alto Firewall due to shortfall of funds.	2023-24
March	Medi-Cal	IS - App Development - Provider Virtual Agent Support	IS - App Development - Migrate Website Content Management System to the Cloud	\$67,100	To reallocate funds from Provider Virtual Agent Support to Migrate Website Content Management System to the Cloud due to shortfall of funds.	2023-24
March	Medi-Cal	IS - Enterprise Data & Sys Integration - Professional Fees	Executive Office - Professional Fees	\$28,000	To reallocate funds from IS - Enterprise & System Integration - Professional Fees to Executive Office - Professional Fees to provide funding for communications consultant.	2023-24
March	Medi-Cal	IS - Cyber Security - Data Loss Prevention Suite	IS - Cyber Security - Tipping Point Intrusion Preon System	\$32,000	To reallocate funds from IS - Cyber Security - Data Loss Prevention Suite to IS - Cyber Security - Tipping Point Intrusion Prevention System due to shortage of funds.	2023-24
March	Medi-Cal	IS - Infrastructure - Computer Equipment Refresh	IS - App Development - Secure Auth Web Access Management	\$220,000	To reallocate funds from IS - Infrastructure - Computer Equipment Refresh to IS - App Development - Secure Auth Web Access Management due to shortage of funds.	2023-24

This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$250,000. 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
May 2, 2024**

Monthly Compliance Report

The purpose of this report is to provide compliance updates to CalOptima Health's Board of Directors including, but not limited to, updates on internal and health network monitoring and audits conducted by CalOptima Health's Delegation Oversight and Internal Audit departments, 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. Medicare

- **CY2022 Centers for Medicare & Medicaid Services (CMS) Financial Audit (*applicable to OneCare*):**

Update:

- Entrance Conference January 22, 2024.
- CalOptima Health has provided the auditor with documentation as requested.
- The pre-exit conference was held on March 27, 2024 and the exit conference was held on March 28, 2024.
- The Agree/Disagree Letter was shared with CalOptima Health, which includes two findings and two observations. CalOptima Health has reviewed the letter and provided a response back to the auditor on April 3, 2024.
- The deadline to submit the Final Report to CMS is April 26, 2024.

Background:

- At least one-third of Medicare Advantage Organizations (MAOs) are selected for the annual audit of financial records, which will include data relating to Medicare utilization, costs, and computation of the bid. CMS will audit and inspect any books and records of the MAO that pertain to 1) the ability of the organization to bear the risk of potential financial losses, or 2) services performed or determinations of amounts payable under the contract. The Pharmacy Benefit Management (PBM) company will also be required to provide CMS with all requested supporting documentation for this audit.
- CMS notified CalOptima Health that its OneCare plan has been selected for the CY2022 CMS Financial Audit and Davis Farr LLP will conduct the audit. Davis Farr LLP will act in the capacity of CMS agents and request records and supporting documentation for, but not limited to, the following items:
 - Claims data
 - Solvency
 - Enrollment
 - Base year entries on the bids

- Medical and/or drug expenses
- Related party transactions
- General administrative expenses
- Direct and Indirect Remuneration (DIR)

- **2024 Medicare Part C and Part D Data Validation Audit (MDVA) (applicable to OneCare):**

Update:

- CalOptima Health has contracted with an independent consulting firm to conduct its annual MDVA audit as required by Medicare Advantage and Part D (MAPD) regulations.
- March 6, 2024, Kick-Off meeting.
- On March 28, 2024, submitted Organization Assessment Instrument (OAI), Measure Overviews, Source Codes and Policies/Procedures to Advent.
- April 10, 2024, virtual on-site audit.

- **2024 CMS Program/Focused Audit Readiness (applicable to OneCare):**

Update:

- February 29, 2024, and March 14, 2024, kick-off meetings to review the CMS audit process and the internal audit workplan
- Planning is currently underway for a consultant to conduct a mock audit for a focused program audit.
- Universes and other audit evidence requested in preparation of the mock audit.

Background:

- On October 24, 2023, CMS announced it is adding a new focused audit, which is limited to ODAG (Organization Determinations Appeals and Grievances) and CPE (Compliance Program Effectiveness) for Plans who do not have 2024 routine scheduled program audits.
- This new focused audit is designed to specifically target compliance with the coverage and Utilization Management (UM) policies finalized in CMS-4201-F, which is effective January 1, 2024.
- CalOptima Health Compliance has confirmed implementation of new requirements from CMS-4201-F.
- CalOptima Health anticipates receiving a targeted audit engagement letter between January through July 2024.

- **2022 Medicare Part D Improper Payment Measure (Part D IPM) (applicable to OneCare)**

Update:

- March 29, 2024, CMS provided CalOptima Health the CY 2022 OneCare Part D IPM Interim Findings Report showing the *successful validation* of the PDE sample.
- No further action is required.

Background:

- The Medicare Part D IPM activity is conducted to validate the accuracy of the PDE data submitted by Medicare Part D sponsors to CMS for CY 2022 payments. The results of these activities will be used to calculate a program-wide improper payment rate for Medicare Part D.

- **Analysis of Prescription Drug Event (PDE) Records for Medical Supplies Associated with the Delivery of Insulin (*applicable to OneCare*)**

Update:

- February 13, 2023, CalOptima Health received the audit notification letter.
- CMS in collaboration with the Plan Program Integrity Medicare Drug Integrity Contractor (PPI MEDIC), conducted a preliminary analysis of the Medicare Part D payments for medical supplies associated with the delivery of insulin for beneficiaries with no evidence of insulin use in Medicare Part B, C or D to identify potentially improper Part D payments.
- Analysis identified potentially 11 improper PDE records for medical supplies associated with the delivery of insulin during the period January 1, 2020 through December 31, 2022.
- March 21, 2024, submitted the PDE excel file with requested information
- Currently awaiting a response from CMS.

Background:

- CMS and the PPI MEDIC are conducting a National Audit of Medicare Advantage Prescription Drug (MAPD) plans that have submitted potentially improper Medicare Part D PDE records.
- The medical supplies associated with the delivery of insulin audit covers PDE records for cotton balls, alcohol swabs and gauze.
- If these medical supplies are used for purposes other than the delivery of insulin to the body, they do not meet the definition of a Medicare Part D drug and are not payable under the Part D benefit

2. Medi-Cal

- **2024 Department of Health Care Services (DHCS) Routine Medical Audit:**

Update:

- March 29, 2024, DHCS held close-out meeting with the Office of Compliance
- Close-out session marked the conclusion of the 2-week interview period (March 18, 2024, through March 29, 2024).
 - DHCS clarified that it continues to review and assess CalOptima Health; no findings or observations have been formally shared with CalOptima Health.
- Below is the anticipated timeline provided by DHCS; please be advised these timeframes are subject to change.
 - March 29, 2024, audit close-out meeting
 - 6-8 weeks post audit close-out DHCS will provide its Draft Findings & host an Exit Conference (via webinar)

- 3 business days prior to Exit Conference: Draft findings will be provided to CalOptima Health for review.
- Post Exit Conference:
 - ❖ CalOptima Health will have 15 calendar days from the Exit Conference to review Draft Findings and provide comments/rebuttal.
 - ❖ DHCS will then have an additional 15 calendar days to review CalOptima Health's comments/rebuttals.
- 30 calendar days post the Exit Conference, CalOptima Health will receive the final audit report and its formal request for corrective action.
- CalOptima Health must submit its response to the corrective action, 30 calendar days from receipt of the request.
- CalOptima Health must ensure that all corrective actions are complete and effectuated within 180 calendar days of the formal corrective action plan (CAP) response.

Background:

- January 25, 2024, CalOptima Health formally engaged by DHCS for its annual medical audit.
 - Audit covers the review period of February 1, 2023, through February 29, 2024.
 - Audit evaluates CalOptima Health's compliance with its Medi-Cal contract and regulations in the areas of utilization management, case management and coordination of care, availability and accessibility, and member's rights.
 - This year is considered a **limited-scope audit**, as such, not all audit categories will be reviewed.
 - Prospect has been selected by DHCS as the participating CalOptima Health delegate.

- **California State Audit:**

Update In response CalOptima Health's 6-month update, CSA recently provided its feedback on four of the seven initial recommendations. CalOptima Health continues to review CSA's feedback and will include its response in the 1-year update due May 2, 2024.

Background:

- As directed by the Joint Legislative Audit Committee, the California State Auditor (CSA) conducted an audit of certain aspects of CalOptima Health's budget, services and programs, and organizational changes.
- On May 2, 2023, the CSA released a report following a comprehensive nine-month audit of CalOptima Health that covered an eight-year period from January 2014 through June 2022.
- In response to the seven (7) recommendations made by CSA, CalOptima Health is required to submit 60-day, 6-month and 1-year status update regarding the implementation of each recommendation.
 - CalOptima Health's 60-day update to CSA was submitted June 30, 2023
 - CalOptima Health's 6-month update was submitted on November 2, 2023
 - CalOptima Health's 1-year update is due to CSA on May 2, 2024
- CSA will use the information provided by CalOptima Health to determine whether a follow-up audit is necessary.

- CSA may also use the information to update policy and fiscal committees and subcommittees about the implementation status of all State Auditor recommendations to facilitate legislative oversight of audited agencies.

B. Regulatory Notices of Non-Compliance

- CalOptima Health did not receive any notices of non-compliance from its regulators for the month of March 2024.

C. Updates on Health Network Monitoring and Audits

Health Network Audits:

- CalOptima Health's Delegation Oversight (DO) department completed annual audits on the following delegated health networks to assess their capabilities and performance with delegated activities.
 - Family Choice Medical Group – January 1, 2023 – November 30, 2023
- Audit tools and elements were derived from accrediting, regulatory and CalOptima Health contractual standards.
 - For areas that scored below the 100% threshold, DO issued a corrective action plan (CAP) request, and is actively working with each health network to remediate findings.
- The audit included review of specific P&Ps and sample files.
- A number of areas were identified as opportunities to improve processes and timeliness of notifications to achieve 100% compliance.
- CalOptima Health will validate the effectiveness of corrective actions once implementation is complete.

D. Internal Audit Updates

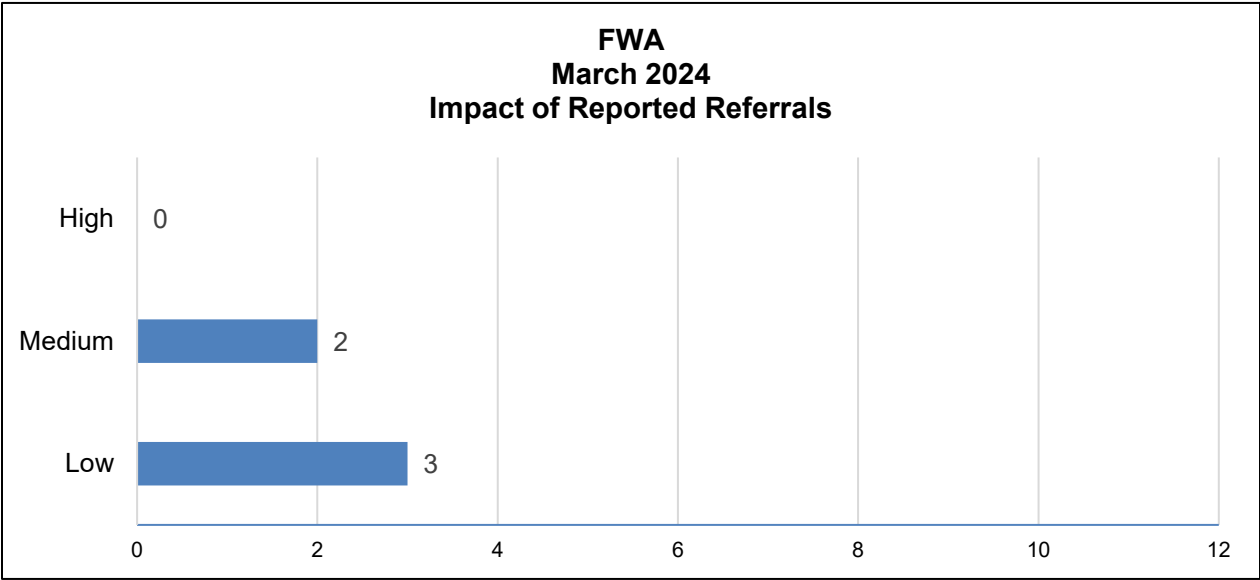
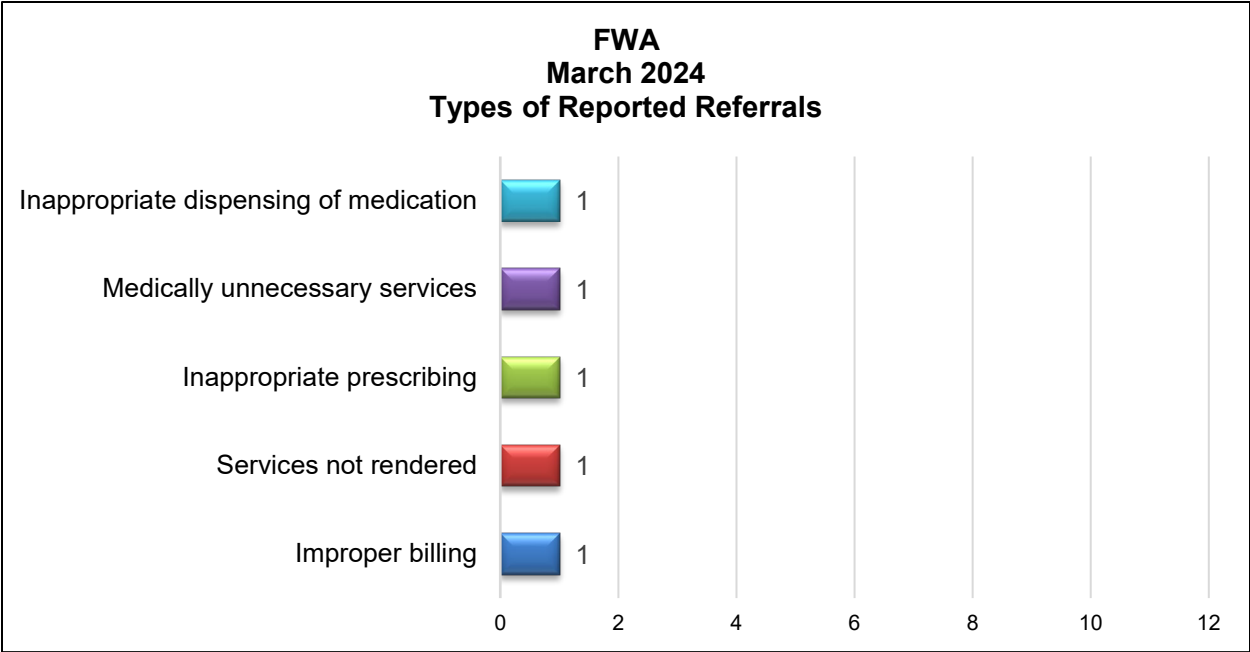
Internal Audits:

- CalOptima Health's Internal Audit department is currently participating in five (5) internal annual audits to assess regulatory compliance with universe, timeliness, accuracy, clinical decision-making, and processing requirements in accordance with CMS and DHCS regulatory standards.
- The following annual audits are currently in progress by Line of Business:
 - Utilization Management (Medi-Cal) Annual Audit
 - Lookback Period: January 1, 2023, to May 31, 2023
 - Status: CAPs issued and in-process of remediation
 - Utilization Management (OneCare) Annual Audit
 - Lookback Period: January 1, 2023, to June 30, 2023
 - Status: CAPs issued and in-process of remediation
 - Grievance and Appeals (Medi-Cal) Annual Audit
 - Lookback Period: January 1, 2023, to July 31, 2023
 - Status: CAPs issued and in-process of remediation
 - CDAG Pharmacy and GARS Grievance Part D (OneCare) Annual Audit
 - Lookback Period: January 1, 2023, to November 30, 2023
 - Status: Preliminary findings were issued

- PACE (OneCare) Annual Audit
 - Lookback Period: July 1, 2023, to January 31, 2024
 - Status: Pending engagement deliverables from PACE
- Customer Service (OneCare) Annual Audit
 - Lookback Period: January 1, 2024, to March 31, 2024
 - Status: Starting / Engaging on April 29, 2024
- **Board-Approved Initiatives Review:**
 - CalOptima’s Internal Audit department is currently in the process of reviewing CalOptima’s Board-approved initiatives. Internal Audit’s goal is to identify opportunities to strengthen the oversight of the fund’s surplus expenditure management process, including the structure for reviewing and signing off on grant programs and initiatives.
 - There are 26 Board-approved initiatives with total funding allocations of approximately \$922 million. Initiatives are classified into the following program types:
 - Grant programs
 - Quality/Population Health Management programs
 - Strategic Initiatives
 - CalOptima Health’s Internal Audit department engaged a consultant in October 2023 to review the Board-approved initiatives with the objective of identifying opportunities to strengthen and improve processes.

Consultant presented preliminary observations and opportunities for improvement to executive leadership on March 26.

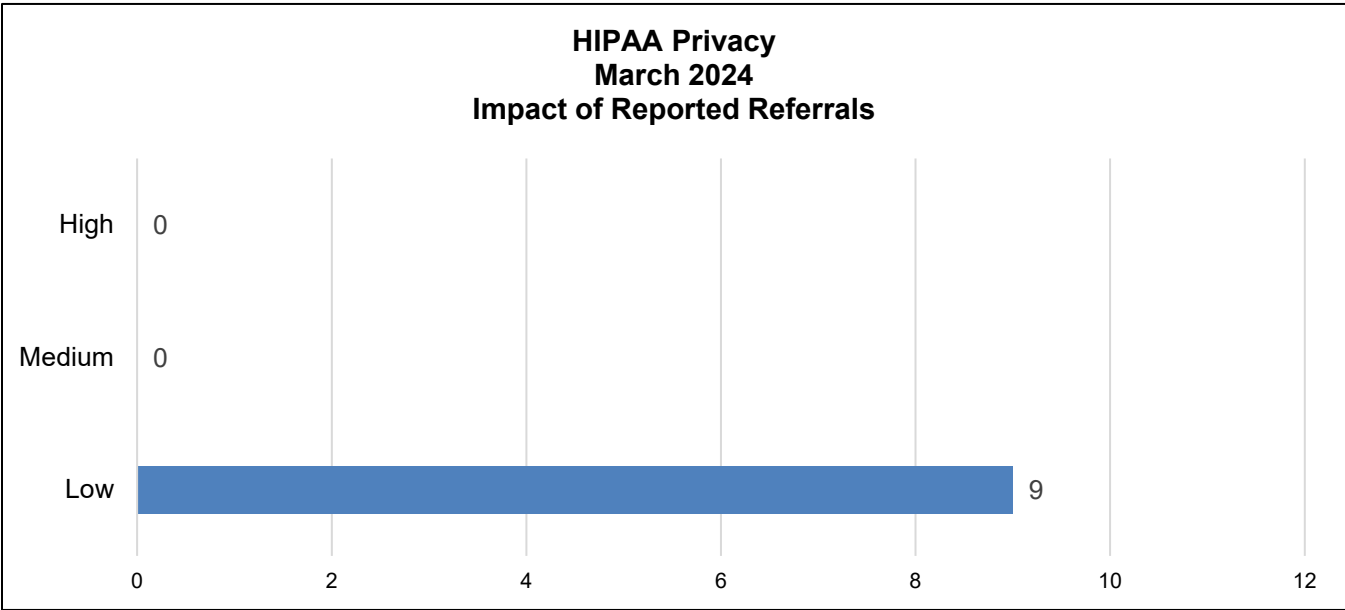
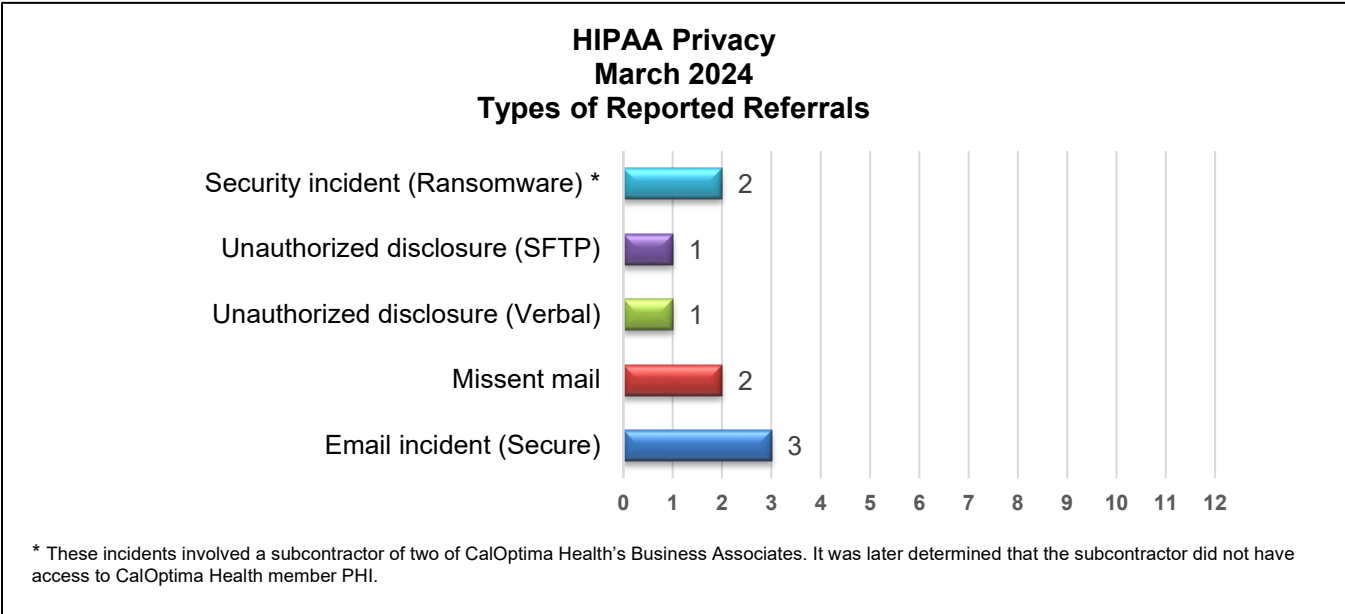
E. Fraud, Waste & Abuse (FWA) Investigations (March 2024)



Total Number of New Cases Referred to DHCS (State)	5
Total Number of New Cases Referred to DHCS and CMS*	4
Total Number of Referrals (Subjects) Reported to Regulatory Agencies	5

* Any potential FWA with impact to Medicare is reported to CMS within 30 days of the start of an investigation.

F. Privacy Update (March 2024)



Total Number of Referrals Reported to DHCS (State)	9
Total Number of Referrals / Breaches Reported to DHCS and Office for Civil Rights (OCR)	0

MEMORANDUM

April 12, 2024

To: CalOptima Health
From: Potomac Partners DC & Strategic Health Care
Re: April Board of Directors Report

FISCAL YEAR 2024 APPROPRIATIONS

In the first week of March, the House and Senate reached an agreement on six of the twelve Fiscal Year 2024 (FY24) appropriations bills. The six-bill package ([H.R. 4366](#)) passed the House with a 2/3 majority vote of 339-85 to avoid a lengthy amendment and debate process on the floor.

- A summary of the first package is available [here](#).
- The full bill text is available [here](#).

The remaining six appropriations bills, which included the Labor-Health and Human Services-Education (LHHSE) bill, were passed by Congress just before the Continuing Resolution expired and signed into law on March 23rd.

- A summary of the second package is available [here](#).
- The full bill text is available [here](#).

Joint explanatory statements (committee reports) for each bill, organized as divisions, are available below:

- [Division A - Defense Appropriations Act, 2024](#)
- [Division B - Financial Services and General Government Appropriations Act, 2024](#)
- [Division C - Homeland Security Appropriations Act, 2024](#)
- [Division D - Labor, Health and Human Services, Education and Related Agencies Appropriations Act, 2024](#)
- [Division E - Legislative Branch Appropriations Act, 2024](#)
- [Division F - State, Foreign Operations, and Related Programs Appropriations Act, 2024](#)

NEW HOUSE APPROPRIATIONS COMMITTEE CHAIRMAN

Immediately after Congress finalized the FY24 appropriations process, House Appropriations Committee Chairwoman Kay Granger (R-TX) announced that she would be stepping down from her role as chair. The resignation sparked a short-lived internal race among potential replacements, with Rep. Tom Cole (R-OK) being selected by the Republican Steering Committee to become the new Chairman of the full House Appropriations Committee. Rep. Robert Aderholt (R-AL), the current LHHSE Subcommittee Chairman, had briefly considered running before conceding. Rep. Cole has been serving as the Chairman of the Transportation-Housing and Urban Development (THUD) Subcommittee, as well as Chairman of the House Rules Committee. He also recently served as the Ranking Member of the LHHSE Subcommittee and is familiar with current healthcare spending policy.

POST-ACUTE CARE AND INPATIENT PAYMENT RULES

CMS released several proposed Medicare payment rules for post-acute care facilities and inpatient psychiatric facilities:

- **Skilled nursing facilities** would receive a 4.1 percent increase in payment next year; however, CMS declined to issue an update on its controversial staffing minimum proposal. A factsheet is available [here](#). The proposed rule is available [here](#).
- **Inpatient rehabilitation facilities (IRFs)** would receive a 2.8 percent payment increase next year, and the agency is looking for insights from stakeholders on the IRF star rating systems. A factsheet is available [here](#). The proposed rule is available [here](#).
- **Hospice services** would receive a 2.6 percent increase in payment under the proposed rule, and the hospice cap amount for the 2025 fiscal year would be set at \$34,364.85. A factsheet is available [here](#). The proposed rule is available [here](#).
- **Inpatient psychiatric facilities** would get a 2.6 percent increase to payments under the proposed rule. CMS also requests information on the patient assessment instrument requirement and input on changes to payment methodology for these facilities. A factsheet is available [here](#). The proposed rule is available [here](#).

SHORT-TERM, LIMITED-DURATION INSURANCE FINAL RULE

On March 28th, the Departments of Health and Human Services, Labor, and the Treasury issued long-awaited final rules addressing short-term, limited-duration insurance (STLDI) and independent, non-coordinated excepted benefits coverage. These regulations aim to enhance access to affordable and comprehensive coverage while bolstering health insurance markets and consumer understanding. The revisions to STLDI rules, limiting initial contract terms to three months and coverage periods to four months, seek to clarify distinctions between temporary and comprehensive coverage, reducing risks for consumers. Additionally, amendments seek to address concerns such as "stacking," ensuring consumers can discern between comprehensive coverage and STLDI. The rules also require improved consumer notices for fixed indemnity excepted benefits coverage, aiming to prevent misunderstanding and help consumers make informed choices. A CMS factsheet is available [here](#). The final rule [CMS-9904-F] is available [here](#).

HEALTH CARE WORKFORCE

Health care workforce shortages continue to be a concern in Congress and the Administration. The Association of American Medical Colleges has released its latest report on the complexities of physician supply and demand, offering projections from 2021 to 2036. Key updates in the report include projections of physician shortages ranging from 13,500 to 86,000 by 2036, with primary care physicians facing particular challenges. The study also highlights the disparities in access to care, emphasizing the need for further research to address these inequities. The full study is available [here](#).

GAO REPORT ON IMPROPER ENTITLEMENT PAYMENTS

In an annual report to Congress, GAO found that the federal government made as much as \$236 billion in improper entitlement payments. Medicare's share of that was \$51.1 billion, and \$50.3 from Medicaid, which combine to about 43 percent of the improper payments. Pandemic assistance also raked in quite a bit, with the Federal Pandemic Unemployment Assistance at \$43.6 billion and the Paycheck Protection Program Loan Forgiveness at \$18.7 billion. The full report from GAO is available [here](#).

MEDICARE ADVANTAGE

Medicare will spend \$83 billion more this year to care for beneficiaries in private Medicare Advantage plans compared to the cost of care in the traditional fee-for-service program, according to a Medicare Payment Advisory Commission (MedPAC) report to Congress. The annual report to Congress says the 22% cost difference stems from two factors: aggressive "coding" of potential illnesses by Medicare Advantage providers and "favorable selection," the movement to MA plans of beneficiaries with substantially lower costs than predicted. Private MA plans, which were paid \$403 billion in 2022, are under fire from lawmakers, regulators, and patient groups over concerns about quality, accountability, and cost. The full report is available [here](#).

S. 3950 – DUALS ACT OF 2024

Senators Bill Cassidy, M.D. (R-LA), Tom Carper (D-DE), John Cornyn (R-TX), Mark Warner (D-VA), Tim Scott (R-SC), and Bob Menendez (D-NJ) introduced legislation in March aimed at improving coverage for individuals jointly enrolled in Medicare and Medicaid, also known as dual eligibles. The bill would add new requirements for health plans and states to improve coordination of care for the dual plans that have become extremely popular among Medicare Advantage plans. The Delivering Unified Access to Lifesaving Services (DUALS) Act of 2024 is a product of a working group of six Senators that have been reviewing the issues related to dual eligibles since 2022. The bill is endorsed by the National PACE Association, the Bipartisan Policy Center, the National Health Council, the Association for Community Affiliated Plans, and more. The bill text is available [here](#). A factsheet on the bill is available [here](#).

CALOPTIMA HEALTH - STATE LEGISLATIVE REPORT

April 23, 2024

General Update

As anticipated, April has presented a frenzy of activity to pass the more than 2,000 outstanding bills that were introduced this year. These remaining bills must be passed out of their originating house's policy committees by Friday, April 26. The more complex bills tend to be amended and passed at the last minute, so this week will be one of the busiest of the year in the State Capitol.

One subject area with a frenetic pace is Artificial Intelligence (AI). Senate Judiciary Committee Chair Tom Umberg was recently named as "California's chief gatekeeper for AI Rules" by Politico, since all 55 AI bills this year will be approved or denied by his committee. Of particular interest in healthcare is SB 1120 (Becker) (see more below) which would mandate that any AI using health data to determine a patient's medical fate must do so under the eye of a licensed physician.

Budget Update

On April 11, the Senate and Assembly both passed AB 106, an "early action" budget bill, which reached into the 2022 and 2023 budgets to make \$17.3 billion in adjustments. This is expected to lessen the pain of the budget decisions for the 2024-2025 fiscal year. Governor Newsom signed AB 106 on April 15 to start tackling the anticipated \$38 to \$73 billion deficit. The identified early adjustments include \$3.6 billion in reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in shifting costs from the General Fund to other state funds.

The early action plan avoids cuts to health and human services, but states that "cuts are likely in the June budget, but the goal will be to minimize cuts to core programs." Budget negotiations will continue when the Governor presents his May revised budget for passage by June 15. Early rumblings are focused on the use of up to half of the \$38 billion "rainy day fund" reserves to close the deficit. Some legislators have expressed concern about using these reserves too soon, without making substantial cuts first.

Managed Care Organization (MCO) Tax – SB 136 (Senate Budget Committee). SB 136 authorized DHCS to request a \$1.5 billion increase from the federal government to the December 2023-approved tax. If this adjustment is approved, the increase would be effective immediately, freeing up General Fund dollars. The bill was signed by the Governor on March 25, and submitted to CMS by April 1.

Health Care Worker \$25/Hour Minimum Wage. Governor Newsom has asked the legislature to amend SB 525 (2023) to add an annual "trigger" making wage increases subject to General Fund revenue availability, clarify the exemption for state facilities, and include other clarifications. These changes are expected to be outlined in the Governor's May revised budget before the law goes into effect in June.

Key Legislation Update

Single-Payer Healthcare - AB 2200 (Kalra). Assemblymember Ash Kalra (D-San Jose) introduced AB 2200, the California Guaranteed Health Care for All Act (CalCare), the latest version of the long-pursued single-

payer healthcare system for all residents. AB 2200 was heard in the Assembly Health Committee on April 23 as a “Special Order of Business.” The witnesses in favor of the bill were CNA and CTA. The witnesses opposed were CAHP and CalChamber. Numerous organizations were represented on both sides. The bill barely passed in a nine to four vote and will head to the Assembly Appropriations Committee.

Prior Authorization - SB 516 (Skinner). Last year, Senator Nancy Skinner (D-Oakland) introduced SB 598, which died in the Assembly Appropriations Committee in September. Skinner then used another bill as the vehicle to pursue this legislation through the “gut and amend” process. This bill seeks to control health insurance plans’ use of prior authorization, by waiving it for clinicians who have 90% of their prior authorizations approved. The bill remains alive but has had no action so far this year.

Mandated Contract with Safety Net Providers - SB 1268 (Nguyen). On April 15, Senator Janet Nguyen “gutted and amended” her previous bill language prohibiting Medi-Cal managed care plans (MCMCs) and “safety net providers” from terminating a contract without a “for cause” reason. The latest version of the bill mandated MCMCs to contract with *any* safety net provider in their geographic area that can provide the same services as similar providers, thus prohibiting MCMCs from initiating terminations.

CalOptima Health opposed this bill, along with LHPC, CAHP, CMA and APG. CHA was the only listed supporter. The bill was to be heard before the Senate Health Committee on April 24. However, on April 23, the bill was pulled from the agenda. Since this is the last policy committee where the bill can be heard before the policy deadline on April 26, this bill is dead.

Utilization Review for Health Care - SB 1120 (Becker). Sponsored by CMA, this bill mandates that health plans using AI for utilization review decisions have a licensed physician supervise all AI decision-making tools. Since AI has helped expedite approvals for authorizations, some health plans are concerned the broad language could slow down the authorization process. This bill was unanimously approved by the Senate Health Committee on April 10 and put on the “suspense file” in the Senate Appropriations Committee on April 22 because of its potential fiscal impact. Most bills with any fiscal impact remain on the “suspense file” until the budget is more formalized.

Propositions and Initiatives

Proposition 1 – “treatmentontents.com.” This overhaul of California’s mental health funding system and a companion \$6.4 billion bond was approved by the voters in March. The focus has now turned to its implementation throughout the state. DHCS has begun stakeholder meetings with counties to ensure counties can be compliant by the July 2026 implementation date. The bond money for facilities is being described as a continuation of the BHCIP program.

“Protect Access to Health Care Act of 2024” Ballot Initiative - MCO Tax. This coalition is collecting approximately 550,000 signatures to qualify for the November 2024 ballot. 25% of the signatures were collected by January, demonstrating the likelihood of meeting the May 13 circulation deadline. Passage of this initiative would be the first time this tax, which leverages federal reimbursement dollars, is made a permanent tax on health plans. All past MCO taxes have required legislation before seeking approval by the federal government. The campaign in support has raised over \$8 million.

2023–24 Legislative Tracking Matrix

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Behavioral Health			
<p>S. 3430 Wyden (OR) Crapo (ID)</p>	<p>Better Mental Health Care, Lower-Cost Drugs, and Extenders Act: Would expand access to behavioral health services, reduce prescription drugs costs through pharmacy benefit manager (PBM) reforms and extend certain expiring provisions of the Medicare and Medicaid programs. Specific notable elements include but are not limited to the following:</p> <ul style="list-style-type: none"> • Increasing all Medicare physician fee schedule payments by 2.5% (rather than 1.25%) for 2024 services. • Increasing Medicare physician fee schedule payments for certain behavioral health integration services in primary care settings during 2026–28. • Increasing Medicare bonus payments to providers that furnish mental health and substance use disorder (SUD) services in health professional shortage areas; expanding such bonus payments to include non-physician health care professionals. • Expanding access to behavioral telehealth services across state lines and for those with limited English proficiency. • Medicaid funding of up to seven days for services delivered to incarcerated individuals diagnosed with an SUD and pending disposition of charges. • Eliminating cuts to Medicaid disproportionate share hospital payments through September 30, 2025. <p>Additionally, would include provisions from S. 3059, the Requiring Enhanced & Accurate Lists of (REAL) Health Providers Act, to require accurate provider directories on public websites updated every 90 days.</p> <p>Potential CalOptima Health Impact: Increased access to behavioral health services for CalOptima Health members; increased funding for contracted providers; increased staff oversight of CalOptima Health’s OneCare provider directory.</p>	<p>12/07/2023 Introduced; referred to Senate Finance Committee</p>	<p>CalOptima Health: Watch</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<p><u>S. 923</u> Bennet (CO)</p>	<p>Better Mental Health Care for Americans Act: Would require parity for mental health services in Medicaid, Medicare Advantage (MA) and Medicare Part D. Would also enhance Medicaid and Medicare payments for integrating mental health and SUD services with physical care. Finally, would create a 54-month Medicaid demonstration project to increase state funding for enhanced access to mental health services for children.</p> <p>In addition, would require MA plans to verify and update provider directories at least every 90 days and remove a non-participating provider within two business days of notification.</p> <p><i>Potential CalOptima Health Impact:</i> Increased access to behavioral health services for CalOptima Health members; increased funding for contracted providers; increased staff oversight of OneCare provider directory.</p>	<p>03/22/2023 Introduced; referred to Senate Finance Committee</p>	<p>CalOptima Health: Watch</p>
<p><u>S. 1378</u> Cortez Masto (NV)</p>	<p>Connecting Our Medical Providers with Links to Expand Tailored and Effective (COMPLETE) Care Act: Would improve access to timely, effective mental health care in the primary care setting by increasing Medicare payments to providers for implementing integrated care models.</p> <p><i>Potential CalOptima Health Impact:</i> Increased resources and access to behavioral health services for CalOptima Health OneCare members; increased funding for contracted providers.</p>	<p>04/27/2023 Introduced; referred to Senate Finance Committee</p>	<p>CalOptima Health: Watch</p>
<p><u>SB 363</u> Eggman</p>	<p>Behavioral Health Facilities Database: No later than January 1, 2026, would require the California Department of Health Care Services (DHCS) to develop a real-time, internet-based database to display information about beds in certain facilities, including chemical dependency recovery hospitals, acute psychiatric hospitals and mental health rehabilitation centers, to identify the availability of inpatient and residential mental health or SUD treatment.</p> <p><i>Potential CalOptima Health Impact:</i> Increased resources and access to behavioral health services for CalOptima Health Medi-Cal members.</p>	<p>06/13/2023 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p> <p>05/24/2023 Passed Senate floor</p>	<p>CalOptima Health: Watch</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 492</u> Pellerin	<p>Reproductive and Behavioral Health Integration Pilot Programs: Would provide grants, incentive payments or other financial support to Medi-Cal managed care plans (MCPs) to partner with providers for the development and implementation of behavioral health integration pilot programs to improve access to services. Partnering providers must be enrolled in the Family Planning, Access, Care, and Treatment (Family PACT) program and provide reproductive health services.</p> <p><i>Potential CalOptima Health Impact:</i> Increased funding and access to reproductive and behavioral health services.</p>	<p>06/14/2023 Referred to Senate Health Committee</p> <p>05/31/2023 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 512</u> Waldron	<p>Behavioral Health Facilities Database: Would require the California Health and Human Services Agency (CalHHS) to create a committee to study how to develop a real-time, internet-based system, usable by hospitals, clinics, law enforcement, paramedics and emergency medical technicians, and other health care providers to display information about available beds in inpatient psychiatric facilities, crisis stabilization units, residential community mental health facilities and residential alcoholism or substance abuse treatment facilities in order to identify available facilities for the temporary treatment of individuals experiencing a mental health or SUD crisis.</p> <p><i>Potential CalOptima Health Impact:</i> Increased efficiency and timeliness of facility referrals; decreased visits to the emergency department.</p>	<p>01/19/2024 Died in Assembly Appropriations Committee</p> <p>03/14/2023 Passed Assembly Health Committee</p>	CalOptima Health: Watch
<u>AB 940</u> Villapudua	<p>Eating Disorder Treatment: Would expand the approved facilities for inpatient treatment of eating disorders to include psychiatric health facilities.</p> <p><i>Potential CalOptima Health Impact:</i> Increased access to treatment for eating disorders.</p>	<p>01/12/2024 Died in Assembly Health Committee</p>	CalOptima Health: Watch
<u>AB 1316</u> Irwin	<p>Psychiatric Emergency Medical Conditions: Would require the Medi-Cal program to cover emergency services and care necessary to treat a psychiatric emergency medical condition, including screening examinations necessary to determine the presence or absence of an emergency medical condition — regardless of duration and whether the beneficiary was voluntarily or involuntarily admitted.</p> <p><i>Potential CalOptima Health Impact:</i> Increased scope of behavioral health services for CalOptima Health Medi-Cal members.</p>	<p>01/25/2024 Passed Assembly floor; referred to Senate</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1470</u> Quirk-Silva	<p>Behavioral Health Documentation Standards: Would require DHCS to standardize data elements relating to documentation requirements, including medically necessary criteria and develop standard forms containing information necessary to properly adjudicate claims. No later than July 1, 2025, regional personnel training on documentation should be completed along with the exclusive use of the standard forms.</p> <p><i>Potential CalOptima Health Impact:</i> New data requirements; additional training for CalOptima Health behavioral health staff on new documentation.</p>	<p>09/12/2023 Passed Senate floor; referred to Assembly for concurrence in amendments</p> <p>06/01/2023 Passed Assembly floor</p>	CalOptima Health: Watch
<u>AB 1936</u> Cervantes	<p>Maternal Mental Health Screenings: Would require a health plan’s maternal mental health program to consist of at least one maternal mental health screening during pregnancy and at least one additional screening during the first six months of the postpartum period, if determined medically necessary and clinically appropriate, to improve treatment and referrals to other maternal mental health services, including coverage for doulas.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded Medi-Cal benefit for CalOptima Health Medi-Cal members.</p>	<p>04/16/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p>	CalOptima Health: Watch
<u>AB 2556</u> Jackson	<p>Behavioral Health and Wellness Screenings Notice: Would require a health plan, on an annual basis, to provide each legal guardian of an enrollee ages 10 to 18 a written or electronic notice regarding the benefits of a behavioral health and wellness screening.</p> <p><i>Potential CalOptima Health Impact:</i> Increased resources and access to behavioral health services for CalOptima Health Medi-Cal members.</p>	<p>04/02/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p>	CalOptima Health: Watch CAHP: Oppose
Budget			
<u>H.R. 2872</u> Graves (LA)	<p>Further Additional Continuing Appropriations and Other Extensions Act, 2024: Enacts a third Continuing Resolution (CR) to further extend Fiscal Year (FY) 2023 federal spending levels from January 19, 2024, through March 1, 2024, for certain agencies, and from February 2, 2024, through March 8, 2024, for other agencies.</p> <p><i>Potential CalOptima Health Impact:</i> Continuation of current federal spending on programs impacting CalOptima Health members.</p>	<p>01/19/2024 Signed into law</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<p><u>H.R. 2882</u> Ciscomani (AZ)</p>	<p>Further Consolidated Appropriations Act, 2024: Enacts the remaining six FY 2024 appropriations bills, as follows, to fund several federal departments and agencies in the amount of \$1.2 trillion through September 30, 2024:</p> <ul style="list-style-type: none"> • Department of Defense Appropriations Act, 2024 • Financial Services and General Government Appropriations Act, 2024 • Department of Homeland Security Appropriations Act, 2024 • Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2024 • Legislative Branch Appropriations Act, 2024 • Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024 <p>Of note, funding for the U.S. Department of Health and Human Services (HHS) remains relatively flat with only a 1% increase compared to FY 2023. However, approximately \$4.3 billion in unspent COVID-19 relief funding is rescinded.</p> <p>Potential CalOptima Health Impact: Adjusted but broadly sustained funding for federal programs impacting CalOptima Health members.</p>	<p>03/23/2024 Signed into law</p>	<p>CalOptima Health: Watch</p>
<p><u>H.R. 4366</u> Carter (TX)</p>	<p>Consolidated Appropriations Act, 2024: Enacts six of the 12 regular FY 2024 appropriations bills, as follows, to fund several federal departments and agencies in the amount of \$459 billion through September 30, 2024:</p> <ul style="list-style-type: none"> • Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 • Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2024 • Commerce, Justice, Science, and Related Agencies Appropriations Act, 2024 • Energy and Water Development and Related Agencies Appropriations Act, 2024; • Department of the Interior, Environment, and Related Agencies Appropriations Act, 2024 • Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2024 <p>In addition, extends several expiring programs and authorities, including several public health programs.</p> <p>Potential CalOptima Health Impact: Adjusted but broadly sustained funding for federal programs impacting CalOptima Health members.</p>	<p>03/09/2024 Signed into law</p>	<p>CalOptima Health: Watch</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>H.R. 7463</u> Granger (TX)	<p>Extension of Continuing Appropriations and Other Matters Act, 2024: Enacts a fourth CR to further extend FY 2023 federal spending levels from March 1, 2024, through March 8, 2024, for federal agencies through March 8, 2024, and through March 22, 2024, for other agencies.</p> <p><i>Potential CalOptima Health Impact:</i> Continuation of current federal spending on programs impacting CalOptima Health members.</p>	<p>03/01/2024 Signed into law</p>	CalOptima Health: Watch
<u>SB 136</u> Committee on Budget and Fiscal Review	<p>Managed Care Organization (MCO) Provider Tax Increase Trailer Bill: Subject to approval by the Centers for Medicare and Medicaid Services (CMS), increases the Medi-Cal per enrollee tax amount on health plans in Medi-Cal taxing tier II to \$205 during the 2024, 2025 and 2026 calendar years.</p> <p><i>Potential CalOptima Health Impact:</i> Increased tax liability on CalOptima Health to be reimbursed at an approximately equivalent amount; increased funding for Medi-Cal programs and provider rates.</p>	<p>03/25/2024 Signed into law</p>	CalOptima Health: Watch
<u>AB 106</u> Gabriel	<p>Budget Acts of 2022 and 2023: Amends the Budget Act of 2022 and the Budget Act of 2023 to support appropriations for FYs 2023–24 as part of the early action agreement that includes a combination of \$3.6 billion in reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in shifts of costs from the General Fund to other state funds. Significant health care provisions include the following:</p> <ul style="list-style-type: none"> • Behavioral Health Continuum Infrastructure Program: \$140.4 million delay • Behavioral Health Bridge Housing”: \$235 million delay • MCO Provider Tax: \$3.8 billion in revenue borrowing <p><i>Potential CalOptima Health Impact:</i> Adjusted but broadly sustained funding for behavioral programs impacting CalOptima Health members.</p>	<p>04/03/2024 Signed into law</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
California Advancing and Innovating Medi-Cal (CalAIM)			
<u>AB 586</u> Calderon	<p>Community Support: Climate Change or Environmental Remediation Devices: Would add “climate change or environmental remediation devices” as a Medi-Cal Community Support option, defined as the coverage and installation of devices to address health-related complications, barriers or other factors linked to extreme weather, poor air quality or other climate events, including air conditioners, electric heaters, air filters and backup power sources.</p> <p>Potential CalOptima Health Impact: New services available for CalOptima Health Medi-Cal members to address social determinants of health (SDOH).</p>	<p>01/19/2024 Died in Assembly Appropriations Committee</p> <p>04/11/2023 Passed Assembly Health Committee</p>	CalOptima Health: Watch
<u>AB 1338</u> Petrie-Norris	<p>Community Support: Fitness: Would add fitness, physical activity, or recreational sports programs, activities, or memberships as a Medi-Cal Community Support option.</p> <p>Potential CalOptima Health Impact: New services available for CalOptima Health Medi-Cal members to address SDOH.</p>	<p>01/19/2024 Died in Assembly Appropriations Committee</p> <p>04/18/2023 Passed Assembly Health Committee</p>	CalOptima Health: Watch
Covered Benefits			
<u>SB 324</u> Limón	<p>Endometriosis: Would add any clinically indicated treatment for endometriosis as a covered benefit without prior authorization or other utilization review.</p> <p>Potential CalOptima Health Impact: Expanded covered benefit for CalOptima Health Medi-Cal members.</p>	<p>06/27/2023 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p> <p>05/24/2023 Passed Senate floor</p>	CalOptima Health: Watch CAHP: Oppose
<u>SB 339</u> Wiener	<p>Human Immunodeficiency Virus (HIV) Preexposure Prophylaxis (PrEP) and Postexposure Prophylaxis (PEP): Increases Medi-Cal coverage of PrEP and PEP furnished by a <i>pharmacist</i> from a 60-day maximum course to a 90-day maximum course, which could be further extended under certain conditions.</p> <p>Potential CalOptima Health Impact: Expanded Medi-Cal Rx benefit for CalOptima Health Medi-Cal members.</p>	<p>02/06/2024 Signed into law</p>	CalOptima Health: Watch CAHP: Oppose
<u>SB 953</u> Menjivar	<p>Menstrual Products: Would add menstrual products as covered Medi-Cal benefits.</p> <p>Potential CalOptima Health Impact: New covered benefits for CalOptima Health Medi-Cal members.</p>	<p>03/20/2024 Passed Senate Health Committee; referred to Senate Appropriations Committee</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 1180</u> Ashby	<p>Emergency Medical Services: Would require health plans to cover services provided by a community paramedicine program, triage to alternate destination program and mobile integrated health program.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded covered benefits for CalOptima Health Medi-Cal members.</p>	02/14/2024 Introduced; referred to Senate Health Committee	CalOptima Health: Watch CAHP: Oppose
<u>AB 47</u> Boerner	<p>Pelvic Floor Physical Therapy: Beginning January 1, 2024, would require health plans to provide coverage for pelvic floor physical therapy after pregnancy.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefit for CalOptima Health Medi-Cal members.</p>	01/12/2024 Died in Assembly Health Committee	CalOptima Health: Watch CAHP: Oppose
<u>AB 365</u> Aguilar-Curry	<p>Continuous Glucose Monitors (CGMs): Would add CGMs and related supplies as a covered Medi-Cal benefit for the treatment of diabetes when medically necessary, subject to utilization controls. Would also allow DHCS to require a manufacturer of CGMs to enter into a rebate agreement with DHCS.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded covered benefits for CalOptima Health Medi-Cal members.</p>	<p>08/21/2023 Re-referred to Senate floor</p> <p>06/21/2023 Passed Senate Health Committee; referred to Senate Appropriations Committee</p> <p>05/31/2023 Passed Assembly floor</p>	CalOptima Health: Watch CalPACE: Support
<u>AB 1036</u> Bryan	<p>Emergency Medical Transportation: Would require a physician to certify upon patient arrival at an emergency room via emergency medical transportation whether an emergency medical condition existed and required emergency medical transportation. If certified, would require a health plan to provide coverage for emergency medical transportation.</p> <p><i>Potential CalOptima Health Impact:</i> Increased CalOptima Health costs for reimbursement of emergency transportation services.</p>	01/12/2024 Died in Assembly Health Committee	CalOptima Health: Watch
<u>AB 1975</u> <u>(AB 1644)</u> Bonta	<p>Medically Supportive Food: Would add medically supportive food and nutrition intervention plans as covered Medi-Cal benefits, when determined to be medically necessary to a patient's medical condition by a provider or plan. The benefit would be based in part on the following Community Support offered through CalAIM: Medically Tailored Meals.</p> <p><i>Potential CalOptima Health Impact:</i> Formalization and expansion of certain Community Support services as covered benefits for eligible CalOptima Health Medi-Cal members.</p>	<p>04/16/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p> <p>01/30/2024 Re-introduced as AB 1975</p> <p>01/19/2024 Died in Assembly Appropriations Committee as AB 1644</p>	CalOptima Health: Watch LHPC: Support CAHP: Support

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 2105</u> <u>(AB 907)</u> Lowenthal	<p>PANDAS and PANS: Beginning January 1, 2025, would require a health plan to provide coverage for prophylaxis, diagnosis and treatment of Pediatric Autoimmune Neuropsychiatric Disorder Associated with Streptococcal Infections (PANDAS) and Pediatric Acute-onset Neuropsychiatric Syndrome (PANS) prescribed or ordered by a provider.</p> <p><i>Potential CalOptima Health Impact:</i> New covered benefit for pediatric CalOptima Health Medi-Cal members.</p>	<p>04/16/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p> <p>02/05/2024 Re-introduced as AB 2105</p> <p>10/07/2023 Vetoed as AB 907 <i>(see veto message)</i></p>	CalOptima Health: Watch CAHP: Oppose
<u>AB 2446</u> Ortega	<p>Diapers: Would add diapers as a covered Medi-Cal benefit for the following individuals:</p> <ul style="list-style-type: none"> • Infants or toddlers with certain conditions such as urinary tract infection and colic, among others • Children greater than three years of age diagnosed with a condition that contributes to incontinence • Other individuals under 21 years of age to address a condition pursuant to EPSDT standards <p><i>Potential CalOptima Health Impact:</i> New covered benefit for pediatric CalOptima Health Medi-Cal members.</p>	<p>04/02/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p>	CalOptima Health: Watch
<u>AB 2668</u> Berman	<p>Cranial Prostheses: Beginning January 1, 2025, would add cranial prostheses as a covered Medi-Cal benefit as part of a prescribed course of treatment for individuals experiencing permanent or temporary medical hair loss. Coverage would be limited to a maximum of \$750 for each instance, no more than once per year.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded covered benefit for CalOptima Health Medi-Cal members.</p>	<p>03/04/2024 Introduced; referred to Assembly Health Committee</p>	CalOptima Health: Watch CAHP: Oppose
<u>AB 2843</u> Petrie-Norris	<p>Rape and Sexual Assault Care: Would require a health plan to provide coverage without cost-sharing for emergency room medical care and follow-up treatment following a rape or sexual assault. Would also prohibit a health plan from requiring members to provide a police report or press charges for rape or sexual assault in order to receive care.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded covered benefits for CalOptima Health Medi-Cal members.</p>	<p>03/04/2024 Introduced; referred to Assembly Health Committee</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Medi-Cal Eligibility and Enrollment			
<p><u>S. 423</u> Van Hollen (MD)</p> <p><u>H.R. 1113</u> Bera (CA)</p>	<p>Easy Enrollment in Health Care Act: To streamline and increase enrollment into public health insurance programs, would allow taxpayers to request their federal income tax returns include a determination of eligibility for Medicaid, the Children’s Health Insurance Program (CHIP) or advance premium tax credits to purchase insurance through a health plan exchange. Taxpayers could also consent to be automatically enrolled into any such program or plan if they were subject to a zero net premium. Would also make individuals eligible for Medicaid or CHIP based on a prior finding of eligibility for the Temporary Assistance for Needy Families program or the Supplemental Nutrition Assistance Program.</p> <p>Potential CalOptima Health Impact: Expanded eligibility standards and procedures for enrollment of CalOptima Health members.</p>	<p>02/14/2023 Introduced; referred to committees</p>	<p>CalOptima Health: Watch</p>
<p><u>SB 1112</u> Menjivar</p>	<p>Families with Subsidized Childcare: Would require DHCS and the California Department of Social Services (CDSS) to assist families receiving subsidized childcare with the Medi-Cal enrollment of a child who is eligible but not a beneficiary. Additionally, the child would be referred to developmental screenings that are available under EPSDT services.</p> <p>Potential CalOptima Health Impact: Expanded procedures for enrollment of pediatric CalOptima Health members.</p>	<p>04/15/2024 Passed Senate Human Services Committee; referred to Senate Appropriations Committee</p> <p>03/20/2024 Passed Senate Health Committee</p>	<p>CalOptima Health: Watch</p>
<p><u>SB 1289</u> Roth</p>	<p>Medi-Cal County Call Center: Would require DHCS to establish statewide minimum standards for assistance provided by county call centers to individuals applying for, renewing, or requesting help in obtaining or maintaining Medi-Cal coverage.</p> <p>Potential CalOptima Health Impact: Increased resources for CalOptima Health members; increased number of CalOptima Health members as a result of additional new enrollments and fewer disenrollments.</p>	<p>04/03/2024 Referred to Senate Health Committee</p> <p>02/15/2024 Introduced</p>	<p>CalOptima Health: Watch</p>
<p><u>AB 1608</u> Patterson</p>	<p>Regional Center Clients: Would exempt from mandatory Medi-Cal MCP enrollment any dual-eligible and non-dual-eligible Medi-Cal beneficiaries who receive services from a regional center and use the Medi-Cal fee-for-service (FFS) delivery system as secondary form of health coverage.</p> <p>Potential CalOptima Health Impact: Decreased number of CalOptima Health members.</p>	<p>01/12/2024 Died in Assembly Health Committee</p>	<p>CalOptima Health: Watch</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1783</u> Essayli	<p>Unsatisfactory Immigration Status: States the intent of the Legislature to enact legislation to prohibit state funding of health care benefits for individuals with unsatisfactory immigration status.</p> <p>Potential CalOptima Health Impact: Decreased number of CalOptima Health members</p>	01/04/2024 Introduced	CalOptima Health: Watch
<u>AB 2956</u> Boerner	<p>Adult Continuous Eligibility and Redetermination: Would require DHCS to seek federal approval to extend continuous Medi-Cal eligibility to individuals over 19 years of age. Would also require a county to attempt communication through all additional available channels before completing a redetermination and to conduct an additional review of information in an attempt to renew eligibility without needing a response., Would require counties to accept self-attested information from beneficiary for the purpose of income verification during a redetermination.</p> <p>Potential CalOptima Health Impact: Expanded eligibility standards and procedures for enrollment and re-enrollment of CalOptima Health members.</p>	04/16/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee	CalOptima Health: Watch LHPC: Support
Medi-Cal Operations and Administration			
<u>H.R. 2811</u> Arrington (TX)	<p>Limit, Save, Grow Act of 2023: Would require Medicaid beneficiaries ages 19–55 without dependents to work, complete community service and/or participate in a work training program for at least 80 hours per month for at least three months per year. Exemptions would be provided for those who are pregnant, physically or mentally unfit for employment, complying with work requirements under a different federal program, participating in a drug or alcohol treatment program, or enrolled in school at least half-time.</p> <p>HHS estimates that 294,981 Medi-Cal beneficiaries in Orange County would be subject to the proposed work requirements without an exemption.</p> <p>Potential CalOptima Health Impact: Disenrollment of certain CalOptima Health Medi-Cal members, especially those who experience homelessness, who are not exempt from work requirements.</p>	04/26/2023 Passed House floor; referred to Senate Budget Committee	CalOptima Health: Concerns ACAP: Oppose
<u>SB 1120</u> Becker	<p>Artificial Intelligence (AI) in Utilization Review: Would require health plans to ensure that a licensed physician supervises the use of AI decision-making tools when those tools are used to inform decisions to approve, modify or deny requests by providers for prior authorization.</p> <p>Potential CalOptima Health Impact: Implementation of new utilization management (UM) procedures</p>	04/11/2024 Passed Senate Health Committee; referred to Senate Appropriations Committee	CalOptima Health: Watch CAHP: Concern

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1690</u> Kalra	<p>Universal Health Care Coverage: States the intent of the Legislature to guarantee accessible, affordable, equitable and high-quality health care for all Californians through a comprehensive universal single-payer health care program.</p> <p>Potential CalOptima Health Impact: Unknown but potentially significant impacts to the Medi-Cal and commercial health care delivery systems, including changes to administration, covered benefits, financing and organization.</p>	<p>01/19/2024 Died without referral to committee</p>	<p>CalOptima Health: Watch</p>
<u>AB 2200</u> Kalra	<p>Guaranteed Health Care for All: Would create the California Guaranteed Health Care for All program, or CalCare, to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of California.</p> <p>Potential CalOptima Health Impact: Unknown but potentially significant impacts to the Medi-Cal and commercial health care delivery systems, including changes to administration, covered benefits, financing and organization.</p>	<p>02/07/2024 Introduced; referred to Assembly Health Committee</p>	<p>CalOptima Health: Watch CAHP: Oppose</p>
<u>AB 2340</u> Bonta	<p>Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Informational Materials: Would require DHCS to standardize informational materials that effectively explain and clarify the scope and nature of EPSDT services that are available under the Medi-Cal program, including content designed for youth. Would require a Medi-Cal MCP to provide the informational materials to EPSDT-eligible beneficiaries and their parents within 60 days of initial Medi-Cal eligibility determination and annually thereafter.</p> <p>Potential CalOptima Health Impact: Standardization and increased number of mailings to certain CalOptima Health Medi-Cal members.</p>	<p>04/16/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p>	<p>CalOptima Health: Watch</p>
<u>AB 2466</u> Carrillo	<p>Network Adequacy Standards: Would deem a Medi-Cal MCP out of compliance with appointment time standards if either of the following are true:</p> <ul style="list-style-type: none"> • Fewer than 85% of network providers had an appointment available within the standards • DHCS receives information establishing that the plan was unable to deliver timely, available or accessible health care services <p>Would also require health plans to submit an annual renewal request for alternative access standards, describing the efforts made in the previous 12 months to mitigate or eliminate circumstances that justify the use of an alternative access standard.</p> <p>Potential CalOptima Health Impact: Increased network analysis and reporting to DHCS.</p>	<p>04/16/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p>	<p>CalOptima Health: Watch LHPC: Oppose CAHP: Oppose</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
Older Adult Services			
<u>S. 1002</u> Cassidy (LA)	<p>No Unreasonable Payments, Coding, or Diagnoses for the Elderly (No UPCODE) Act: Would modify the MA risk adjustment model to prevent overpayment to MA plans, as follows:</p> <ul style="list-style-type: none"> • Utilization of two years instead of one of diagnostic data • Exclusion of outdated diagnoses solely included on health risk assessments • Coding adjustment to account for other payment differences between MA and Medicare FFS <p><i>Potential CalOptima Health Impact:</i> Decreased reimbursement rates from the CMS for CalOptima Health OneCare members.</p>	<p>03/28/2023 Introduced; referred to Senate Finance Committee</p>	<p>CalOptima Health: Watch</p>
<u>S. 1703</u> Carper (DE) <u>H.R. 3549</u> Wenstrup (OH)	<p>Program of All-Inclusive Care for the Elderly (PACE) Part D Choice Act of 2023: Would allow a Medicare-only PACE participant to opt out of drug coverage provided by the PACE program and instead enroll in a standalone Medicare Part D prescription drug plan that results in equal or lesser out-of-pocket costs. PACE programs would be required to educate their participants about this option.</p> <p><i>Potential CalOptima Health Impact:</i> Increased enrollment into CalOptima Health PACE by Medicare-only beneficiaries due to decreased out-of-pocket costs.</p>	<p>05/18/2023 Introduced; referred to committees</p>	<p>08/30/2023 CalOptima Health: SUPPORT</p> <p>NPA: Support</p>
<u>S. 3950</u> Cassidy (LA)	<p>Delivering Unified Access to Lifesaving Services (DUALS) Act of 2024: Would require each state to develop and implement a comprehensive, integrated health plan for beneficiaries dually eligible for Medicaid and Medicare. Would also expand PACE coverage nationwide to individuals under the age of 55 as well as allow PACE enrollment at any time of the month.</p> <p><i>Potential CalOptima Health Impact:</i> Increased coordination and benefits for dually eligible CalOptima Health members; increased enrollment into CalOptima Health PACE.</p>	<p>03/14/2024 Introduced; referred to Senate Finance Committee</p>	<p>CalOptima Health: Watch</p>
<u>AB 1022</u> Mathis	<p>PACE Rates and Assessments: Would require PACE capitation rates to also reflect the frailty level and risk associated with participants. In addition, would expand a PACE organization’s authority to use video telehealth to conduct all assessments.</p> <p><i>Potential CalOptima Health Impact:</i> Increased capitation rates for CalOptima Health PACE participants; expanded use of video telehealth assessments.</p>	<p>01/12/2024 Died in Assembly Health Committee</p>	<p>CalOptima Health: Watch</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1223</u> Hoover	<p>PACE Audits: Would require DHCS to perform program audits of PACE organizations and to develop and maintain standards, rules and auditing protocols, including related to data collection, technical assistance, formal decisions and enforcement of non-compliance.</p> <p>Potential CalOptima Health Impact: Modified audit protocols for CalOptima Health PACE.</p>	01/12/2024 Died in Assembly Health Committee	CalOptima Health: Watch
<u>AB 1230</u> Valencia	<p>Special Needs Plans (SNPs): No later than January 1, 2025, would require DHCS to offer contracts to health plans for Highly Integrated Dual Eligible Special Needs Plans (HIDE-SNPs) and Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs) to provide care to dual eligible beneficiaries.</p> <p>Potential CalOptima Health Impact: Increased number of SNPs in Orange County; decreased number of CalOptima Health OneCare members.</p>	01/12/2024 Died in Assembly Health Committee	CalOptima Health: Watch LHPC: Oppose
Providers			
<u>S. 3059</u> Bennet (CO)	<p>Requiring Enhanced & Accurate Lists of (REAL) Health Providers Act: Effective plan year 2026, would require MA plans to update and ensure accurate provider directory information at least once every 90 days. If a plan is unable to verify such information for a specific provider, a disclaimer indicating that the information may not be up to date is required. Would also require the removal of a provider from a directory within five business days if the plan determines they are no longer participating in the network.</p> <p>Potential CalOptima Health Impact: Increased staff oversight of CalOptima Health's OneCare provider directory.</p>	10/17/2023 Introduced; referred to Senate Finance Committee	CalOptima Health: Watch
<u>H.R. 497</u> Duncan (SC)	<p>Freedom for Health Care Workers Act: would repeal the rule issued by CMS on November 5, 2021, that requires health care providers participating in the Medicare and Medicaid programs to ensure staff are fully vaccinated against COVID-19.</p> <p>Potential CalOptima Health Impact: Elimination of COVID-19 vaccination mandate for CalOptima Health PACE staff and contracted providers.</p>	01/31/2023 Passed House floor; referred to Senate Finance Committee	CalOptima Health: Watch
<u>H.R. 7149</u> Steel (CA)	<p>Equal Access to Specialty Care Everywhere (EASE) Act of 2024: Would use existing Center for Medicare and Medicaid Innovation funds to test a virtual specialty network dedicated to providing a range of virtual modalities in partnership with primary care providers in underserved and rural communities, including Federally Qualified Health Centers (FQHCs).</p> <p>Potential CalOptima Health Impact: Expanded telehealth access for CalOptima Health members.</p>	01/30/2024 Introduced; referred to House Energy and Commerce Committee	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 516</u> <u>(SB 598)</u> Skinner	<p>Prior Authorization “Gold Carding”: Beginning January 1, 2026, would prohibit a health plan from requiring a contracted provider to obtain a prior authorization for any services if the plan approved or would have approved no less than 90% of the prior authorization requests submitted by the provider in the most recent one-year contracted period. Would also broadly prohibit prior authorization requirements for any services approved by a health plan at least 95% of the time.</p> <p>Potential CalOptima Health Impact: Implementation of new UM procedures to assess provider approval rates; decreased number of prior authorizations.</p>	<p>09/14/2023 SB 516 gutted and amended as new vehicle for SB 598; re-referred to Assembly Appropriations Committee</p> <p>07/11/2023 Passed Assembly Health Committee</p> <p>05/25/2023 Passed Senate floor</p>	<p>08/30/2023 CalOptima Health: OPPOSE</p> <p>LHPC: Oppose CAHP: Oppose</p>
<u>SB 819</u> Eggman	<p>Medi-Cal Mobile Health Care Site Enrollment: Would exempt intermittent or mobile health care sites from enrolling in Medi-Cal as a separate provider if operated by a government-operated primary care clinic that is exempt from licensure by the California Department of Public Health (CDPH).</p> <p>Potential CalOptima Health Impact: Expansion of intermittent and mobile health care sites; increased access to care for CalOptima Health members.</p>	<p>08/16/2023 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>07/11/2023 Passed Assembly Health Committee</p> <p>05/04/2023 Passed Senate floor</p>	<p>CalOptima Health: Watch</p>
<u>SB 1268</u> Nguyen, J.	<p>Medi-Cal Safety Net Provider Contracts: Would require a Medi-Cal MCP to offer and maintain a network provider contract with each safety net provider operating within the MCP’s geographic service areas unless the safety net provider cannot provide necessary scope of services due to specified, covered reasons. Would prohibit a Medi-Cal MCP from initiating a contract termination for any reason.</p> <p>Potential CalOptima Health Impact: Revision of current provider contract language; decreased oversight and accountability of contracted providers.</p>	<p>04/03/2024 Referred to Senate Health Committee</p> <p>02/15/2024 Introduced</p>	<p>04/15/2024 CalOptima Health: OPPOSE</p> <p>LHPC: Oppose CAHP: Oppose</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 236</u> Holden	<p>Provider Directory Audits: Would require health plans to annually verify and delete inaccurate listings from its provider directories. Would also require a provider directory to be 60% accurate by January 1, 2025, with increasing percentage accuracy each year until the directories are 95% accurate by January 1, 2028. In addition, plans would be subject to penalties for failure to meet the prescribed benchmarks and for each inaccurate listing in its directories. Further, beginning July 1, 2025, would require plans to delete a provider from its directory if a plan has not reimbursed the provider in the prior year. Would also require a plan to arrange care for all covered health services provided to a beneficiary who reasonably relied on inaccurate, incomplete or misleading information contained in a plan’s provider directory as well as require the plan reimburse the provider the contracted amount for those services.</p> <p>Potential CalOptima Health Impact: Increased oversight of CalOptima Health provider directory; increased coordination with contracted providers; increased penalty payments to DHCS.</p>	<p>01/30/2024 Passed Assembly floor; referred to Senate Rules Committee</p>	<p>CalOptima Health: Watch LHPC: Oppose CAHP: Oppose</p>
<u>AB 564</u> Villapudua	<p>Medi-Cal Claim Signatures: Would allow Medi-Cal providers to submit electronic signatures for claims and remittance forms.</p> <p>Potential CalOptima Health Impact: Reduced administrative burden for CalOptima Health contracted providers.</p>	<p>06/14/2023 Referred to Senate Health Committee</p> <p>05/31/2023 Passed Assembly floor</p>	<p>CalOptima Health: Watch</p>
<u>AB 815</u> Wood	<p>Provider Credentialing: Would require CalHHS to create a provider credentialing board that certifies entities to credential providers in lieu of a health plan’s credentialing process, effective July 1, 2025. Would require a health plan to accept a credential from such entities without imposing additional criteria and to pay a fee to such entities based on the number of contracted providers credentialed. Health plans could use their own credentialing processes for any providers who are not credentialed by certified entities.</p> <p>Potential CalOptima Health Impact: Reduced credentialing application workload for CalOptima Health staff; reduced quality oversight of contracted providers.</p>	<p>06/07/2023 Referred to Senate Health Committee</p> <p>05/30/2023 Passed Assembly floor</p>	<p>CalOptima Health: Watch LHPC: Oppose Unless Amended CAHP: Concerns</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 1842</u> <u>(AB 1288)</u> Reyes	<p>Medication-Assisted Treatment Prior Authorization: Would prohibit health plans from requiring prior authorization for a naloxone product, buprenorphine product, methadone or long-acting injectable naltrexone for detoxification or maintenance treatment of an SUD, when prescribed according to generally accepted national professional guidelines.</p> <p>Potential CalOptima Health Impact: Modified UM procedures for a covered Medi-Cal benefit.</p>	<p>04/10/2024 Passed Assembly Appropriations Committee; referred to Assembly floor</p> <p>03/19/2024 Passed Assembly Health Committee</p> <p>01/16/2024 Re-introduced as AB 1842</p> <p>10/08/2023 Vetoed as AB 1288 (see veto message)</p>	CalOptima Health: Watch CAHP: Oppose
<u>AB 2110</u> Arambula	<p>Adverse Childhood Experiences (ACEs) Trauma Screenings: Would include Medi-Cal enrolled community-based organizations and local health jurisdictions that provide health services through community health workers and doulas as providers qualified to provide and eligible to receive payments for ACEs trauma screenings.</p> <p>Potential CalOptima Health Impact: Increased access to care for eligible CalOptima Health Medi-Cal members; additional provider contracting and credentialing.</p>	<p>04/09/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p>	CalOptima Health: Watch LHPC: Support
<u>AB 2129</u> Petrie-Norris	<p>Immediate Postpartum Contraception: No later than January 1, 2025, would authorize a provider to separately bill for devices, implants or professional services, or a combination of both, associated with immediate postpartum contraception if the birth takes place in a general acute care hospital or accredited birthing center.</p> <p>Potential CalOptima Health Impact: Modified UM procedures for a covered Medi-Cal benefit.</p>	<p>04/15/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p>	CalOptima Health: Watch
<u>AB 2339</u> Aguiar-Curry	<p>Medi-Cal Asynchronous Telehealth: Would expand telehealth capabilities to include asynchronous electronic transmission initiated directly by patients, including through mobile telephone applications. Would also authorize a health care provider to establish a new patient relationship using asynchronous store and forward when requested by the patient.</p> <p>Potential CalOptima Health Impact: Expanded telehealth capabilities for CalOptima Health Medi-Cal members.</p>	<p>04/02/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 2726</u> Flora	<p>Telehealth and Specialty Care Network: Would require CalHHS to establish a demonstration project for a telehealth and other virtual services specialty care network for patients of certain safety-net providers, including community health centers and critical access hospitals. The project would focus on increasing access to behavioral and maternal health services as well as other specialties prioritized by CalHHS.</p> <p><i>Potential CalOptima Health Impact:</i> Expanded telehealth capabilities and virtual specialty networks.</p>	<p>02/14/2024 Introduced; referred to Assembly Health Committee</p>	<p>CalOptima Health: Watch</p>
Rates & Financing			
<u>S. 570</u> Cardin (MD) <u>H.R. 1342</u> Barragan (CA)	<p>Medicaid Dental Benefit Act of 2023: Would require state Medicaid programs to cover dental and oral health services for adults. Would also increase the Federal Medical Assistance Percentage (FMAP) (i.e., federal matching rate) for such services. CMS would be required to develop oral health quality and equity measures and conduct outreach relating to dental and oral health coverage.</p> <p><i>Potential CalOptima Health Impact:</i> Increased payments to CalOptima Health and contracted providers; additional quality metrics.</p>	<p>02/28/2023 Introduced; referred to committees</p>	<p>CalOptima Health: Watch</p>
<u>S. 1038</u> Welch (VT) <u>H.R. 1613</u> Carter (GA)	<p>Drug Price Transparency in Medicaid Act of 2023: Would prohibit “spread pricing” for payment arrangements with PBMs under Medicaid. Would also require a pass-through pricing model that focuses on cost-based pharmacy reimbursement and dispensing fees.</p> <p><i>Potential CalOptima Health Impact:</i> Lower costs and increased transparency in drug prices under the Medi-Cal Rx program,</p>	<p>03/29/2023 Introduced; referred to committees</p>	<p>CalOptima Health: Watch</p>
<u>S. 3578</u> Cassidy (LA)	<p>Protect Medicaid Act: Would prohibit federal funding for the administrative costs of providing Medicaid benefits to individuals with unsatisfactory immigration status. If states choose to self-fund such costs, this bill would require states to submit a report describing its funding methods as well as the process utilized to bifurcate its expenditures on administrative costs.</p> <p><i>Potential CalOptima Health Impact:</i> New financial reporting requirements.</p>	<p>01/11/2024 Introduced; referred to Senate Finance Committee</p>	<p>CalOptima Health: Watch</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>H.R. 485</u> McMorris (WA)	<p>Protecting Health Care for All Patients Act of 2023: Would prohibit all federally funded health care programs from using quality-adjusted life years (i.e., measures that discount the value of a life based on disability) to determine coverage and payment determinations for treatments and prescription drugs.</p> <p><i>Potential CalOptima Health Impact:</i> Modified authorization limits for certain CalOptima Health members.</p>	<p>02/07/2024 Passed House; referred to Senate Finance Committee</p> <p>03/24/2023 Passed House Energy and Commerce Committee; referred to House floor</p>	CalOptima Health: Watch
<u>SB 282</u> Eggman	<p>FQHCs and Rural Health Clinic (RHC) Same-Day Visits: Would authorize reimbursement for a maximum of two separate visits that take place on the same day at a single FQHC or RHC site, whether through a face-to-face or telehealth-based encounter (e.g., a medical visit and dental visit on the same day). In addition, would add a licensed acupuncturist within those health care professionals covered under the definition of a “visit.”</p> <p><i>Potential CalOptima Health Impact:</i> Timelier access to services at CalOptima Health’s contracted FQHCs.</p>	<p>07/11/2023 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p> <p>05/25/2023 Passed Senate floor</p>	CalOptima Health: Watch LHPC: Support
<u>SB 340</u> Eggman	<p>Eyeglasses Reimbursement: Would authorize a provider to purchase eyeglasses from a private entity instead of from the Prison Industry Authority for the purpose of Medi-Cal reimbursement for covered optometric services.</p> <p><i>Potential CalOptima Health Impact:</i> Timelier access to prescription eyeglasses for CalOptima Health Medi-Cal members.</p>	<p>06/15/2023 Referred to Assembly Health Committee and Assembly Public Safety Committee</p> <p>05/25/2023 Passed Senate floor</p>	CalOptima Health: Watch
<u>SB 870</u> Caballero	<p>MCO Tax: Would renew the MCO tax on health plans, which expired on January 1, 2023, to an unspecified future date. Would also modify the tax rates to unspecified percentages that are based on the Medi-Cal membership of the health plan.</p> <p><i>Potential CalOptima Health Impact:</i> Increased tax liability on CalOptima Health.</p>	<p>01/19/2024 Died in Senate Appropriations Committee</p> <p>04/26/2023 Passed Senate Health Committee</p>	CalOptima Health: Watch
<u>SB 1423</u> Dahle	<p>Critical Access Hospital Payment Structure: Effective January 1, 2026, would require each critical access hospital that elects to participate in the Medicare rural hospital flexibility program to be reimbursed at 100% of the hospital’s projected allowable costs for covered Medi-Cal services, based on one or more approved reimbursement methodologies.</p> <p><i>Potential CalOptima Health Impact:</i> Modified payments to CalOptima Health contracted critical access hospitals.</p>	<p>02/16/2024 Introduced; referred to Senate Health Committee</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>SB 1492</u> Menjivar	<p>Private Duty Nursing Rate Increases: Would add private duty services, which are provided to a child under 21 years of age by a home health agency, as an eligible category for the purpose of Medi-Cal rate increases from MCO tax revenue.</p> <p><i>Potential CalOptima Health Impact:</i> Increased payments to CalOptima Health contracted home health agencies.</p>	<p>02/16/2024 Introduced; referred to Senate Health Committee</p>	<p>CalOptima Health: Watch</p>
<u>AB 55</u> Rodriguez	<p>Ground Ambulance Transportation: Effective January 1, 2024, would require Medi-Cal MCPs to implement a value-based purchasing model that increases reimbursement to ground ambulance transportation providers who meet certain workforce standards.</p> <p><i>Potential CalOptima Health Impact:</i> Increased financial stability for CalOptima Health’s contracted transportation providers; increased costs for CalOptima Health.</p>	<p>01/19/2024 Died in Assembly Appropriations Committee</p> <p>04/25/2023 Passed Assembly Health Committee</p>	<p>CalOptima Health: Watch</p>
<u>AB 488</u> Nguyen, S.	<p>Vision Loss: Would modify the Skilled Nursing Facility (SNF) Workforce and Quality Incentive Program measures and milestones to include program access, staff training and capital improvement measures aimed at addressing the needs of SNF residents with vision loss.</p> <p><i>Potential CalOptima Health Impact:</i> Modified payments to CalOptima Health contracted SNFs; increased data collection, tracking and reporting requirements; improved quality of life for certain members with vision loss.</p>	<p>01/12/2024 Died in Assembly Health Committee</p>	<p>CalOptima Health: Watch</p>
<u>AB 1549</u> Carrillo	<p>FQHC and RHC Rates: Would require that DHCS’s per-visit rates to FQHCs and RHCs account for costs that are reasonable and related to the provision of covered services, including staffing, the intensity of activities taking place in an average visit, the length or duration of a visit, and the number of activities provided during a visit.</p> <p><i>Potential CalOptima Health Impact:</i> Increased financial stability for CalOptima Health’s contracted FQHCs.</p>	<p>01/19/2024 Died in Assembly Appropriations Committee</p> <p>04/25/2023 Passed Assembly Health Committee</p>	<p>CalOptima Health: Watch</p>
<u>AB 1698</u> Wood	<p>Medi-Cal Funding: States the intent of the Legislature to enact future legislation to increase overall funding and reimbursement for the Medi-Cal program.</p> <p><i>Potential CalOptima Health Impact:</i> Increased financial stability for CalOptima Health and its contracted providers.</p>	<p>01/19/2024 Died without referral to committee</p>	<p>CalOptima Health: Watch</p>

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 2043</u> <u>(AB 719)</u> Boerner	<p>Public Transit Contracts: Would require Medi-Cal MCPs to reimburse public paratransit service operators who are enrolled as Medi-Cal providers at the Medi-Cal FFS rates for nonmedical transportation (NMT) and nonemergency medical transportation (NEMT) services that are not on fixed routes. Would also direct DHCS to issue updated guidance by June 1, 2026, to ensure that the financial burden of these services is not unfairly placed on such operators.</p> <p>Potential CalOptima Health Impact: Increased payments to public paratransit operations for NMT and NEMT services.</p>	<p>04/09/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p> <p>02/01/2024 Re-introduced as AB 2043</p> <p>10/07/2023 Vetoed as AB 719 <i>(see veto message)</i></p>	CalOptima Health: Watch LHPC: Oppose CAHP: Oppose
<u>AB 2303</u> Carrillo	<p>Minimum Wage Add-On Payment: Would require DHCS to develop a minimum wage add-on as an alternative payment methodology to increase rates of payment to community health centers, in order to accommodate increased labor costs resulting from recently enacted minimum wage increases pursuant to SB 525 (2023).</p> <p>Potential CalOptima Health Impact: Increased financial stability for CalOptima Health contracted community health centers.</p>	<p>02/12/2024 Introduced; referred to Assembly Health Committee</p>	CalOptima Health: Watch
<u>AB 2342</u> Lowenthal	<p>Island-Based Critical Access Hospitals: Would require DHCS to provide an annual supplemental payment for covered Medi-Cal services to each critical access hospital that operates on an island that is located more than 10 miles offshore of the mainland coasts of the state but is still within the jurisdiction of the state.</p> <p>Potential CalOptima Health Impact: Increased payments to certain critical access facilities for Medi-Cal services.</p>	<p>02/12/2024 Introduced; referred to Assembly Health Committee</p>	CalOptima Health: Watch
<u>AB 2428</u> Calderon	<p>Community-Based Adult Services (CBAS) Rates: Would require Medi-Cal MCPs to reimburse contracted CBS provider an amount equal to or greater than the Medi-Cal FFS rate. By January 1, 2025, would require a Medi-Cal MCP that had not reimbursed a CBAS provider at such rates to retroactively reimburse the difference for services provided since July 1, 2019.</p> <p>Potential CalOptima Health Impact: Increased payments to CalOptima Health contracted CBAS providers.</p>	<p>04/09/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p>	CalOptima Health: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
<u>AB 3275</u> Soria	<p>Claim Reimbursement: Would require health plans to reimburse a claim, with interest accrued, for a small and rural provider, critical access provider, or distressed provider, within 10 working days after receipt of the claim, unless contested by the plan within five working days.</p> <p>Potential CalOptima Health Impact: Decreased claim review time for CalOptima Health staff; increased interested payments to CalOptima Health contracted providers.</p>	<p>04/17/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p>	<p>CalOptima Health: Watch LHPC: Oppose CAHP: Oppose</p>
Social Determinants of Health			
<u>H.R. 1066</u> Blunt Rochester (DE)	<p>Collecting and Analyzing Resources Integral and Necessary for Guidance (CARING) for Social Determinants Act of 2023: Would require CMS to update guidance at least once every three years to help states address SDOH under Medicaid and CHIP.</p> <p>Potential CalOptima Health Impact: Increased opportunities for CalOptima Health to address SDOH.</p>	<p>02/17/2023 Introduced; referred to House Energy and Commerce Committee</p>	<p>CalOptima Health: Watch</p>
<u>AB 257</u> Hoover	<p>Encampment Restrictions: Would prohibit a person from sitting, lying, sleeping or placing personal property in any street, sidewalk or other public property within 500 feet of a school, daycare center, park or library.</p> <p>Potential CalOptima Health Impact: Increased outreach and support services for unsheltered CalOptima Health Medi-Cal members.</p>	<p>01/19/2024 Died in Assembly Public Safety Committee</p> <p>03/07/2023 Failed passage in Assembly Public Safety Committee</p>	<p>CalOptima Health: Watch</p>
<u>AB 2250</u> <u>(AB 85)</u> Weber	<p>SDOH Screenings: Would add SDOH screenings as a covered Medi-Cal benefit on or after January 1, 2027. Would also require health plans to provide primary care providers with adequate access to community health workers, social workers and peer support specialists. In addition, would require FQHCs and RHCs to be reimbursed for these services at the Med-Cal FFS rate.</p> <p>Potential CalOptima Health Impact: New covered benefits for CalOptima Health Medi-Cal members.</p>	<p>04/02/2024 Passed Assembly Health Committee; referred to Assembly Appropriations Committee</p> <p>02/08/2024 Re-introduced as AB 2250</p> <p>10/07/2023 Vetoed as AB 85 (see veto message)</p>	<p>CalOptima Health: Watch LHPC: Support</p>

2023 Signed Bills

- H.R. 3746 (McHenry [NC])
 - H.R. 5860 (Granger [TX])
 - H.R. 6363 (Granger [TX])
 - SB 43 (Eggman)
 - SB 101 (Skinner)
 - SB 311 (Eggman)
 - SB 326 (Eggman)
 - SB 525 (Durazo)
 - SB 496 (Limón)
 - SB 770 (Wiener)
 - AB 102 (Ting)
 - AB 271 (Quirk-Silva)
 - AB 557 (Hart)
 - AB 118 (Committee on Budget)
 - AB 119 (Committee on Budget)
 - AB 531 (Irwin)
 - AB 425 (Alvarez)
 - AB 847 (Rivas, L.)
 - AB 904 (Calderon)
 - AB 1481 (Boerner)
 - AB 1241 (Weber)
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2023 Vetoed Bills

- SB 257 (Portantino)
 - SB 694 (Eggman)
 - AB 608 (Schiavo)
 - AB 1060 (Ortega)
 - AB 1202 (Lackey)
 - AB 931 (Irwin)
 - AB 576 (Weber)
 - AB 1085 (Maienschein)
 - AB 1451 (Jackson)
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Information in this document is subject to change as bills proceed through the legislative process.

ACAP: Association for Community Affiliated Plans

CAHP: California Association of Health Plans

CalPACE: California PACE Association

LHPC: Local Health Plans of California

NPA: National PACE Association

SNP Alliance: Special Needs Plan Alliance

Last Updated: April 18, 2024

2024 Federal Legislative Dates

January 8	118th Congress, 2nd Session convenes
August 5–September 6	Summer recess
September 30–November 11	Fall recess
December 20	118th Congress adjourns

Source: Floor Calendars, United States Congress: <https://www.congress.gov/calendars-and-schedules>

2024 State Legislative Dates

January 3	Legislature reconvenes
January 10	Proposed budget must be submitted by Governor
January 12	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2023
January 19	Last day for any committee to hear and report to the floor any bill introduced in that house in 2023
January 31	Last day for each house to pass bills introduced in that house in 2023
February 16	Last day for legislation to be introduced in 2024
March 21–March 30	Spring recess
April 26	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2024
May 3	Last day for policy committees to hear and report to the Floor any non-fiscal bills introduced in that house in 2024
May 17	Last day for fiscal committees to hear and report to the Floor any bills introduced in that house in 2024
May 20–24	Floor session only
May 24	Last day for each house to pass bills introduced in that house in 2024
June 15	Budget bill must be passed by midnight
July 3	Last day for policy committees to hear and report bills in their second house to fiscal committees or the Floor
July 3–August 4	Summer recess
August 16	Last day for fiscal committees to report bills in their second house to the Floor
August 19–31	Floor session only
August 23	Last day to amend bills on the Floor
August 31	Last day for each house to pass bills; final recess begins upon adjournment
September 30	Last day for Governor to sign or veto bills passed by the Legislature

Source: 2024 Legislative Deadlines, California State Assembly: <http://assembly.ca.gov/legislativedeadlines>

About CalOptima Health

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

CalOptima Health Community Outreach Summary — April and May 2024

Background

CalOptima Health is committed to serving the community by sharing information with current and potential members and strengthening relationships with community partners. To this end, our team attends community coalitions, collaborative meetings and advisory groups as well as supports our community partners' public activities. Participation includes providing Medi-Cal educational materials and, if criteria is met, financial support and/or CalOptima Health-branded items.

CalOptima Health's participation in public activities promotes:

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

Community Outreach Highlight

On April 27, CalOptima Health partnered with Santa Ana College, Orange County Supervisor Vicente Sarmiento (2nd District), Congressmember Lou Correa (46th District), Senator Tom Umberg (34th District), Assemblymembers Avelino Valencia (68th District) and Tri Ta (70th District), and Santa Ana City Council Member Johnathan Ryan Hernandez (5th Ward) to organize a Community Resource Fair and Naloxone Distribution Event at Santa Ana College. The event offered attendees support with the Adult Medi-Cal Expansion and Medi-Cal renewals as well as CalFresh enrollment. Staff from CalOptima Health and Orange County Health Care Agency were onsite to distribute life-saving naloxone as well as provide education on how to administer the medication to restore breathing in someone who is experiencing a potential overdose situation. Additional resources were offered in collaboration with community organizations, such as diaper and food distribution. Families also enjoyed fun activities, such as live music performances, face-painting and balloons.

Summary of Public Activities

As of April 16, CalOptima Health plans to participate in, organize or convene 88 public activities in April and May. In April, there were 55 public activities, including 17 virtual community/collaborative meetings, nine community-based presentations, 27 community events, one Cafecito and one Health Network Forum. In May, there will be 33 public activities, including 19 virtual community/collaborative meetings, five community-based presentations, eight community events and one Health Network Forum. A summary of the agency's participation in community events throughout Orange County is attached.

Endorsements

CalOptima Health provided three endorsements since the last reporting period (e.g., letters of support, program/public activity events with support or use of name/logo). Endorsement requests must meet the

requirements of CalOptima Health’s Policy AA.1214: Guidelines for Endorsements by CalOptima Health, for Letters of Support and Use of CalOptima Health’s Name and Logo. More information about policy requirements can be found at:

<https://www.caloptima.org/en/About/CommunityRelations/CommunityOutreach.aspx>.

1. Letter of support for Chrysalis’ application for funding for the Housing and Homelessness Incentive Program.
2. Letter of support for Illumination Foundation’s application for the Homeless Prevention and Stabilization Pilot Program
3. Letter of support for PATH’s application for the Homeless Prevention and Stabilization Pilot Program

For additional information or questions, contact CalOptima Health Community Relations Director Tiffany Kaaiakamanu at 714-222-0637 or tkaaiakamanu@caloptima.org.

Community events hosted by CalOptima Health and community partners in April and May 2024:

April 2024



April 3, 6–7 p.m., CalOptima Health Medi-Cal Overview in English

Assistance League of Santa Ana, 1037 W. 1st St., Santa Ana

- At least one staff member presented (in person).
- Community-based organization presentation, open to members/community.



April 4, 10–11 a.m., CalOptima Health Medi-Cal Overview in Spanish

Benjamin Beswick Elementary School, 1362 Mitchell Ave., Tustin

- At least one staff member presented (in person).
- Community-based organization presentation, open to members/community.



April 5, 8–9 a.m., CalOptima Health Medi-Cal Overview in English

Orangewood Foundation, 1615 E. 17th St., Santa Ana

- At least one staff member presented (in person).
- Community-based organization presentation, open to members/community.



April 6, 9 a.m.–1 p.m., Annual Cambodian New Year Celebration, hosted by The Cambodian Family Community Center

The Cambodian Family Community Center, 1626 W. 4th St., Santa Ana

- Sponsorship fee: \$500; included resource table, logo on event flyer and social media promotion.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 7, 9 a.m.–Noon, Health Fair, hosted by the Second Baptist Church

Second Baptist Church, 4300 Westminster Ave., Santa Ana

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 9, 4:30–6 p.m., Anaheim Mobile FRC, hosted by the Anaheim Neighborhood and Human Services

Athena/Sunburst, Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



CalOptima Health-hosted
Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



April 10, 11 a.m.–1 p.m., Health and Wellness Resource Fair, hosted by Golden West College

Golden West College, 15744 Goldenwest St., Huntington Beach

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 13, 9 a.m.–1 p.m., Community Resource Fair, hosted by the County of Orange Social Services Agency (SSA) and the Offices of OC Supervisor Vicente Sarmiento, Council Member Thai Viet Pham, and Assemblymember Avelino Valencia

Valley High School, 1801 S. Greenville St., Santa Ana

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 13, 4:30–6 p.m., Blossoming Together, hosted by the Office of Wellness and Suicide Prevention

Irvine Great Park, 8000 Great Park Blvd., Irvine

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 13, 12:30–1:30 p.m., Together4Teens Conference, hosted by the Wellness and Prevention Center

Capistrano Valley High School, 26301 Via Escolar, Mission Viejo

- Sponsorship fee: \$500; included resource table at event, mention in e-newsletter and social media posts, logo on event flyer, opportunity to place own promotional items in resource bag, and 1/4-page digital program ad.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 14, 9 a.m.–2 p.m., Fifth Annual Peace Conference, hosted by Access California Services

Access California, 300 W. Carl Karcher Way, Anaheim

- Sponsorship fee: \$3,000; included a resource table at event, logo on marketing materials and acknowledgement at the event.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 16, 9 a.m.–2 p.m., Afghan Support Center, hosted by Cherokee Federal

Anaheim Marriott, 700 W. Convention Way, Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 17, 9 a.m.–Noon, The Flavors of Health, hosted by CalOptima Health

Northgate Market, 230 N. Harbor Blvd., Santa Ana

- At least four staff members attended (in person).
- Health/resource fair, open to the public.



CalOptima Health-hosted



Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation

**April 17, 10 a.m.–2 p.m., Education Fair, hosted by the Wellness Center West**

Wellness Center West, 11277 Garden Grove Blvd., Suite 101A, Garden Grove

- At least one staff member attended (in person).
- Health/resource fair, open to the public.

**April 17, 10–11 a.m., CalOptima Health Medi-Cal Overview in English**

Anaheim Elementary Online Academy, Virtual

- At least one staff member presented.
- Community-based organization presentation, open to members/community.

**April 17, 2–3 p.m., CalOptima Health Medi-Cal Overview in English**

Anaheim Elementary Online Academy, Virtual

- At least one staff member presented.
- Community-based organization presentation, open to members/community.

**April 17, 3:30–7 p.m., Blue Ribbon Event, hosted by South Orange County Family Resource Center**

South Orange County Family Resource Center, 22481 Aspan St., Suite B, Lake Forest

- At least one staff member attended (in person).
- Health/resource fair, open to the public.

**April 18, 9 a.m.–2 p.m., Afghan Support Center, hosted by Cherokee Federal**

Anaheim Marriott, 700 W. Convention Way, Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.

**April 18, 1:30–2:30 p.m., CalOptima Health Medi-Cal Overview in Spanish**

Anaheim Elementary Online Academy, 2000 W. Ball Rd., Anaheim

- At least one staff member presented (in person).
- Community-based organization presentation, open to members/community.

**April 18, 4:30–6 p.m., Anaheim Mobile FRC, hosted by the Anaheim Neighborhood and Human Services**

Philadelphia/Olive, Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.

**April 20, 9 a.m.–2 p.m., Afghan Support Center, hosted by Cherokee Federal**

Anaheim Marriott, 700 W. Convention Way, Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



CalOptima Health-hosted



Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



April 20, 10 a.m.–1 p.m., Health and Wellness Fair, hosted by the City of Fullerton

Fullerton Community Center, 340 W. Commonwealth Ave., Fullerton

- Registration fee: \$100; included resource table at the event.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 20, 11 a.m.–3 p.m., Dia de los Niños/ Day of the Child and Family Resource Fair Event, hosted by Bikers Against Child Abuse in collaboration with Higher Ground and The Raise Foundation

Lincoln Park, 1535 E. Broadway, Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 20, 11 a.m.–3 p.m., Health Fair, hosted by First 5 Orange County and University of California, Irvine (UCI)

New Hope Presbyterian, 2580 W. Orange Ave., Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 23, 9–10:30 a.m., Cafecito Meeting, hosted by CalOptima Health

Virtual

- At least eight staff members attended.
- Steering committee meeting, open to collaborative members.



April 24, 9 a.m.–Noon, The Flavors of Health, hosted by CalOptima Health

Northgate Market, 2030 E. Lincoln Ave., Anaheim

- At least four staff members attended (in person).
- Health/resource fair, open to the public.



April 24, 1:30–2:30 p.m., CalOptima Health Medi-Cal Overview in Spanish

Kid Works Orange County, Virtual

- At least one staff member presented.
- Community-based organization presentation, open to members/community.



April 24, 5–7:30 p.m., Abilities Awareness Event, hosted by Irvine Unified School District

Woodbridge High School, 2 Meadowbrook, Irvine

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



CalOptima Health-hosted



Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



April 24 and 25, 5–7:30 p.m., 2024 Virtual Health Summit, hosted by Family Voices of California (FVCA)

Virtual

- Sponsorship fee: \$5,000; included verbal recognition at event; logo on pre-event marketing materials; logo at the event, including slides, handouts and event website; and CalOptima Health collateral materials to be shared with event attendees via newsletter, listserv and through FVCA Family Resource Centers.
- Health/resource fair, open to the public.



April 26, 8 a.m.–5 p.m., Meeting of the Minds Health Conference, hosted by the Mental Health Association of Orange County

Anaheim Marriott Hotel, 700 W. Convention Way, Anaheim

- Sponsorship fee: \$2,500; included resource table, CalOptima Health featured in event program and media for the event, program acknowledgment on front cover and half page inside, and admission for eight.
- At least two staff members attended (in person).
- Health/resource fair, open to the public.



April 27, 9 a.m.–1 p.m., Community Resource Fair and Naloxone Distribution Event, hosted by CalOptima Health in collaboration with OC Supervisor Vicente Sarmiento, Congressman Lou Correa, Senator Tom Umberg, Assemblymembers Avelino Valencia and Tri Ta, and Santa Ana City Council Member Johnathan Ryan Hernandez

Santa Ana College, 1530 W. 17th St., Santa Ana

- At least twenty staff members attended (in person).
- Health/resource fair, open to the public.



April 27, 11 a.m.–2 p.m., Children’s Day Fun and Resource Fair, hosted by Council Member Carlos De Leon

Barton Park, 800 S. Agate St., Anaheim

- At least two staff members attended (in person).
- Health/resource fair, open to the public.



April 27, 11 a.m.–2:30 p.m., Seventh Annual Month of the Military Child Celebration, hosted by Strong Families, Strong Children

Cottonwood Church, 4505 Katella Ave., Los Alamitos

- Sponsorship fee: \$1,000; included resource table at event, company listing as a Sergeant sponsor in all print and social media related to the event, logo on marketing materials, event banner at the Sergeant level at event entrance, and special mention during event program.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



April 27, 11 a.m.–3 p.m., Dia Del Nino, hosted by Unidos South Orange County

Stone Field, 31422 Camino Capistrano, San Juan Capistrano

- At least two staff members attended (in person).
- Health/resource fair, open to the public.



CalOptima Health-hosted



Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



April 30, 9–10 a.m., CalOptima Health Medi-Cal Overview in Spanish

Godinez Fundamental High School, 3002 W. Centennial Rd., Santa Ana

- At least one staff member presented (in person).
- Community-based organization presentation, open to members/community.



April 30, 6–7 p.m., CalOptima Health Medi-Cal Overview in Spanish

Godinez Fundamental High School, Virtual

- At least one staff member presented.
- Community-based organization presentation, open to members/community.



April 30, 5–7 p.m., Dia Del Nino, hosted by the Anaheim Downtown Community Center

Anaheim Downtown Community Center, 250 E. Center St., Anaheim

- At least two staff members attended (in person).
- Health/resource fair, open to the public.

May 2024



May 3, 6–9 p.m., Alcohol and Other Drugs Prevention Conference, hosted by Orange County Department of Education

Boys and Girls Club of Santa Ana, 950 W. Highland St., Santa Ana

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



May 4, 11:30 a.m.–2 p.m., Mental Health Awareness Event, hosted by Olive Crest

Santa Ana Zoo, 1801 E. Chestnut Ave., Santa Ana

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



May 7, 10–11 a.m., CalOptima Health Medi-Cal Overview in Spanish

Delhi Community Center, 505 E. Center Ave., Santa Ana

- At least one staff member to present (in person).
- Community-based organization presentation, open to members/community.



May 7, 5:30–7 p.m., CalOptima Health Medi-Cal Overview in Spanish

Shanti Orange County, 23461 S. Pointe Dr., Suite 100, Laguna Hills

- At least one staff member to present (in person).
- Community-based organization presentation, open to members/community.



May 8, 2–3:30 p.m., CalOptima Health Medi-Cal Overview in Spanish

Centennial Education Center, 2900 W. Edinger Ave., Santa Ana

- At least one staff member to present (in person).
- Community-based organization presentation, open to members/community.



CalOptima Health-hosted



Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



May 11, 10 a.m.–1 p.m., 2nd Annual Multilingual Family Education Resource and Literacy Fair, hosted by Saddleback Valley Unified School District

Saddleback Valley Unified School District, 25631 Peter A. Hartman Way, Mission Viejo

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



May 14, 11:45 a.m.–12:15 p.m., CalOptima Health Medi-Cal Overview in English

Living Independent Fair and Equal, Virtual

- At least one staff member to present.
- Community-based organization presentation, open to members/community.



May 14, 9 a.m.–12 p.m., Senior Resource Fair, hosted by the City of Stanton

Stanton Civic Center Banquet Hall, 7800 Katella Ave., Stanton

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



May 16, 9 a.m.–2 p.m., Ma(n)y Celebration Event, hosted by Asian American Senior Citizens Service Center

Heritage Museum of OC, 3101 W. Harvard St., Santa Ana

- Sponsorship fee: \$500; includes a resource table at event, company name and logo on event flyer and website, and social media mention of company name.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



May 17, 4–5 p.m., Family Night, hosted by Martin Elementary School

Martin Elementary School, 939 W. Wilshire Ave., Santa Ana

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



May 18, 9 a.m.–1 p.m., 14th Annual Caregiver Recognition Day, hosted by Alzheimer’s Orange County

Northgate Corporate Offices, 1201 N. Magnolia Ave., Anaheim

- Sponsorship fee: \$300; includes a welcome presentation to attendees, resource table at event, company logo placed around event and on the agenda.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



May 18, 9 a.m.–1 p.m., Children and Families Health Fair, hosted by Supervisor Doug Chaffee and the County of Orange Social Service Agency

Orangethorpe Elementary School, 1400 S. Brookhurst Rd., Fullerton

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



CalOptima Health-hosted



Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation



May 24, 11 a.m.– Noon, CalOptima Health Medi-Cal Overview in English

211OC, Virtual

- At least one staff member to present.
- Community-based organization presentation, open to members/community.

These sponsorship request(s) and community event(s) met the requirements of CalOptima Health Policy AA.1223: Participation in Community Events Involving External Entities. More information about policy requirements can be found at:

<https://www.caloptima.org/en/About/CommunityRelations/CommunityOutreach.aspx>



CalOptima Health-hosted
Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

7. Adopt Resolution No. 24-0502-01 Approving and Adopting Updated CalOptima Health Human Resources Policies

Contacts

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

Recommended Actions

1. Receive presentation from independent consultant AJ Gallagher on employee compensation benchmarking and analysis; and
2. Adopt Resolution No. 24-0502-01 Approving Updated CalOptima Health Policies:
 - a. GA.8058: Salary Schedule and Attachment A – CalOptima Health Annual Base Salary Schedule implemented on May 5, 2024; and
 - b. GA.8012: Conflict of Interest and Attachments A – C.

Background

Near CalOptima Health's inception, the Board of Directors delegated authority to the CEO to develop and implement employee policies and procedures and to amend them as appropriate from time to time, subject to bi-annual updates to the Board. CalOptima Health's Bylaws require that the Board adopt by resolution, and from time to time amend, procedures, practices, and policies for, among other things, hiring employees and managing personnel. Additionally, pursuant to the California Code of Regulations, Title 2, Section 570.5, CalOptima Health is required to adopt a publicly available pay schedule that meets the requirements set forth by the California Public Employees' Retirement System (CalPERS) to reflect recent changes, including the addition or deletion of positions and revisions to wage grades for certain positions.

As part the periodic review process, independent compensation consultant AJ Gallagher was engaged in 2023 to perform a comprehensive market study of CalOptima Health's compensation practices. The last time a similar study was conducted was in 2018 by Grant Thornton. AJ Gallagher completed its study and found that CalOptima Health's Salary Schedule, outlining the compensation structure, needed to be updated and redesigned based on changes in the labor market to maintain competitiveness to attract, recruit, and retain talent.

Discussion

Staff includes the list of policies and a summary of changes for the updated policies.

GA.8058: Salary Schedule and Attachment A: This policy presents the restructured CalOptima Health salary schedule. In the new structure, all job titles were regraded from a letter to a number.

For executive level positions (Chief or Executive Director level positions) and Medical Directors, no changes were made to pay grade ranges. One (1) executive level job title (Chief Strategy Officer) was removed, and one (1) new executive level job title (Chief Administrative Officer) was added.

For all other non-executive level positions, pay grade ranges were narrowed and updated, and the total number of pay grades increased from 26 to 30. Job titles were remapped to the new pay grades based on market benchmarks and internal equity. Additionally, two (2) staff positions were removed to meet organizational staffing needs. Finally, two (2) staff positions were renamed from Security Analyst to Cybersecurity Analyst to clarify the business field.

Policy Section	Proposed Change	Rationale	Impact
Attachment A, throughout	Redesign salary schedule structure by adding 4 pay grades, from 26 pay grades (A through Z) to 30 pay grades (301 through 330). Narrow width of pay grades for non-executive level and non-Medical Director positions. Update pay grade minimums, midpoints, and maximums for non-executive level and Medical Director positions.	To maintain competitiveness and respond to the changing labor market as an effort to attract, recruit, and retain talent.	Allows CalOptima Health to maintain its competitiveness in recruiting employees.
Attachment A, throughout	Map all job titles to new pay grades.	To maintain competitiveness with the changing labor market to attract, recruit, and retain talent.	Allows CalOptima Health to maintain its competitiveness in recruiting employees.
Attachment A	Remove Chief Strategy Officer, Associate Director III, and Associate Director IV job titles.	Removes job titles no longer being utilized.	Provides clarity on existing organization roles.
Attachment A	Add Chief Administrative Officer.	Adds title to align job duties with agency operational needs.	Provides clarity for roles and operational needs.
Attachment A	Rename Security Analyst Int. and Security Analyst Sr. titles to Cybersecurity Analyst Int. and Cybersecurity Analyst Sr. titles.	Clarifies title to align with business area.	Provides clarity on existing organization roles.

GA.8012: Conflicts of Interest: This policy establishes guidelines and standards for CalOptima Health employees to avoid conflicts of interest and incompatible outside activities. The changes are intended to align the policy with the active job classifications in GA.8058: Salary Schedule.

Policy Section	Proposed Change	Rationale	Impact
Attachment A	Addition and removal of positions on the Conflicts of Interest Code Exhibit A.	Updates the list of positions to align with current positions as updated in Policy GA.8058.	Creates consistency with Policy GA.8058 for Statement of Economic Interest Form 700 reporting.

Fiscal Impact

The recommended action to revise the salary schedule in GA.8058 results in minor short term fiscal impact. There is a small number of employees whose current salaries fall below the new minimum salaries for their positions. Bringing these salaries to the new minimums will result in an increase of \$35,000 for the remainder of this fiscal year, and an annual impact of \$210,000. Staff anticipates unspent budgeted funds for salaries and benefits approved in the CalOptima Health Fiscal Year (FY) 2023-24 Operating Budget will be sufficient to fund \$35,000 in the current fiscal year. Management will include updated salaries and benefits expenses utilizing the new salary schedule in future operating budgets.

The recommended action to revise GA.8012 is operational in nature and has no additional fiscal impact beyond what was included in the CalOptima Health FY 2023-24 Operating Budget.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [AJ Gallager presentation](#)
2. [Resolution No. 24-0502-01, Approve Updated Human Resources Policies](#)
3. [Revised CalOptima Health Policy GA. 8058: Salary Schedule and Attachment A](#)
4. [Revised CalOptima Health Policy GA.8012: Conflicts of Interest and Attachments A-C](#)

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

LEADERSHIP & STAFF COMPENSATION REVIEW

Executive Summary

CalOptima Health
Orange, California

Georg Krammer, Managing Director

Sal DiFonzo, Managing Director

Martina Young, Principal Consultant

Alex Birkholz, Consultant

Melissa McCord, Consultant

Brady Coleman, Associate Consultant

May 2, 2024



Gallagher

Insurance | Risk Management | Consulting



Engagement & Methodology

Gallagher completed the following steps for this study with CalOptima Health (CalOptima)

Collected and reviewed background information, including

- Organization chart and job descriptions
- Financial and demographic data
- Current compensation information (pay rates, pay ranges)

Matched CalOptima positions to established benchmark positions using information provided by CalOptima on the basis of job responsibilities and job scope

Prepared market charts summarizing the compensation data for leadership positions

Compared CalOptima pay levels and pay ranges to market levels using multiple sources

- Gallagher, Mercer, TW, Warren (Appendix A), etc.
- Also compared executives to peer health plans (Appendix B)

Created three (3) salary structures for consideration with CalOptima positions slotted into it based on the market P50 data

- Current structure
- Option 1 (Funnel) – Regression influenced new structure starts at \$23.00 HC minimum wage**
Gallagher used CalOptima's current range placement formula for placing employees within the grade
- Option 2 – Current structure 3% without grades A. Grade B starts at \$23.00 HC minimum wage

Prepared this report to facilitate discussion of CalOptima compensation and to document our methodology, analysis, findings, and recommendations

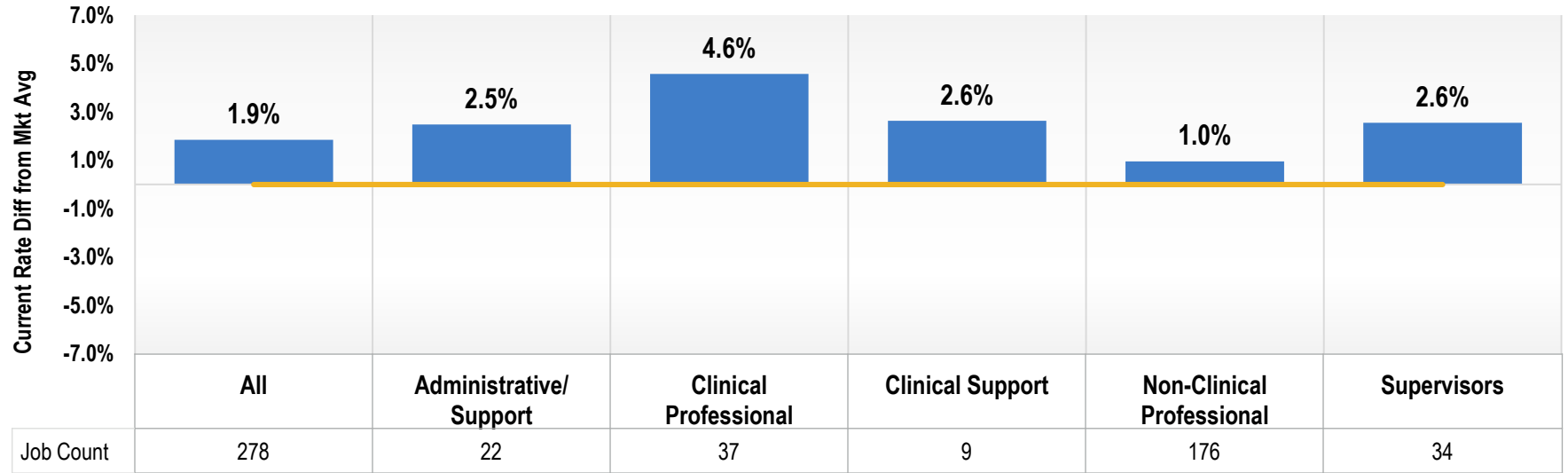




CalOptima Salaries vs. Market Median

This review covered 278 staff positions – comparisons of current base salary to market P25, P50, and P75 are provided by job family below

- CalOptima salaries are positioned roughly 2% above market median

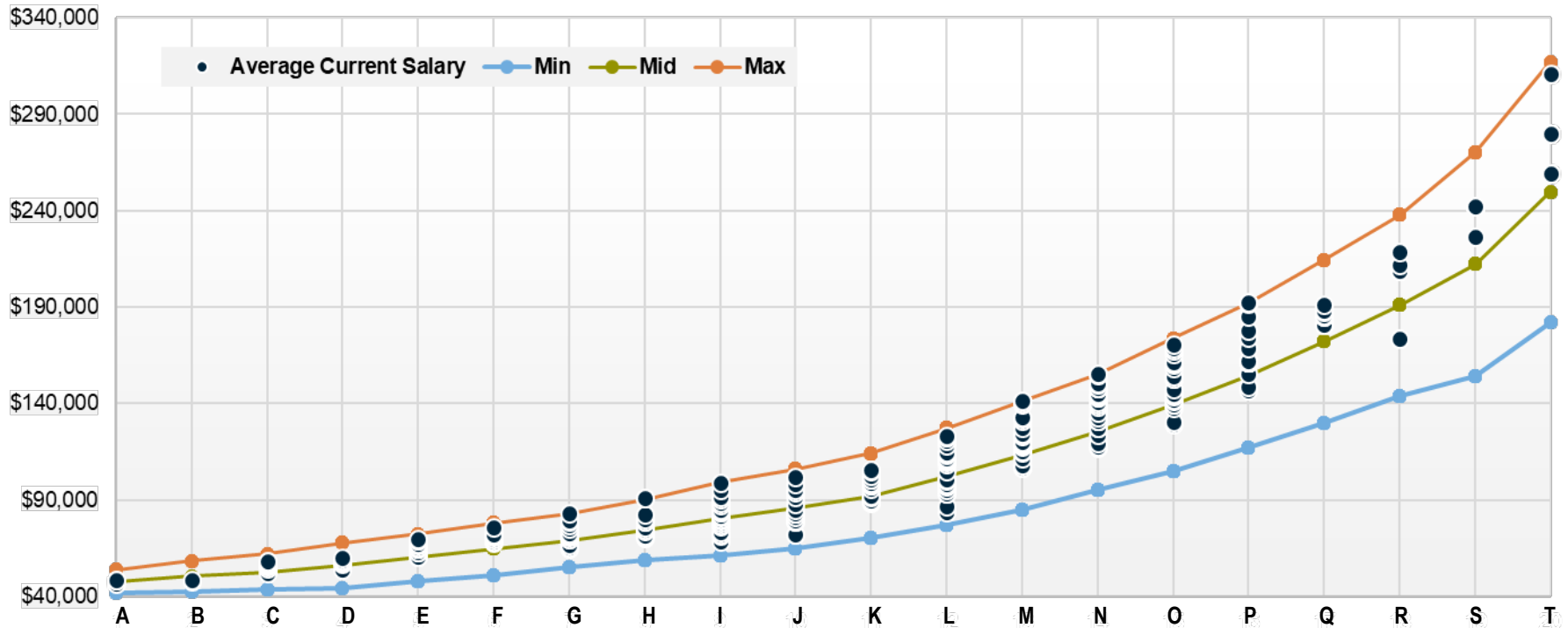


- On average, employees within most families are paid within 3% of market median
 - ≈ Employees in the Clinical Professional family are paid furthest above market, on average
- Average rates can be influenced significantly by employee demographics such as experience and tenure and may not always reflect disparity with market



CalOptima's Current Range Placement in Structure

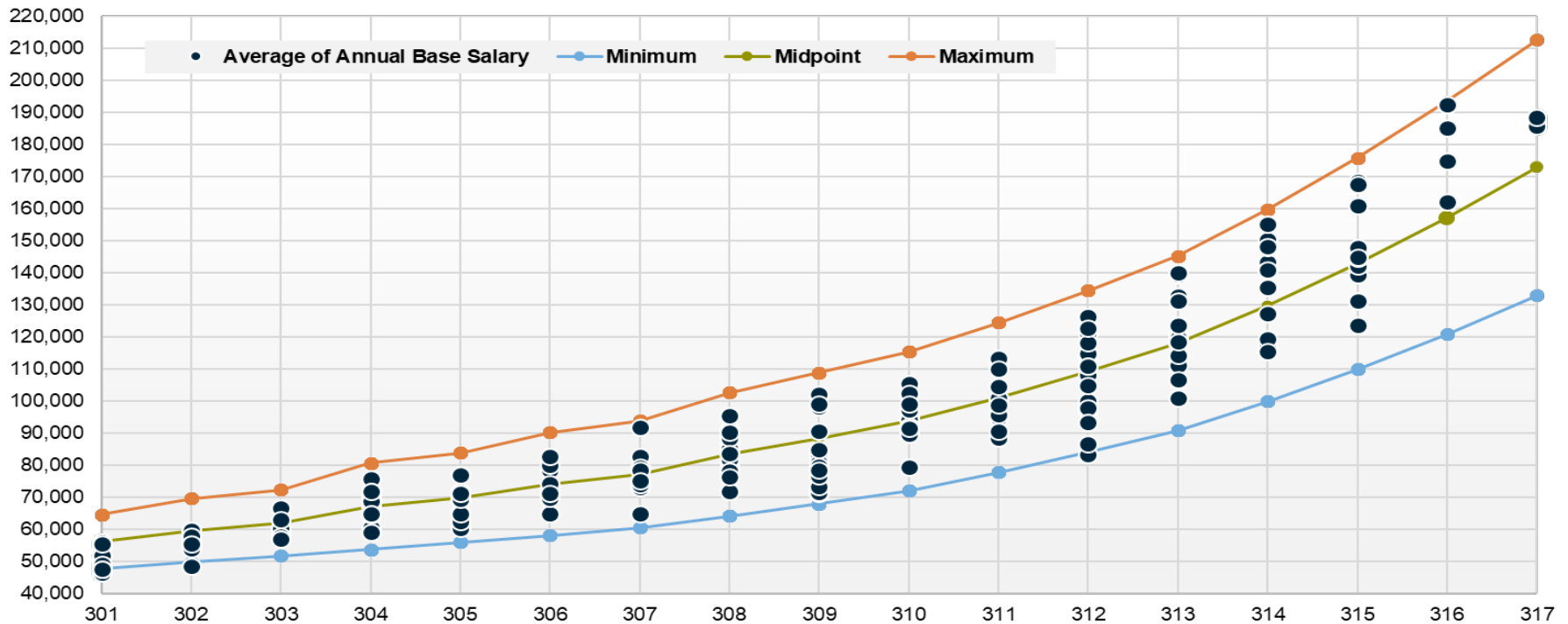
CALOPTIMA CURRENT STRUCTURE



- * Average wage by job is shown
- ** Excludes Executives
- *** 2 jobs have average rates of pay over maximum

Jobs Placed in the New Structure Using Current Salary

JOBS SLOTTED INTO THE RECOMMENDED STRUCTURE USING Current Rate



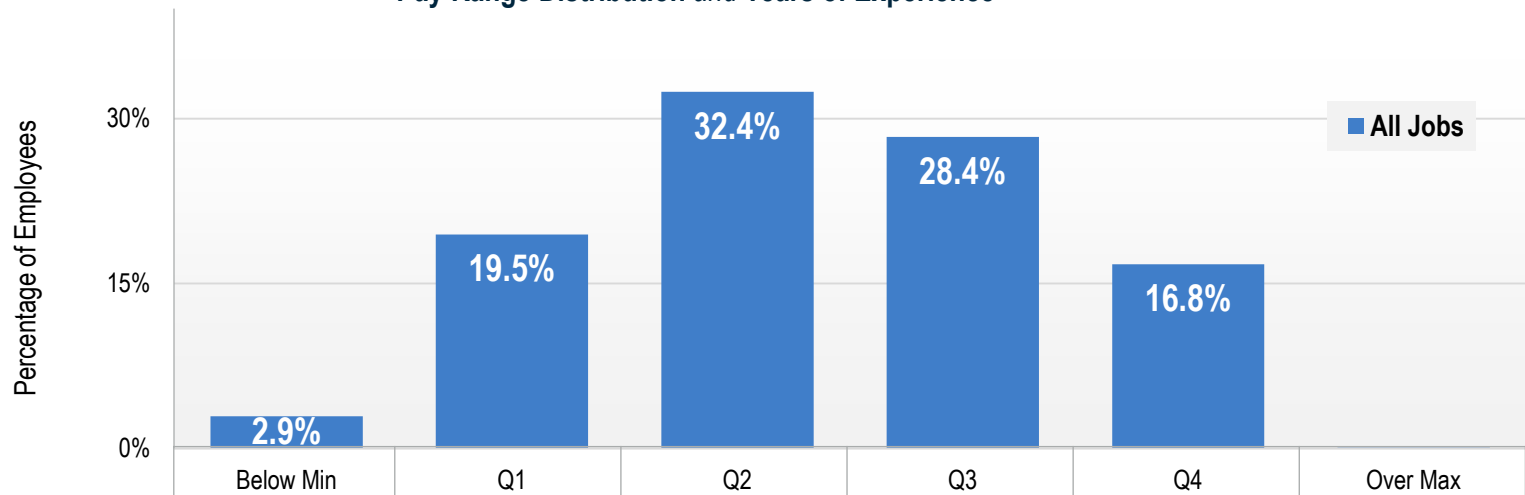
* Excludes executives



CalOptima New Pay Range Distribution

CalOptima's new pay range distribution resembles more of a bell curve with more employees in Q1, Q2, and Q3 rather than the majority being in Q4

Pay Range Distribution *and* Years of Experience



	Below Min	Q1	Q2	Q3	Q4	Over Max
All Jobs*	2.92	19.5	32.4	28.3	16.7	.07
Average Years of Experience	1.38	1.43	2.2	2.85	3.2	1
Employee Count	40	267	445	389	230	1

* Excludes Executives



Recommendations

- **Merit Budget**
 - Gallagher recommends a 4.0% merit budget and no COLA for 2024
- **Market Positioning**
 - Continue to target the market median for base pay and pay range midpoint for experienced and proficient employees (see next slide for pay administration guidelines)
- **Salary Structure**
 - No change to executive level position grades
 - Adopt Option 1 (funnel) salary structure with modified ranges, and bring non-executive jobs to the new range minimums
 - ≈ Adjusted Directors and Senior Directors grades based on internal equity to reduce compression
- **Salary Administration**
 - Continue to use the placement methodology in the new structure based on relevant years in the role
 - In future years, age the structure in line with market projections (Gallagher will provide)
 - Conduct a full study every three years

QUESTIONS

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as "Gallagher Benefit Services of California Insurance Services" and in Massachusetts as "Gallagher Benefit Insurance Services." Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.



Gallagher

Insurance | Risk Management | Consulting



Appendix A

Relevant Peers Included in the Warren Survey

- Alameda Alliance
- Americas Health Plan
- Aspire Health Plan
- Care 1st
- CCPOA
- Community Health Group
- Health Net
- Inland Empire Health Plan
- Kaiser Permanente
- Managed Alternative Care
- Mercy Care Plan (LA)
- Molina Health Care
- Montage Health
- Sharp Health Care
- Uniprise

Appendix B

Health Plan Organization Comparisons for Executive Positions



Gallagher

Insurance | Risk Management | Consulting

- Alameda Alliance for Health
- Central California Alliance for Health
- Inland Empire Health Plan
- L.A. Care Health Plan
- Partnership HealthPlan of California

RESOLUTION NO. 24-0502-01

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

APPROVE UPDATED CALOPTIMA HEALTH POLICY

WHEREAS, Section 13.1 of the CalOptima Health Bylaws provides 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;

WHEREAS, in 1994, the Board of Directors designated the Chief Executive Officer as the Appointing Authority with full power to hire and terminate CalOptima Health employees at will, to set compensation within the boundaries of the budget limits set by the Board of Directors, 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 of Directors for that purpose; and

WHEREAS, California Code of Regulations, Title 2, Section 570.5, requires CalOptima Health to adopt a publicly available pay schedule that identifies the position title and pay rate for every employee position, and CalOptima Health regularly reviews CalOptima Health’s salary schedule accordingly.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That the Board of Directors hereby approves and adopts the attached updated CalOptima Health policies:

- GA.8058: Salary Schedule and Attachment A – CalOptima Health Annual Base Salary Schedule implemented on May 5, 2024.
- GA.8012: Conflict of Interest and Attachments A – C.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima Health this 2nd day of May 2024.

AYES:
NOES:
ABSENT:
ABSTAIN:

/s/ _____
Title: Chair, Board of Directors

Printed Name and Title: Clayton Corwin, Chair, CalOptima Health Board of Directors

Attest:

/s/ _____
Sharon Dwiers, Clerk of the Board



Policy: GA.8058
Title: **Salary Schedule**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 05/01/2014

Revised Date: 05/02/2024

Applicable to: Medi-Cal
 OneCare
 PACE
 Administrative

1 **I. PURPOSE**

- 2
- 3 A. This policy maintains a CalOptima Health Salary Schedule that lists all active job classifications
- 4 including job title, salary grade, and salary ranges (minimum, midpoint, and maximum pay rate
- 5 amounts).
- 6
- 7 B. This policy ensures the salary schedule is publicly available pursuant to the requirements of Title 2,
- 8 California Code of Regulations (CCR) §570.5 so that employees who are members of the California
- 9 Public Employees Retirement System (CalPERS) have their compensation considered qualified for
- 10 pension calculation under CalPERS regulations.

11

12 **II. POLICY**

- 13
- 14 A. Pursuant to the requirements under Title 2, California Code of Regulations (CCR) §570.5,
- 15 CalOptima Health has established the attached salary schedule for each CalOptima Health job
- 16 position. In order for CalPERS member's pay rates to be credited by CalPERS, the Human
- 17 Resources Department (HR) shall maintain a salary schedule that meets the following eight (8)
- 18 separate criteria:
- 19
- 20 1. Approval and adoption by the governing body in accordance with requirements applicable to
- 21 public meetings laws;
- 22
- 23 2. Identification of position titles for every employee position;
- 24
- 25 3. Listing of pay rate for each identified position, which may be stated as a single amount or as
- 26 multiple amounts with a range;
- 27
- 28 4. Specifies the time base, including, but not limited to, whether the time base is hourly, daily,
- 29 bi-weekly, monthly, bi-monthly, or annually;
- 30
- 31 5. Posted at the employer's office or immediately accessible and available for public review
- 32 from the employer during normal business hours or posted on the employer's internet
- 33 website;
- 34
- 35 6. Indicates the effective date and date of any revisions;
- 36

1 7. Retained by the employer and available for public inspection for not less than five (5) years;
2 and

3
4 8. Does not reference another document in lieu of disclosing the pay rate.

5
6 B. The Chief Executive Officer (CEO) is authorized and directed to take all steps necessary and proper
7 to implement the salary schedule for all other employees not inconsistent therewith.
8

9 **III. PROCEDURE**

10 A. The Human Resources Department (HR) will ensure that the salary schedule meets the requirements
11 above and is available at CalOptima Health's offices, immediately accessible for public review
12 during normal business hours and posted on CalOptima Health's internal and external websites.
13

14 B. HR shall retain the salary schedule for not less than five (5) years.

15 C. HR shall review the salary schedule and provide recommendations to maintain the competitiveness
16 of the salary schedule to market pay levels.
17

18 D. Any adjustments to the salary schedule will require the Chief Human Resources Officer (CHRO) to
19 make a recommendation to the CEO for approval, with the CEO taking the recommendation to the
20 CalOptima Health Board of Directors for final approval. No changes to the salary schedule, or CEO
21 compensation, shall be effective unless and until approved by the CalOptima Health Board of
22 Directors.
23
24

25
26 **IV. ATTACHMENT(S)**

27 A. CalOptima Health- Annual Base Salary Schedule (Revised: 05/04/202305/02/2024)
28

29
30 **V. REFERENCE(S)**

31 A. Title 2, California Code of Regulations, §570.5
32

33
34 **VI. REGULATORY AGENCY APPROVAL(S)**

35 None to Date
36

37
38 **VII. BOARD ACTION(S)**
39

Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
11/06/2014	Regular Meeting of the CalOptima Board of Directors
12/04/2014	Regular Meeting of the CalOptima Board of Directors
03/05/2015	Regular Meeting of the CalOptima Board of Directors
06/04/2015	Regular Meeting of the CalOptima Board of Directors
<u>09/21/2015</u>	<u>Special Meeting of the CalOptima Board of Directors</u>
10/01/2015	Regular Meeting of the CalOptima Board of Directors
12/03/2015	Regular Meeting of the CalOptima Board of Directors
03/03/2016	Regular Meeting of the CalOptima Board of Directors
06/02/2016	Regular Meeting of the CalOptima Board of Directors

Date	Meeting
08/04/2016	Regular Meeting of the CalOptima Board of Directors
09/01/2016	Regular Meeting of the CalOptima Board of Directors
10/06/2016	Regular Meeting of the CalOptima Board of Directors
11/03/2016	Regular Meeting of the CalOptima Board of Directors
12/01/2016	Regular Meeting of the CalOptima Board of Directors
03/02/2017	Regular Meeting of the CalOptima Board of Directors
05/04/2017	Regular Meeting of the CalOptima Board of Directors
06/01/2017	Regular Meeting of the CalOptima Board of Directors
08/03/2017	Regular Meeting of the CalOptima Board of Directors
09/07/2017	Regular Meeting of the CalOptima Board of Directors
11/02/2017	Regular Meeting of the CalOptima Board of Directors
02/01/2018	Regular Meeting of the CalOptima Board of Directors
09/06/2018	Regular Meeting of the CalOptima Board of Directors
10/04/2018	Regular Meeting of the CalOptima Board of Directors
02/07/2019	Regular Meeting of the CalOptima Board of Directors
08/01/2019	Regular Meeting of the CalOptima Board of Directors
09/03/2020	Regular Meeting of the CalOptima Board of Directors
03/04/2021	Regular Meeting of the CalOptima Board of Directors
08/05/2021	Regular Meeting of the CalOptima Board of Directors
09/02/2021	Regular Meeting of the CalOptima Board of Directors
03/03/2022	Regular Meeting of the CalOptima Board of Directors
06/02/2022	Regular Meeting of the CalOptima Board of Directors
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors
05/04/2023	Regular Meeting of the CalOptima Health Board of Directors
<u>05/02/2024</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	05/01/2014	GA.8057	Compensation Program and Salary	Administrative
Revised	08/07/2014	GA.8057	Compensation Program and Salary	Administrative
Revised	11/06/2014	GA.8057	Compensation Program and Salary	Administrative
Revised	12/04/2014	GA.8057	Compensation Program and Salary	Administrative
Revised	03/05/2015	GA.8057	Compensation Program and Salary	Administrative
RevisedEffective	06/04/2015	GA.8058	Salary Schedule	Administrative
Revised	10/01/2015	GA.8058	Salary Schedule	Administrative
Revised	12/03/2015	GA.8058	Salary Schedule	Administrative
Revised	03/03/2016	GA.8058	Salary Schedule	Administrative
Revised	06/02/2016	GA.8058	Salary Schedule	Administrative
Revised	08/04/2016	GA.8058	Salary Schedule	Administrative
Revised	09/01/2016	GA.8058	Salary Schedule	Administrative
Revised	10/06/2016	GA.8058	Salary Schedule	Administrative
Revised	11/03/2016	GA.8058	Salary Schedule	Administrative
Revised	12/01/2016	GA.8058	Salary Schedule	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	03/02/2017	GA.8058	Salary Schedule	Administrative
Revised	05/04/2017	GA.8058	Salary Schedule	Administrative
Revised	06/01/2017	GA.8058	Salary Schedule	Administrative
Revised	08/03/2017	GA.8058	Salary Schedule	Administrative
Revised	09/07/2017	GA.8058	Salary Schedule	Administrative
Revised	11/02/2017	GA.8058	Salary Schedule	Administrative
Revised	02/01/2018	GA.8058	Salary Schedule	Administrative
Revised	09/06/2018	GA.8058	Salary Schedule	Administrative
Revised	10/04/2018	GA.8058	Salary Schedule	Administrative
Revised	02/07/2019	GA.8058	Salary Schedule	Administrative
Revised	08/01/2019	GA.8058	Salary Schedule	Administrative
Revised	09/03/2020	GA.8058	Salary Schedule	Administrative
Revised	03/04/2021	GA.8058	Salary Schedule	Administrative
Revised	08/05/2021	GA.8058	Salary Schedule	Administrative
Revised	09/02/2021	GA.8058	Salary Schedule	Administrative
Revised	03/03/2022	GA.8058	Salary Schedule	Administrative
Revised	06/02/2022	GA.8058	Salary Schedule	Administrative
Revised	12/01/2022	GA.8058	Salary Schedule	Administrative
Revised	05/04/2023	GA.8058	Salary Schedule	Administrative
<u>Revised</u>	<u>05/02/2024</u>	<u>GA.8058</u>	<u>Salary Schedule</u>	<u>Administrative</u>

1

For 20240502 BOD Review ONLY

- 1 **IX. GLOSSARY**
- 2
- 3 Not Applicable
- 4

For 20240502 BOD Review Only



Policy: GA.8058
Title: **Salary Schedule**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 05/01/2014
Revised Date: 05/02/2024

Applicable to: Medi-Cal
 OneCare
 PACE
 Administrative

1 **I. PURPOSE**

- 2
- 3 A. This policy maintains a CalOptima Health Salary Schedule that lists all active job classifications
- 4 including job title, salary grade, and salary ranges (minimum, midpoint, and maximum pay rate
- 5 amounts).
- 6
- 7 B. This policy ensures the salary schedule is publicly available pursuant to the requirements of Title 2,
- 8 California Code of Regulations (CCR) §570.5 so that employees who are members of the California
- 9 Public Employees Retirement System (CalPERS) have their compensation considered qualified for
- 10 pension calculation under CalPERS regulations.

11

12 **II. POLICY**

- 13
- 14 A. Pursuant to the requirements under Title 2, California Code of Regulations (CCR) §570.5,
- 15 CalOptima Health has established the attached salary schedule for each CalOptima Health job
- 16 position. In order for CalPERS member's pay rates to be credited by CalPERS, the Human
- 17 Resources Department (HR) shall maintain a salary schedule that meets the following eight (8)
- 18 separate criteria:
- 19
- 20 1. Approval and adoption by the governing body in accordance with requirements applicable to
- 21 public meetings laws;
- 22
- 23 2. Identification of position titles for every employee position;
- 24
- 25 3. Listing of pay rate for each identified position, which may be stated as a single amount or as
- 26 multiple amounts with a range;
- 27
- 28 4. Specifies the time base, including, but not limited to, whether the time base is hourly, daily,
- 29 bi-weekly, monthly, bi-monthly, or annually;
- 30
- 31 5. Posted at the employer's office or immediately accessible and available for public review
- 32 from the employer during normal business hours or posted on the employer's internet
- 33 website;
- 34
- 35 6. Indicates the effective date and date of any revisions;
- 36

1 7. Retained by the employer and available for public inspection for not less than five (5) years;
2 and

3
4 8. Does not reference another document in lieu of disclosing the pay rate.

5
6 B. The Chief Executive Officer (CEO) is authorized and directed to take all steps necessary and proper
7 to implement the salary schedule for all other employees not inconsistent therewith.
8

9 **III. PROCEDURE**

10 A. The Human Resources Department (HR) will ensure that the salary schedule meets the requirements
11 above and is available at CalOptima Health's offices, immediately accessible for public review
12 during normal business hours and posted on CalOptima Health's internal and external websites.
13

14 B. HR shall retain the salary schedule for not less than five (5) years.

15 C. HR shall review the salary schedule and provide recommendations to maintain the competitiveness
16 of the salary schedule to market pay levels.
17

18 D. Any adjustments to the salary schedule will require the Chief Human Resources Officer (CHRO) to
19 make a recommendation to the CEO for approval, with the CEO taking the recommendation to the
20 CalOptima Health Board of Directors for final approval. No changes to the salary schedule, or CEO
21 compensation, shall be effective unless and until approved by the CalOptima Health Board of
22 Directors.
23
24

25
26 **IV. ATTACHMENT(S)**

27 A. CalOptima Health- Annual Base Salary Schedule (Revised: 05/02/2024)
28

29
30 **V. REFERENCE(S)**

31 A. Title 2, California Code of Regulations, §570.5
32

33
34 **VI. REGULATORY AGENCY APPROVAL(S)**

35 None to Date
36

37
38 **VII. BOARD ACTION(S)**
39

Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
11/06/2014	Regular Meeting of the CalOptima Board of Directors
12/04/2014	Regular Meeting of the CalOptima Board of Directors
03/05/2015	Regular Meeting of the CalOptima Board of Directors
06/04/2015	Regular Meeting of the CalOptima Board of Directors
09/21/2015	Special Meeting of the CalOptima Board of Directors
10/01/2015	Regular Meeting of the CalOptima Board of Directors
12/03/2015	Regular Meeting of the CalOptima Board of Directors
03/03/2016	Regular Meeting of the CalOptima Board of Directors
06/02/2016	Regular Meeting of the CalOptima Board of Directors

Date	Meeting
08/04/2016	Regular Meeting of the CalOptima Board of Directors
09/01/2016	Regular Meeting of the CalOptima Board of Directors
10/06/2016	Regular Meeting of the CalOptima Board of Directors
11/03/2016	Regular Meeting of the CalOptima Board of Directors
12/01/2016	Regular Meeting of the CalOptima Board of Directors
03/02/2017	Regular Meeting of the CalOptima Board of Directors
05/04/2017	Regular Meeting of the CalOptima Board of Directors
06/01/2017	Regular Meeting of the CalOptima Board of Directors
08/03/2017	Regular Meeting of the CalOptima Board of Directors
09/07/2017	Regular Meeting of the CalOptima Board of Directors
11/02/2017	Regular Meeting of the CalOptima Board of Directors
02/01/2018	Regular Meeting of the CalOptima Board of Directors
09/06/2018	Regular Meeting of the CalOptima Board of Directors
10/04/2018	Regular Meeting of the CalOptima Board of Directors
02/07/2019	Regular Meeting of the CalOptima Board of Directors
08/01/2019	Regular Meeting of the CalOptima Board of Directors
09/03/2020	Regular Meeting of the CalOptima Board of Directors
03/04/2021	Regular Meeting of the CalOptima Board of Directors
08/05/2021	Regular Meeting of the CalOptima Board of Directors
09/02/2021	Regular Meeting of the CalOptima Board of Directors
03/03/2022	Regular Meeting of the CalOptima Board of Directors
06/02/2022	Regular Meeting of the CalOptima Board of Directors
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors
05/04/2023	Regular Meeting of the CalOptima Health Board of Directors
05/02/2024	Regular Meeting of the CalOptima Health Board of Directors

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VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	06/04/2015	GA.8058	Salary Schedule	Administrative
Revised	10/01/2015	GA.8058	Salary Schedule	Administrative
Revised	12/03/2015	GA.8058	Salary Schedule	Administrative
Revised	03/03/2016	GA.8058	Salary Schedule	Administrative
Revised	06/02/2016	GA.8058	Salary Schedule	Administrative
Revised	08/04/2016	GA.8058	Salary Schedule	Administrative
Revised	09/01/2016	GA.8058	Salary Schedule	Administrative
Revised	10/06/2016	GA.8058	Salary Schedule	Administrative
Revised	11/03/2016	GA.8058	Salary Schedule	Administrative
Revised	12/01/2016	GA.8058	Salary Schedule	Administrative
Revised	03/02/2017	GA.8058	Salary Schedule	Administrative
Revised	05/04/2017	GA.8058	Salary Schedule	Administrative
Revised	06/01/2017	GA.8058	Salary Schedule	Administrative
Revised	08/03/2017	GA.8058	Salary Schedule	Administrative
Revised	09/07/2017	GA.8058	Salary Schedule	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	11/02/2017	GA.8058	Salary Schedule	Administrative
Revised	02/01/2018	GA.8058	Salary Schedule	Administrative
Revised	09/06/2018	GA.8058	Salary Schedule	Administrative
Revised	10/04/2018	GA.8058	Salary Schedule	Administrative
Revised	02/07/2019	GA.8058	Salary Schedule	Administrative
Revised	08/01/2019	GA.8058	Salary Schedule	Administrative
Revised	09/03/2020	GA.8058	Salary Schedule	Administrative
Revised	03/04/2021	GA.8058	Salary Schedule	Administrative
Revised	08/05/2021	GA.8058	Salary Schedule	Administrative
Revised	09/02/2021	GA.8058	Salary Schedule	Administrative
Revised	03/03/2022	GA.8058	Salary Schedule	Administrative
Revised	06/02/2022	GA.8058	Salary Schedule	Administrative
Revised	12/01/2022	GA.8058	Salary Schedule	Administrative
Revised	05/04/2023	GA.8058	Salary Schedule	Administrative
Revised	05/02/2024	GA.8058	Salary Schedule	Administrative

1

For 20240502 BOD Review ONLY

- 1 **IX. GLOSSARY**
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For 20240502 BOD Review Only



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Accountant I	H	307	39	\$59,000	\$60,533	\$74,391	\$77,179	\$89,782	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Accountant II	J	310	634	\$65,000	\$72,096	\$85,553	\$93,724	\$106,106	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Accountant III	K	311	68	\$70,000	\$77,863	\$92,134	\$101,222	\$114,268	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Accountant IV	M	313	908	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Accounting Clerk	D	302	334	\$44,000	\$49,754	\$55,814	\$59,704	\$67,628	\$69,655	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Accounting Clerk Sr	E	304	680	\$48,000	\$53,813	\$60,146	\$67,267	\$72,292	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Activity Coordinator (PACE)	E	305	681	\$48,000	\$55,966	\$60,146	\$69,958	\$72,292	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Actuarial Analyst	K	310	558	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Actuarial Analyst Sr	L	312	559	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Actuary	O	315	357	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Actuary Principal	Q	317	882	\$130,000	\$132,969	\$172,272	\$172,860	\$214,544	\$212,751	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Actuary Sr	P	316	883	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Administrative Assistant	D	302	19	\$44,000	\$49,754	\$55,814	\$59,704	\$67,628	\$69,655	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Administrative Fellow	J	309	902	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Analyst	H	306	562	\$59,000	\$58,205	\$74,391	\$74,211	\$89,782	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Analyst Int	I	308	563	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Analyst Sr	J	310	564	\$65,000	\$72,096	\$85,553	\$93,724	\$106,106	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Applications Analyst	I	308	232	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Applications Analyst Int	J	309	233	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Applications Analyst Sr	L	311	298	\$77,000	\$77,863	\$102,047	\$101,222	\$127,094	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Associate Director I	P	318	884	\$117,000	\$146,266	\$154,695	\$190,146	\$192,390	\$234,026	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Associate Director II	Q	319	885	\$130,000	\$160,893	\$172,272	\$209,160	\$214,544	\$257,428	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Associate Director III	R		886	\$144,000		\$190,932		\$237,864		Remove job title
Associate Director IV	S		887	\$154,000		\$212,256		\$270,512		Remove job title



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Auditor	I	309	565	\$61,000	\$68,015	\$80,055	\$88,419	\$99,140	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Auditor Sr	J	310	566	\$65,000	\$72,096	\$85,553	\$93,724	\$106,106	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Batch Automation Analyst	J	309	909	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Batch Automation Analyst Sr	K	310	910	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Biostatistics Manager	M	312	418	\$85,000	\$84,092	\$113,043	\$109,320	\$141,086	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Business Analyst	J	310	40	\$65,000	\$72,096	\$85,553	\$93,724	\$106,106	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Business Analyst Sr	L	311	611	\$77,000	\$77,863	\$102,047	\$101,222	\$127,094	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Business Systems Analyst Sr	K	310	69	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Buyer	G	306	29	\$55,000	\$58,205	\$68,893	\$74,211	\$82,786	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Buyer Int	I	308	49	\$61,000	\$64,165	\$80,055	\$83,414	\$99,140	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Buyer Sr	L	311	67	\$77,000	\$77,863	\$102,047	\$101,222	\$127,094	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Care Manager	K	310	657	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Care Transition Intervention Coach (RN)	L	313	417	\$77,000	\$90,820	\$102,047	\$118,066	\$127,094	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Certified Coder	H	306	399	\$59,000	\$58,205	\$74,391	\$74,211	\$89,782	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Certified Coding Specialist	H	306	639	\$59,000	\$58,205	\$74,391	\$74,211	\$89,782	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Certified Coding Specialist Sr	J	309	640	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Change Control Administrator	I	307	499	\$61,000	\$60,533	\$80,055	\$77,179	\$99,140	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Change Control Administrator Int	J	309	500	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
** Chief Administrative Officer		327	TBD		\$313,000		\$414,450		\$515,900	Add job title
** Chief Compliance Officer	W	327	888	\$313,000		\$414,450		\$515,900		Pay grades consistent with new nomenclature; no changes to pay ranges.
** Chief Executive Officer	Z	330	138	\$560,000		\$700,750		\$841,500		Pay grades consistent with new nomenclature; no changes to pay ranges.
** Chief Financial Officer	X	328	134	\$368,000		\$487,600		\$607,200		Pay grades consistent with new nomenclature; no changes to pay ranges.
** Chief Health Equity Officer	W	327	889	\$313,000		\$414,450		\$515,900		Pay grades consistent with new nomenclature; no changes to pay ranges.
** Chief Human Resources Officer	W	327	890	\$313,000		\$414,450		\$515,900		Pay grades consistent with new nomenclature; no changes to pay ranges.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ **May 2, 2024**

To be implemented: ~~May 7, 2023~~ **May 5, 2024**

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
** Chief Information Officer	W	327	131	\$313,000		\$414,450		\$515,900		Pay grades consistent with new nomenclature; no changes to pay ranges.
** Chief Medical Officer	X	328	137	\$368,000		\$487,600		\$607,200		Pay grades consistent with new nomenclature; no changes to pay ranges.
** Chief of Staff	U	325	692	\$226,000		\$298,900		\$371,800		Pay grades consistent with new nomenclature; no changes to pay ranges.
** Chief Operating Officer	Y	329	136	\$433,000		\$573,450		\$713,900		Pay grades consistent with new nomenclature; no changes to pay ranges.
** Chief Strategy Officer	W		914	\$313,000		\$414,450		\$515,900		Remove job title
Claims - Lead	G	305	574	\$55,000	\$55,966	\$68,893	\$69,958	\$82,786	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Claims Examiner	G	301	9	\$43,284	\$47,840	\$52,540	\$56,212	\$61,798	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Claims Examiner - Lead	G	305	236	\$55,000	\$55,966	\$68,893	\$69,958	\$82,786	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Claims Examiner Sr	E	303	20	\$48,000	\$51,744	\$60,146	\$62,092	\$72,292	\$72,441	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Claims QA Analyst	F	304	28	\$51,000	\$53,813	\$64,564	\$67,267	\$78,122	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Claims QA Analyst Sr	G	306	540	\$55,000	\$58,205	\$68,893	\$74,211	\$82,786	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Claims Recovery Specialist	F	304	283	\$51,000	\$53,813	\$64,564	\$67,267	\$78,122	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Claims Resolution Specialist	F	304	262	\$51,000	\$53,813	\$64,564	\$67,267	\$78,122	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Clerk of the Board	O	315	59	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Clinical Auditor	L	312	567	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Clinical Auditor Sr	M	313	568	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Clinical Documentation Specialist (RN)	M	313	641	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Clinical Pharmacist	P	316	297	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Clinical Systems Administrator	K	310	607	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Clinical Trainer	M	313	903	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Clinical Trainer (LVN)	L	312	904	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Clinician (Behavioral Health)	K	310	513	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Clinician Sr (Behavioral Health)	L	312	TBD-978	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Cloud Engineer	O	315	912	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Cloud Engineer Sr	P	316	913	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Communications Specialist	G	306	188	\$55,000	\$58,205	\$68,893	\$74,211	\$82,786	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Communications Specialist - Lead	J	309	707	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Communications Specialist Sr	H	307	708	\$59,000	\$60,533	\$74,394	\$77,179	\$89,782	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Community Partner	H	306	575	\$59,000	\$58,205	\$74,394	\$74,211	\$89,782	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Community Partner Sr	I	308	612	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Community Relations Specialist	G	306	288	\$55,000	\$58,205	\$68,893	\$74,211	\$82,786	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Community Relations Specialist Sr	I	308	646	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Compliance Claims Auditor	G	306	222	\$55,000	\$58,205	\$68,893	\$74,211	\$82,786	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Compliance Claims Auditor Sr	H	307	279	\$59,000	\$60,533	\$74,394	\$77,179	\$89,782	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Contract Administrator	L	311	385	\$77,000	\$77,863	\$102,047	\$101,222	\$127,094	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Contracts Manager	M	313	207	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Contracts Manager Sr	N	314	683	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Contracts Specialist	I	308	257	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Contracts Specialist Int	J	309	469	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Contracts Specialist Sr	K	310	331	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
* Controller	T	323	464	\$182,000	\$204,199	\$249,576	\$265,458	\$317,152	\$326,717	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Credentialing Coordinator	E	304	41	\$48,000	\$53,813	\$60,146	\$67,267	\$72,292	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Credentialing Coordinator - Lead	F	306	510	\$51,000	\$58,205	\$64,564	\$74,211	\$78,122	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Customer Service Coordinator	E	303	182	\$48,000	\$51,744	\$60,146	\$62,092	\$72,292	\$72,441	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Customer Service Rep	G	301	5	\$43,284	\$47,840	\$52,540	\$56,212	\$61,798	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Customer Service Rep - Lead	G	305	482	\$55,000	\$55,966	\$68,893	\$69,958	\$82,786	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Customer Service Rep Sr	D	302	481	\$44,000	\$49,754	\$55,814	\$59,704	\$67,628	\$69,655	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Cybersecurity Analyst	I	309	914	\$61,000	\$68,015	\$80,055	\$88,419	\$99,110	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
CyberSecurity Analyst Int	M	313	534	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Rename job title & Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
CyberSecurity Analyst Sr	N	314	474	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Rename job title & Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Cybersecurity Engineer	O	316	915	\$105,000	\$120,881	\$139,367	\$157,145	\$173,734	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Cybersecurity Engineer Sr	Q	317	916	\$130,000	\$132,969	\$172,272	\$172,860	\$214,544	\$212,751	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Cybersecurity Principal	S	319	917	\$154,000	\$160,893	\$212,256	\$209,160	\$270,512	\$257,428	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Data Analyst	J	309	337	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Data Analyst Int	K	310	341	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Data Analyst Sr	L	312	342	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Data and Reporting Analyst - Lead	M	314	654	\$85,000	\$99,902	\$113,043	\$129,872	\$141,086	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Data Entry Tech	A	301	3	\$41,600	\$47,840	\$47,618	\$56,212	\$53,636	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Data Warehouse Architect	N	315	363	\$95,000	\$109,892	\$125,039	\$142,859	\$155,078	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Data Warehouse Programmer/Analyst	N	314	364	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Data Warehouse Reporting Analyst	M	313	412	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Data Warehouse Reporting Analyst Sr	N	314	522	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Database Administrator	L	311	90	\$77,000	\$77,863	\$102,047	\$101,222	\$127,094	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Database Administrator Sr	N	314	179	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
** Deputy Chief Medical Officer	W	327	561	\$313,000		\$414,450		\$515,900		Pay grades consistent with new nomenclature; no changes to pay ranges.
Designer	K	310	387	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Designer Sr	L	311	901	\$77,000	\$77,863	\$102,047	\$101,222	\$127,094	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
* Director I	Q	320	891	\$130,000	\$170,772	\$172,272	\$222,003	\$214,544	\$273,234	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
* Director II	R	321	892	\$144,000	\$181,257	\$190,932	\$235,634	\$237,864	\$290,011	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
* Director III	S	322	893	\$154,000	\$192,386	\$212,256	\$250,102	\$270,512	\$307,817	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
* Director IV	T	323	894	\$182,000	\$204,199	\$249,576	\$265,458	\$317,152	\$326,717	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Enrollment Coordinator (PACE)	F	304	441	\$51,000	\$53,813	\$64,564	\$67,267	\$78,122	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Enterprise Analytics Manager	G	315	582	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Executive Administrative Services Manager	J	311	661	\$65,000	\$77,863	\$85,553	\$101,222	\$106,106	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Executive Assistant	G	307	339	\$55,000	\$60,533	\$68,893	\$77,179	\$82,786	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Executive Assistant to CEO	I	309	261	\$61,000	\$68,015	\$80,055	\$88,419	\$99,110	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
** Executive Director	U	325	895	\$226,000		\$298,900		\$371,800		Pay grades consistent with new nomenclature; no changes to pay ranges.
Facilities & Support Services Coord - Lead	G	307	631	\$55,000	\$60,533	\$68,893	\$77,179	\$82,786	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Facilities & Support Services Coordinator	E	304	10	\$48,000	\$53,813	\$60,146	\$67,267	\$72,292	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Facilities & Support Services Coordinator Sr	F	305	511	\$51,000	\$55,966	\$64,564	\$69,958	\$78,122	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Facilities Coordinator	E	304	438	\$48,000	\$53,813	\$60,146	\$67,267	\$72,292	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Financial Analyst I	J	309	51	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Financial Analyst II	L	312	84	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Financial Analyst III	M	313	905	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Financial Analyst IV	N	314	906	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Financial Reporting Analyst	I	308	475	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Grievance & Appeals Nurse Specialist	M	313	226	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Grievance Resolution Specialist	F	304	42	\$51,000	\$53,813	\$64,564	\$67,267	\$78,122	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Grievance Resolution Specialist - Lead	I	307	590	\$61,000	\$60,533	\$80,055	\$77,179	\$99,110	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Grievance Resolution Specialist Sr	H	306	589	\$59,000	\$58,205	\$74,394	\$74,211	\$89,782	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Health Coach	K	310	556	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Health Educator	H	307	47	\$59,000	\$60,533	\$74,394	\$77,179	\$89,782	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Health Educator Sr	I	308	355	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Health Network Liaison Specialist (RN)	L	313	524	\$77,000	\$90,820	\$102,047	\$118,066	\$127,094	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Health Network Oversight Specialist	K	310	323	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024
To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
HEDIS Case Manager	M	313	443	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Human Resources Assistant	D	302	181	\$44,000	\$49,754	\$55,814	\$59,704	\$67,628	\$69,655	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Human Resources Business Partner	M	313	584	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Human Resources Coordinator	F	304	316	\$51,000	\$53,813	\$64,561	\$67,267	\$78,122	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Human Resources Representative	J	309	278	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Human Resources Representative Sr	L	312	350	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Human Resources Specialist	G	305	505	\$55,000	\$55,966	\$68,893	\$69,958	\$82,786	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Human Resources Specialist Sr	H	307	608	\$59,000	\$60,533	\$74,391	\$77,179	\$89,782	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Information Technology Services Coordinator	E	303	365	\$48,000	\$51,744	\$60,146	\$62,092	\$72,292	\$72,441	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Inpatient Quality Coding Auditor	I	308	642	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Intern	A	301	237	\$41,600	\$47,840	\$47,618	\$56,212	\$53,636	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Investigator	I	308	TBD-979	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Investigator Sr	K	310	553	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Administrator	L	311	63	\$77,000	\$77,863	\$102,047	\$101,222	\$127,094	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Administrator Sr	M	313	89	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Analyst	I	308	918	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Analyst Int	L	312	919	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Analyst Sr	N	314	920	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Architect II	O	315	921	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Architect III	P	316	922	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Architect IV	Q	317	923	\$130,000	\$132,969	\$172,272	\$172,860	\$214,544	\$212,751	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Developer Advisor	O	315	924	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Product Manager	N	314	925	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
ITS Product Manager Sr	O	315	926	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Kitchen Assistant	A	301	585	\$41,600	\$47,840	\$47,618	\$56,212	\$53,636	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Licensed Clinical Social Worker	J	311	598	\$65,000	\$77,863	\$85,553	\$101,222	\$106,106	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Litigation Support Specialist	K	310	588	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
LVN (PACE)	K	311	533	\$70,000	\$77,863	\$92,134	\$101,222	\$114,268	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
LVN Specialist	K	311	686	\$70,000	\$77,863	\$92,134	\$101,222	\$114,268	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Mailroom Clerk	A	301	1	\$41,600	\$47,840	\$47,618	\$56,212	\$53,636	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Accounting	O	316	98	\$105,000	\$120,881	\$139,367	\$157,145	\$173,734	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Actuary	R	318	453	\$144,000	\$146,266	\$190,932	\$190,146	\$237,864	\$234,026	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Audit & Oversight	O	316	539	\$105,000	\$120,881	\$139,367	\$157,145	\$173,734	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Behavioral Health	O	315	633	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Business Integration	O	315	544	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Case Management	P	316	270	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Claims	O	315	92	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Clinic Operations	O	316	551	\$105,000	\$120,881	\$139,367	\$157,145	\$173,734	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Clinical Pharmacist	R	319	296	\$144,000	\$160,893	\$190,932	\$209,160	\$237,864	\$257,428	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Coding Quality	N	314	382	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Communications	N	314	398	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Community Relations	N	314	384	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Contracting	O	315	329	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Cultural & Linguistic	M	313	349	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Customer Service	M	313	94	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Electronic Business	N	314	422	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Encounters	N	314	516	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Environmental Health & Safety	N	314	495	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



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Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Manager Finance	⊖	316	148	\$105,000	\$120,881	\$139,367	\$157,145	\$173,734	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Financial Analysis	⊖	316	356	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Government Affairs	⊖	314	437	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Grievance & Appeals	⊖	315	426	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Human Resources	⊖	315	526	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Information Technology Services	⊖	316	560	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Long Term Support Services	⊖	316	200	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Marketing & Enrollment (PACE)	⊖	314	414	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Member Liaison Program	⊖	313	354	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Member Outreach & Education	⊖	313	616	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager MSSP	⊖	315	393	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager OneCare Clinical	⊖	316	359	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager OneCare Customer Service	⊖	313	429	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Outreach & Enrollment	⊖	313	477	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager PACE Center	⊖	315	432	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Population Health Management	⊖	314	674	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Process Excellence	⊖	315	622	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Program Implementation	⊖	314	488	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Provider Data Management Services	⊖	313	653	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Provider Network	⊖	315	191	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Provider Relations	⊖	313	171	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Purchasing	⊖	315	275	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager QI Initiatives	⊖	313	433	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Quality Analytics	⊖	314	617	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Manager Quality Improvement	N	314	104	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Regulatory Affairs and Compliance	O	315	626	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Reporting & Financial Compliance	O	315	572	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Strategic Development	O	316	603	\$105,000	\$120,881	\$139,367	\$157,145	\$173,734	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Manager Utilization Management	P	316	250	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Marketing and Outreach Specialist	G	305	496	\$55,000	\$55,966	\$68,893	\$69,958	\$82,786	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Marketing and Outreach Specialist Sr	I	308	TBD-980	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Medical Assistant	C	302	535	\$43,281	\$49,754	\$52,540	\$59,704	\$61,798	\$69,655	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Medical Authorization Asst	C	302	11	\$43,281	\$49,754	\$52,540	\$59,704	\$61,798	\$69,655	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Medical Case Manager	L	313	72	\$77,000	\$90,820	\$102,047	\$118,066	\$127,094	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Medical Case Manager (LVN)	K	311	444	\$70,000	\$77,863	\$92,134	\$101,222	\$114,268	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
* Medical Director	V	326	306	\$266,000		\$365,034		\$464,068		Pay grades consistent with new nomenclature; no changes to pay ranges.
Medical Records & Health Plan Assistant	B	301	548	\$42,432	\$47,840	\$50,366	\$56,212	\$58,300	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Medical Records Clerk	B	301	523	\$42,432	\$47,840	\$50,366	\$56,212	\$58,300	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Medical Services Case Manager	G	307	54	\$55,000	\$60,533	\$68,893	\$77,179	\$82,786	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Member Liaison Specialist	D	302	353	\$44,000	\$49,754	\$55,814	\$59,704	\$67,628	\$69,655	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Member Liaison Specialist Sr	E	303	TBD-981	\$48,000	\$51,744	\$60,146	\$62,092	\$72,292	\$72,441	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
MMS Program Coordinator	G	306	360	\$55,000	\$58,205	\$68,893	\$74,211	\$82,786	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Network Engineer	N	315	927	\$95,000	\$109,892	\$125,039	\$142,859	\$155,078	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Network Engineer Principal	Q	317	928	\$130,000	\$132,969	\$172,272	\$172,860	\$214,544	\$212,751	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Network Engineer Sr	O	316	929	\$105,000	\$120,881	\$139,367	\$157,145	\$173,734	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Nurse Practitioner (PACE)	O	316	635	\$105,000	\$120,881	\$139,367	\$157,145	\$173,734	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Occupational Therapist	L	312	531	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Occupational Therapist Assistant	H	308	623	\$59,000	\$64,165	\$74,391	\$83,414	\$89,782	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024
To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Office Clerk	A	301	335	\$41,600	\$47,840	\$47,618	\$56,212	\$53,636	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
OneCare Operations Manager	N	315	461	\$95,000	\$109,892	\$125,039	\$142,859	\$155,078	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
OneCare Partner - Sales	F	305	230	\$51,000	\$55,966	\$64,561	\$69,958	\$78,122	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
OneCare Partner - Sales (Lead)	G	307	537	\$55,000	\$60,533	\$68,893	\$77,179	\$82,786	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
OneCare Partner - Service	G	301	231	\$43,281	\$47,840	\$52,540	\$56,212	\$61,798	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
OneCare Partner (Inside Sales)	E	303	371	\$48,000	\$51,744	\$60,146	\$62,092	\$72,292	\$72,441	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Outreach Specialist	C	301	218	\$43,281	\$47,840	\$52,540	\$56,212	\$61,798	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Paralegal/Legal Secretary	I	308	376	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Payroll Specialist	E	304	554	\$48,000	\$53,813	\$60,146	\$67,267	\$72,292	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Payroll Specialist Sr	G	306	688	\$55,000	\$58,205	\$68,893	\$74,211	\$82,786	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Performance Analyst	I	308	538	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Personal Care Attendant	A	301	485	\$41,600	\$47,840	\$47,618	\$56,212	\$53,636	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Personal Care Attendant - Lead	B	302	498	\$42,432	\$49,754	\$50,366	\$59,704	\$58,300	\$69,655	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Personal Care Coordinator	C	303	525	\$43,281	\$51,744	\$52,540	\$62,092	\$61,798	\$72,441	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Personal Care Coordinator Sr	D	304	689	\$44,000	\$53,813	\$55,814	\$67,267	\$67,628	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Pharmacy Resident	G	305	379	\$55,000	\$55,966	\$68,893	\$69,958	\$82,786	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Pharmacy Services Specialist	C	301	23	\$43,281	\$47,840	\$52,540	\$56,212	\$61,798	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Pharmacy Services Specialist Int	D	302	35	\$44,000	\$49,754	\$55,814	\$59,704	\$67,628	\$69,655	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Pharmacy Services Specialist Sr	E	304	507	\$48,000	\$53,813	\$60,146	\$67,267	\$72,292	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Physical Therapist	L	312	530	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Physical Therapist Assistant	H	308	624	\$59,000	\$64,165	\$74,391	\$83,414	\$89,782	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Policy Advisor Sr	M	312	580	\$85,000	\$84,092	\$113,043	\$109,320	\$141,086	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Principal Financial Analyst	O	315	907	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Privacy Manager	N	315	536	\$95,000	\$109,892	\$125,039	\$142,859	\$155,078	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Privacy Officer	⓪	315	648	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Process Excellence Manager I	H	307	930	\$59,000	\$60,533	\$74,391	\$77,179	\$89,782	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Process Excellence Manager II	J	310	931	\$65,000	\$72,096	\$85,553	\$93,724	\$106,106	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Process Excellence Manager III	M	313	932	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Process Excellence Manager IV	⓪	315	933	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Program Assistant	G	302	24	\$43,281	\$49,754	\$52,540	\$59,704	\$61,798	\$69,655	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Program Coordinator	G	303	284	\$43,281	\$51,744	\$52,540	\$62,092	\$61,798	\$72,441	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Program Development Analyst Sr	K	311	492	\$70,000	\$77,863	\$92,134	\$101,222	\$114,268	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Program Manager	L	311	421	\$77,000	\$77,863	\$102,047	\$101,222	\$127,094	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Program Manager Sr	M	313	594	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Program Specialist	E	305	36	\$48,000	\$55,966	\$60,146	\$69,958	\$72,292	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Program Specialist Int	G	307	61	\$55,000	\$60,533	\$68,893	\$77,179	\$82,786	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Program Specialist Sr	I	309	508	\$61,000	\$68,015	\$80,055	\$88,419	\$99,110	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Program/Policy Analyst	I	309	56	\$61,000	\$68,015	\$80,055	\$88,419	\$99,110	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Program/Policy Analyst Sr	K	311	85	\$70,000	\$77,863	\$92,134	\$101,222	\$114,268	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Programmer	K	310	43	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Programmer Int	M	313	74	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Programmer Sr	N	314	80	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Project Manager I	I	308	934	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Project Manager II	L	312	935	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Project Manager III	⓪	315	936	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Project Manager IV	P	316	937	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Project Specialist	E	304	291	\$48,000	\$53,813	\$60,146	\$67,267	\$72,292	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Provider Data Management Services Coordinator	D	303	12	\$44,000	\$51,744	\$55,814	\$62,092	\$67,628	\$72,441	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Provider Data Management Services Coordinator Sr	F	305	586	\$51,000	\$55,966	\$64,561	\$69,958	\$78,122	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Provider Enrollment Manager	G	306	190	\$55,000	\$58,205	\$68,893	\$74,211	\$82,786	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Provider Network Rep Sr	I	308	391	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Provider Network Specialist	H	307	44	\$59,000	\$60,533	\$74,391	\$77,179	\$89,782	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Provider Network Specialist Sr	J	309	595	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Provider Office Education Manager	I	307	300	\$61,000	\$60,533	\$80,055	\$77,179	\$99,110	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Provider Relations Rep	G	306	205	\$55,000	\$58,205	\$68,893	\$74,211	\$82,786	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Provider Relations Rep Sr	I	308	285	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Publications Coordinator	G	306	293	\$55,000	\$58,205	\$68,893	\$74,211	\$82,786	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
QA Analyst	I	309	486	\$61,000	\$68,015	\$80,055	\$88,419	\$99,110	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
QA Analyst Sr	L	312	380	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
QA Test Automation Engineer	J	310	938	\$65,000	\$72,096	\$85,553	\$93,724	\$106,106	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
QA Test Automation Engineer Advisor	O	315	939	\$105,000	\$109,892	\$139,367	\$142,859	\$173,734	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
QA Test Automation Engineer Sr.	N	314	940	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
QI Nurse Specialist	M	313	82	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
QI Nurse Specialist (LVN)	L	312	445	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Quality Improvement Specialist	I	309	TBD-982	\$61,000	\$68,015	\$80,055	\$88,419	\$99,110	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Quality Improvement Specialist Sr	K	311	TBD-983	\$70,000	\$77,863	\$92,134	\$101,222	\$114,268	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Receptionist	B	301	140	\$42,432	\$47,840	\$50,366	\$56,212	\$58,300	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Records Manager	Q	317	778	\$130,000	\$132,969	\$172,272	\$172,860	\$214,544	\$212,751	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Recreational Therapist	H	306	487	\$59,000	\$58,205	\$74,391	\$74,211	\$89,782	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Registered Dietitian	K	310	57	\$70,000	\$72,096	\$92,134	\$93,724	\$114,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Regulatory Affairs and Compliance - Lead	L	311	630	\$77,000	\$77,863	\$102,047	\$101,222	\$127,094	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Regulatory Affairs and Compliance Analyst	I	309	628	\$61,000	\$68,015	\$80,055	\$88,419	\$99,110	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



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Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Regulatory Affairs and Compliance Analyst Sr	K	310	629	\$70,000	\$72,096	\$92,134	\$93,724	\$144,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
RN (PACE)	M	313	480	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Security Officer	B	301	311	\$42,432	\$47,840	\$50,366	\$56,212	\$58,300	\$64,584	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Service Desk Technician	E	304	571	\$48,000	\$53,813	\$60,146	\$67,267	\$72,292	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Service Desk Technician Sr	F	305	573	\$51,000	\$55,966	\$64,564	\$69,958	\$78,122	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
SharePoint Developer/Administrator Sr	N	314	397	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Social Worker	J	309	463	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Social Worker Sr	K	310	690	\$70,000	\$72,096	\$92,134	\$93,724	\$144,268	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Speech Therapist	L	312	941	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
* Sr Director	T	324	896	\$182,000	\$216,737	\$249,576	\$281,757	\$347,152	\$346,778	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Sr Manager I	P	316	897	\$117,000	\$120,881	\$154,695	\$157,145	\$192,390	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Sr Manager II	Q	317	898	\$130,000	\$132,969	\$172,272	\$172,860	\$214,544	\$212,751	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Sr Manager III	R	318	899	\$144,000	\$146,266	\$190,932	\$190,146	\$237,864	\$234,026	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Sr Manager IV	S	319	900	\$154,000	\$160,893	\$212,256	\$209,160	\$270,512	\$257,428	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Accounting	N	314	434	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Audit and Oversight	M	313	618	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Behavioral Health	M	313	659	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Budgeting	N	314	466	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Case Management	N	315	86	\$95,000	\$109,892	\$125,039	\$142,859	\$155,078	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Claims	L	312	219	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Coding Initiatives	M	313	502	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Credentialing	I	308	671	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Customer Service	I	308	34	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Data Entry	H	306	192	\$59,000	\$58,205	\$74,394	\$74,211	\$89,782	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Supervisor Day Center (PACE)	H	306	619	\$59,000	\$58,205	\$74,391	\$74,211	\$89,782	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Dietary Services (PACE)	L	312	643	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Encounters	I	307	253	\$61,000	\$60,533	\$80,055	\$77,179	\$99,110	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Facilities	J	310	162	\$65,000	\$72,096	\$85,553	\$93,724	\$106,106	\$115,353	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Finance	N	314	419	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Grievance and Appeals	L	312	620	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Information Technology Services	N	314	457	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Long Term Support Services	N	315	587	\$95,000	\$109,892	\$125,039	\$142,859	\$155,078	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Medical Assistant	H	306	TBD-984	\$59,000	\$58,205	\$74,391	\$74,211	\$89,782	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Member Outreach and Education	K	311	592	\$70,000	\$77,863	\$92,134	\$101,222	\$114,268	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor MSSP	M	314	348	\$85,000	\$99,902	\$113,043	\$129,872	\$141,086	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Nursing Services (PACE)	N	315	662	\$95,000	\$109,892	\$125,039	\$142,859	\$155,078	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor OneCare Customer Service	I	308	408	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Payroll	M	313	517	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Pharmacist	Q	317	610	\$130,000	\$132,969	\$172,272	\$172,860	\$214,544	\$212,751	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Population Health Management	M	313	673	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Provider Data Management Services	K	311	439	\$70,000	\$77,863	\$92,134	\$101,222	\$114,268	\$124,581	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Provider Relations	L	312	652	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Quality Analytics	M	313	609	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Quality Improvement	M	313	600	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Regulatory Affairs and Compliance	M	313	627	\$85,000	\$90,820	\$113,043	\$118,066	\$141,086	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Social Work (PACE)	L	313	636	\$77,000	\$90,820	\$102,047	\$118,066	\$127,094	\$145,312	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Therapy Services (PACE)	M	314	645	\$85,000	\$99,902	\$113,043	\$129,872	\$141,086	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Supervisor Utilization Management	N	315	637	\$95,000	\$109,892	\$125,039	\$142,859	\$155,078	\$175,827	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.



Annual Base Salary Schedule - Revised: ~~May 4, 2023~~ May 2, 2024

To be implemented: ~~May 7, 2023~~ May 5, 2024

Job Title	Pay Grade	Proposed Pay Grade	Job Code	Min	Proposed Min	Mid	Proposed Mid	Max	Proposed Max	For Approval
Systems Operations Analyst	F	304	32	\$51,000	\$53,813	\$64,561	\$67,267	\$78,122	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Systems Operations Analyst Int	G	307	45	\$55,000	\$60,533	\$68,893	\$77,179	\$82,786	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Technical Analyst Int	J	309	64	\$65,000	\$68,015	\$85,553	\$88,419	\$106,106	\$108,824	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Technical Analyst Sr	L	312	75	\$77,000	\$84,092	\$102,047	\$109,320	\$127,094	\$134,548	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Technical Support Specialist Sr	I	307	942	\$61,000	\$60,533	\$80,055	\$77,179	\$99,110	\$93,826	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Telephony Engineer	N	314	943	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Telephony Engineer Sr	O	316	944	\$105,000	\$120,881	\$139,367	\$157,145	\$173,734	\$193,410	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Therapy Aide	E	304	521	\$48,000	\$53,813	\$60,146	\$67,267	\$72,292	\$80,720	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Training Administrator	I	308	621	\$61,000	\$64,165	\$80,055	\$83,414	\$99,110	\$102,664	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Training Program Coordinator	H	306	471	\$59,000	\$58,205	\$74,391	\$74,211	\$89,782	\$90,217	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Translation Specialist	B	305	241	\$42,432	\$55,966	\$50,366	\$69,958	\$58,300	\$83,949	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.
Web Architect	N	314	366	\$95,000	\$99,902	\$125,039	\$129,872	\$155,078	\$159,843	Pay grades and pay ranges redesigned based on AJ Gallagher and HR internal evaluation of job responsibilities.

* These positions are identified for the purposes of CalOptima Health Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution.

** These positions are identified for the purposes of CalOptima Health Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution and are also Chief or Executive Director level positions.



Annual Base Salary Schedule - Revised: May 2, 2024
To be implemented: May 5, 2024

Job Title	Pay Grade	Job Code	Min	Mid	Max
Accountant I	307	39	\$60,533	\$77,179	\$93,826
Accountant II	310	634	\$72,096	\$93,724	\$115,353
Accountant III	311	68	\$77,863	\$101,222	\$124,581
Accountant IV	313	908	\$90,820	\$118,066	\$145,312
Accounting Clerk	302	334	\$49,754	\$59,704	\$69,655
Accounting Clerk Sr	304	680	\$53,813	\$67,267	\$80,720
Activity Coordinator (PACE)	305	681	\$55,966	\$69,958	\$83,949
Actuarial Analyst	310	558	\$72,096	\$93,724	\$115,353
Actuarial Analyst Sr	312	559	\$84,092	\$109,320	\$134,548
Actuary	315	357	\$109,892	\$142,859	\$175,827
Actuary Principal	317	882	\$132,969	\$172,860	\$212,751
Actuary Sr	316	883	\$120,881	\$157,145	\$193,410
Administrative Assistant	302	19	\$49,754	\$59,704	\$69,655
Administrative Fellow	309	902	\$68,015	\$88,419	\$108,824
Analyst	306	562	\$58,205	\$74,211	\$90,217
Analyst Int	308	563	\$64,165	\$83,414	\$102,664
Analyst Sr	310	564	\$72,096	\$93,724	\$115,353
Applications Analyst	308	232	\$64,165	\$83,414	\$102,664
Applications Analyst Int	309	233	\$68,015	\$88,419	\$108,824
Applications Analyst Sr	311	298	\$77,863	\$101,222	\$124,581
Associate Director I	318	884	\$146,266	\$190,146	\$234,026
Associate Director II	319	885	\$160,893	\$209,160	\$257,428
Auditor	309	565	\$68,015	\$88,419	\$108,824
Auditor Sr	310	566	\$72,096	\$93,724	\$115,353
Batch Automation Analyst	309	909	\$68,015	\$88,419	\$108,824
Batch Automation Analyst Sr	310	910	\$72,096	\$93,724	\$115,353
Biostatistics Manager	312	418	\$84,092	\$109,320	\$134,548
Business Analyst	310	40	\$72,096	\$93,724	\$115,353
Business Analyst Sr	311	611	\$77,863	\$101,222	\$124,581
Business Systems Analyst Sr	310	69	\$72,096	\$93,724	\$115,353
Buyer	306	29	\$58,205	\$74,211	\$90,217
Buyer Int	308	49	\$64,165	\$83,414	\$102,664
Buyer Sr	311	67	\$77,863	\$101,222	\$124,581
Care Manager	310	657	\$72,096	\$93,724	\$115,353
Care Transition Intervention Coach (RN)	313	417	\$90,820	\$118,066	\$145,312
Certified Coder	306	399	\$58,205	\$74,211	\$90,217
Certified Coding Specialist	306	639	\$58,205	\$74,211	\$90,217
Certified Coding Specialist Sr	309	640	\$68,015	\$88,419	\$108,824
Change Control Administrator	307	499	\$60,533	\$77,179	\$93,826
Change Control Administrator Int	309	500	\$68,015	\$88,419	\$108,824
** Chief Administrative Officer	327	TBD	\$313,000	\$414,450	\$515,900
** Chief Compliance Officer	327	888	\$313,000	\$414,450	\$515,900
** Chief Executive Officer	330	138	\$560,000	\$700,750	\$841,500



Annual Base Salary Schedule - Revised: May 2, 2024

To be implemented: May 5, 2024

Job Title	Pay Grade	Job Code	Min	Mid	Max
** Chief Financial Officer	328	134	\$368,000	\$487,600	\$607,200
** Chief Health Equity Officer	327	889	\$313,000	\$414,450	\$515,900
** Chief Human Resources Officer	327	890	\$313,000	\$414,450	\$515,900
** Chief Information Officer	327	131	\$313,000	\$414,450	\$515,900
** Chief Medical Officer	328	137	\$368,000	\$487,600	\$607,200
** Chief of Staff	325	692	\$226,000	\$298,900	\$371,800
** Chief Operating Officer	329	136	\$433,000	\$573,450	\$713,900
Claims - Lead	305	574	\$55,966	\$69,958	\$83,949
Claims Examiner	301	9	\$47,840	\$56,212	\$64,584
Claims Examiner - Lead	305	236	\$55,966	\$69,958	\$83,949
Claims Examiner Sr	303	20	\$51,744	\$62,092	\$72,441
Claims QA Analyst	304	28	\$53,813	\$67,267	\$80,720
Claims QA Analyst Sr	306	540	\$58,205	\$74,211	\$90,217
Claims Recovery Specialist	304	283	\$53,813	\$67,267	\$80,720
Claims Resolution Specialist	304	262	\$53,813	\$67,267	\$80,720
Clerk of the Board	315	59	\$109,892	\$142,859	\$175,827
Clinical Auditor	312	567	\$84,092	\$109,320	\$134,548
Clinical Auditor Sr	313	568	\$90,820	\$118,066	\$145,312
Clinical Documentation Specialist (RN)	313	641	\$90,820	\$118,066	\$145,312
Clinical Pharmacist	316	297	\$120,881	\$157,145	\$193,410
Clinical Systems Administrator	310	607	\$72,096	\$93,724	\$115,353
Clinical Trainer	313	903	\$90,820	\$118,066	\$145,312
Clinical Trainer (LVN)	312	904	\$84,092	\$109,320	\$134,548
Clinician (Behavioral Health)	310	513	\$72,096	\$93,724	\$115,353
Clinician Sr (Behavioral Health)	312	TBD 978	\$84,092	\$109,320	\$134,548
Cloud Engineer	315	912	\$109,892	\$142,859	\$175,827
Cloud Engineer Sr	316	913	\$120,881	\$157,145	\$193,410
Communications Specialist	306	188	\$58,205	\$74,211	\$90,217
Communications Specialist - Lead	309	707	\$68,015	\$88,419	\$108,824
Communications Specialist Sr	307	708	\$60,533	\$77,179	\$93,826
Community Partner	306	575	\$58,205	\$74,211	\$90,217
Community Partner Sr	308	612	\$64,165	\$83,414	\$102,664
Community Relations Specialist	306	288	\$58,205	\$74,211	\$90,217
Community Relations Specialist Sr	308	646	\$64,165	\$83,414	\$102,664
Compliance Claims Auditor	306	222	\$58,205	\$74,211	\$90,217
Compliance Claims Auditor Sr	307	279	\$60,533	\$77,179	\$93,826
Contract Administrator	311	385	\$77,863	\$101,222	\$124,581
Contracts Manager	313	207	\$90,820	\$118,066	\$145,312
Contracts Manager Sr	314	683	\$99,902	\$129,872	\$159,843
Contracts Specialist	308	257	\$64,165	\$83,414	\$102,664
Contracts Specialist Int	309	469	\$68,015	\$88,419	\$108,824
Contracts Specialist Sr	310	331	\$72,096	\$93,724	\$115,353
* Controller	323	464	\$204,199	\$265,458	\$326,717



Annual Base Salary Schedule - Revised: May 2, 2024
To be implemented: May 5, 2024

Job Title	Pay Grade	Job Code	Min	Mid	Max
Credentialing Coordinator	304	41	\$53,813	\$67,267	\$80,720
Credentialing Coordinator - Lead	306	510	\$58,205	\$74,211	\$90,217
Customer Service Coordinator	303	182	\$51,744	\$62,092	\$72,441
Customer Service Rep	301	5	\$47,840	\$56,212	\$64,584
Customer Service Rep - Lead	305	482	\$55,966	\$69,958	\$83,949
Customer Service Rep Sr	302	481	\$49,754	\$59,704	\$69,655
Cybersecurity Analyst	309	914	\$68,015	\$88,419	\$108,824
Cybersecurity Analyst Int	313	534	\$90,820	\$118,066	\$145,312
Cybersecurity Analyst Sr	314	474	\$99,902	\$129,872	\$159,843
Cybersecurity Engineer	316	915	\$120,881	\$157,145	\$193,410
Cybersecurity Engineer Sr	317	916	\$132,969	\$172,860	\$212,751
Cybersecurity Principal	319	917	\$160,893	\$209,160	\$257,428
Data Analyst	309	337	\$68,015	\$88,419	\$108,824
Data Analyst Int	310	341	\$72,096	\$93,724	\$115,353
Data Analyst Sr	312	342	\$84,092	\$109,320	\$134,548
Data and Reporting Analyst - Lead	314	654	\$99,902	\$129,872	\$159,843
Data Entry Tech	301	3	\$47,840	\$56,212	\$64,584
Data Warehouse Architect	315	363	\$109,892	\$142,859	\$175,827
Data Warehouse Programmer/Analyst	314	364	\$99,902	\$129,872	\$159,843
Data Warehouse Reporting Analyst	313	412	\$90,820	\$118,066	\$145,312
Data Warehouse Reporting Analyst Sr	314	522	\$99,902	\$129,872	\$159,843
Database Administrator	311	90	\$77,863	\$101,222	\$124,581
Database Administrator Sr	314	179	\$99,902	\$129,872	\$159,843
** Deputy Chief Medical Officer	327	561	\$313,000	\$414,450	\$515,900
Designer	310	387	\$72,096	\$93,724	\$115,353
Designer Sr	311	901	\$77,863	\$101,222	\$124,581
* Director I	320	891	\$170,772	\$222,003	\$273,234
* Director II	321	892	\$181,257	\$235,634	\$290,011
* Director III	322	893	\$192,386	\$250,102	\$307,817
* Director IV	323	894	\$204,199	\$265,458	\$326,717
Enrollment Coordinator (PACE)	304	441	\$53,813	\$67,267	\$80,720
Enterprise Analytics Manager	315	582	\$109,892	\$142,859	\$175,827
Executive Administrative Services Manager	311	661	\$77,863	\$101,222	\$124,581
Executive Assistant	307	339	\$60,533	\$77,179	\$93,826
Executive Assistant to CEO	309	261	\$68,015	\$88,419	\$108,824
** Executive Director	325	895	\$226,000	\$298,900	\$371,800
Facilities & Support Services Coord - Lead	307	631	\$60,533	\$77,179	\$93,826
Facilities & Support Services Coordinator	304	10	\$53,813	\$67,267	\$80,720
Facilities & Support Services Coordinator Sr	305	511	\$55,966	\$69,958	\$83,949
Facilities Coordinator	304	438	\$53,813	\$67,267	\$80,720
Financial Analyst I	309	51	\$68,015	\$88,419	\$108,824
Financial Analyst II	312	84	\$84,092	\$109,320	\$134,548
Financial Analyst III	313	905	\$90,820	\$118,066	\$145,312



Annual Base Salary Schedule - Revised: May 2, 2024

To be implemented: May 5, 2024

Job Title	Pay Grade	Job Code	Min	Mid	Max
Financial Analyst IV	314	906	\$99,902	\$129,872	\$159,843
Financial Reporting Analyst	308	475	\$64,165	\$83,414	\$102,664
Grievance & Appeals Nurse Specialist	313	226	\$90,820	\$118,066	\$145,312
Grievance Resolution Specialist	304	42	\$53,813	\$67,267	\$80,720
Grievance Resolution Specialist - Lead	307	590	\$60,533	\$77,179	\$93,826
Grievance Resolution Specialist Sr	306	589	\$58,205	\$74,211	\$90,217
Health Coach	310	556	\$72,096	\$93,724	\$115,353
Health Educator	307	47	\$60,533	\$77,179	\$93,826
Health Educator Sr	308	355	\$64,165	\$83,414	\$102,664
Health Network Liaison Specialist (RN)	313	524	\$90,820	\$118,066	\$145,312
Health Network Oversight Specialist	310	323	\$72,096	\$93,724	\$115,353
HEDIS Case Manager	313	443	\$90,820	\$118,066	\$145,312
Human Resources Assistant	302	181	\$49,754	\$59,704	\$69,655
Human Resources Business Partner	313	584	\$90,820	\$118,066	\$145,312
Human Resources Coordinator	304	316	\$53,813	\$67,267	\$80,720
Human Resources Representative	309	278	\$68,015	\$88,419	\$108,824
Human Resources Representative Sr	312	350	\$84,092	\$109,320	\$134,548
Human Resources Specialist	305	505	\$55,966	\$69,958	\$83,949
Human Resources Specialist Sr	307	608	\$60,533	\$77,179	\$93,826
Information Technology Services Coordinator	303	365	\$51,744	\$62,092	\$72,441
Inpatient Quality Coding Auditor	308	642	\$64,165	\$83,414	\$102,664
Intern	301	237	\$47,840	\$56,212	\$64,584
Investigator	308	TBD 979	\$64,165	\$83,414	\$102,664
Investigator Sr	310	553	\$72,096	\$93,724	\$115,353
ITS Administrator	311	63	\$77,863	\$101,222	\$124,581
ITS Administrator Sr	313	89	\$90,820	\$118,066	\$145,312
ITS Analyst	308	918	\$64,165	\$83,414	\$102,664
ITS Analyst Int	312	919	\$84,092	\$109,320	\$134,548
ITS Analyst Sr	314	920	\$99,902	\$129,872	\$159,843
ITS Architect II	315	921	\$109,892	\$142,859	\$175,827
ITS Architect III	316	922	\$120,881	\$157,145	\$193,410
ITS Architect IV	317	923	\$132,969	\$172,860	\$212,751
ITS Developer Advisor	315	924	\$109,892	\$142,859	\$175,827
ITS Product Manager	314	925	\$99,902	\$129,872	\$159,843
ITS Product Manager Sr	315	926	\$109,892	\$142,859	\$175,827
Kitchen Assistant	301	585	\$47,840	\$56,212	\$64,584
Licensed Clinical Social Worker	311	598	\$77,863	\$101,222	\$124,581
Litigation Support Specialist	310	588	\$72,096	\$93,724	\$115,353
LVN (PACE)	311	533	\$77,863	\$101,222	\$124,581
LVN Specialist	311	686	\$77,863	\$101,222	\$124,581
Mailroom Clerk	301	1	\$47,840	\$56,212	\$64,584
Manager Accounting	316	98	\$120,881	\$157,145	\$193,410
Manager Actuary	318	453	\$146,266	\$190,146	\$234,026



Annual Base Salary Schedule - Revised: May 2, 2024
To be implemented: May 5, 2024

Job Title	Pay Grade	Job Code	Min	Mid	Max
Manager Audit & Oversight	316	539	\$120,881	\$157,145	\$193,410
Manager Behavioral Health	315	633	\$109,892	\$142,859	\$175,827
Manager Business Integration	315	544	\$109,892	\$142,859	\$175,827
Manager Case Management	316	270	\$120,881	\$157,145	\$193,410
Manager Claims	315	92	\$109,892	\$142,859	\$175,827
Manager Clinic Operations	316	551	\$120,881	\$157,145	\$193,410
Manager Clinical Pharmacist	319	296	\$160,893	\$209,160	\$257,428
Manager Coding Quality	314	382	\$99,902	\$129,872	\$159,843
Manager Communications	314	398	\$99,902	\$129,872	\$159,843
Manager Community Relations	314	384	\$99,902	\$129,872	\$159,843
Manager Contracting	315	329	\$109,892	\$142,859	\$175,827
Manager Cultural & Linguistic	313	349	\$90,820	\$118,066	\$145,312
Manager Customer Service	313	94	\$90,820	\$118,066	\$145,312
Manager Electronic Business	314	422	\$99,902	\$129,872	\$159,843
Manager Encounters	314	516	\$99,902	\$129,872	\$159,843
Manager Environmental Health & Safety	314	495	\$99,902	\$129,872	\$159,843
Manager Finance	316	148	\$120,881	\$157,145	\$193,410
Manager Financial Analysis	316	356	\$120,881	\$157,145	\$193,410
Manager Government Affairs	314	437	\$99,902	\$129,872	\$159,843
Manager Grievance & Appeals	315	426	\$109,892	\$142,859	\$175,827
Manager Human Resources	315	526	\$109,892	\$142,859	\$175,827
Manager Information Technology Services	316	560	\$120,881	\$157,145	\$193,410
Manager Long Term Support Services	316	200	\$120,881	\$157,145	\$193,410
Manager Marketing & Enrollment (PACE)	314	414	\$99,902	\$129,872	\$159,843
Manager Member Liaison Program	313	354	\$90,820	\$118,066	\$145,312
Manager Member Outreach & Education	313	616	\$90,820	\$118,066	\$145,312
Manager MSSP	315	393	\$109,892	\$142,859	\$175,827
Manager OneCare Clinical	316	359	\$120,881	\$157,145	\$193,410
Manager OneCare Customer Service	313	429	\$90,820	\$118,066	\$145,312
Manager Outreach & Enrollment	313	477	\$90,820	\$118,066	\$145,312
Manager PACE Center	315	432	\$109,892	\$142,859	\$175,827
Manager Population Health Management	314	674	\$99,902	\$129,872	\$159,843
Manager Process Excellence	315	622	\$109,892	\$142,859	\$175,827
Manager Program Implementation	314	488	\$99,902	\$129,872	\$159,843
Manager Provider Data Management Services	313	653	\$90,820	\$118,066	\$145,312
Manager Provider Network	315	191	\$109,892	\$142,859	\$175,827
Manager Provider Relations	313	171	\$90,820	\$118,066	\$145,312
Manager Purchasing	315	275	\$109,892	\$142,859	\$175,827
Manager QI Initiatives	313	433	\$90,820	\$118,066	\$145,312
Manager Quality Analytics	314	617	\$99,902	\$129,872	\$159,843
Manager Quality Improvement	314	104	\$99,902	\$129,872	\$159,843
Manager Regulatory Affairs and Compliance	315	626	\$109,892	\$142,859	\$175,827
Manager Reporting & Financial Compliance	315	572	\$109,892	\$142,859	\$175,827



Annual Base Salary Schedule - Revised: May 2, 2024
To be implemented: May 5, 2024

Job Title	Pay Grade	Job Code	Min	Mid	Max
Manager Strategic Development	316	603	\$120,881	\$157,145	\$193,410
Manager Utilization Management	316	250	\$120,881	\$157,145	\$193,410
Marketing and Outreach Specialist	305	496	\$55,966	\$69,958	\$83,949
Marketing and Outreach Specialist Sr	308	TBD 980	\$64,165	\$83,414	\$102,664
Medical Assistant	302	535	\$49,754	\$59,704	\$69,655
Medical Authorization Asst	302	11	\$49,754	\$59,704	\$69,655
Medical Case Manager	313	72	\$90,820	\$118,066	\$145,312
Medical Case Manager (LVN)	311	444	\$77,863	\$101,222	\$124,581
* Medical Director	326	306	\$266,000	\$365,034	\$464,068
Medical Records & Health Plan Assistant	301	548	\$47,840	\$56,212	\$64,584
Medical Records Clerk	301	523	\$47,840	\$56,212	\$64,584
Medical Services Case Manager	307	54	\$60,533	\$77,179	\$93,826
Member Liaison Specialist	302	353	\$49,754	\$59,704	\$69,655
Member Liaison Specialist Sr	303	TBD 981	\$51,744	\$62,092	\$72,441
MMS Program Coordinator	306	360	\$58,205	\$74,211	\$90,217
Network Engineer	315	927	\$109,892	\$142,859	\$175,827
Network Engineer Principal	317	928	\$132,969	\$172,860	\$212,751
Network Engineer Sr	316	929	\$120,881	\$157,145	\$193,410
Nurse Practitioner (PACE)	316	635	\$120,881	\$157,145	\$193,410
Occupational Therapist	312	531	\$84,092	\$109,320	\$134,548
Occupational Therapist Assistant	308	623	\$64,165	\$83,414	\$102,664
Office Clerk	301	335	\$47,840	\$56,212	\$64,584
OneCare Operations Manager	315	461	\$109,892	\$142,859	\$175,827
OneCare Partner - Sales	305	230	\$55,966	\$69,958	\$83,949
OneCare Partner - Sales (Lead)	307	537	\$60,533	\$77,179	\$93,826
OneCare Partner - Service	301	231	\$47,840	\$56,212	\$64,584
OneCare Partner (Inside Sales)	303	371	\$51,744	\$62,092	\$72,441
Outreach Specialist	301	218	\$47,840	\$56,212	\$64,584
Paralegal/Legal Secretary	308	376	\$64,165	\$83,414	\$102,664
Payroll Specialist	304	554	\$53,813	\$67,267	\$80,720
Payroll Specialist Sr	306	688	\$58,205	\$74,211	\$90,217
Performance Analyst	308	538	\$64,165	\$83,414	\$102,664
Personal Care Attendant	301	485	\$47,840	\$56,212	\$64,584
Personal Care Attendant - Lead	302	498	\$49,754	\$59,704	\$69,655
Personal Care Coordinator	303	525	\$51,744	\$62,092	\$72,441
Personal Care Coordinator Sr	304	689	\$53,813	\$67,267	\$80,720
Pharmacy Resident	305	379	\$55,966	\$69,958	\$83,949
Pharmacy Services Specialist	301	23	\$47,840	\$56,212	\$64,584
Pharmacy Services Specialist Int	302	35	\$49,754	\$59,704	\$69,655
Pharmacy Services Specialist Sr	304	507	\$53,813	\$67,267	\$80,720
Physical Therapist	312	530	\$84,092	\$109,320	\$134,548
Physical Therapist Assistant	308	624	\$64,165	\$83,414	\$102,664
Policy Advisor Sr	312	580	\$84,092	\$109,320	\$134,548



Annual Base Salary Schedule - Revised: May 2, 2024

To be implemented: May 5, 2024

Job Title	Pay Grade	Job Code	Min	Mid	Max
Principal Financial Analyst	315	907	\$109,892	\$142,859	\$175,827
Privacy Manager	315	536	\$109,892	\$142,859	\$175,827
Privacy Officer	315	648	\$109,892	\$142,859	\$175,827
Process Excellence Manager I	307	930	\$60,533	\$77,179	\$93,826
Process Excellence Manager II	310	931	\$72,096	\$93,724	\$115,353
Process Excellence Manager III	313	932	\$90,820	\$118,066	\$145,312
Process Excellence Manager IV	315	933	\$109,892	\$142,859	\$175,827
Program Assistant	302	24	\$49,754	\$59,704	\$69,655
Program Coordinator	303	284	\$51,744	\$62,092	\$72,441
Program Development Analyst Sr	311	492	\$77,863	\$101,222	\$124,581
Program Manager	311	421	\$77,863	\$101,222	\$124,581
Program Manager Sr	313	594	\$90,820	\$118,066	\$145,312
Program Specialist	305	36	\$55,966	\$69,958	\$83,949
Program Specialist Int	307	61	\$60,533	\$77,179	\$93,826
Program Specialist Sr	309	508	\$68,015	\$88,419	\$108,824
Program/Policy Analyst	309	56	\$68,015	\$88,419	\$108,824
Program/Policy Analyst Sr	311	85	\$77,863	\$101,222	\$124,581
Programmer	310	43	\$72,096	\$93,724	\$115,353
Programmer Int	313	74	\$90,820	\$118,066	\$145,312
Programmer Sr	314	80	\$99,902	\$129,872	\$159,843
Project Manager I	308	934	\$64,165	\$83,414	\$102,664
Project Manager II	312	935	\$84,092	\$109,320	\$134,548
Project Manager III	315	936	\$109,892	\$142,859	\$175,827
Project Manager IV	316	937	\$120,881	\$157,145	\$193,410
Project Specialist	304	291	\$53,813	\$67,267	\$80,720
Provider Data Management Services Coordinator	303	12	\$51,744	\$62,092	\$72,441
Provider Data Management Services Coordinator Sr	305	586	\$55,966	\$69,958	\$83,949
Provider Enrollment Manager	306	190	\$58,205	\$74,211	\$90,217
Provider Network Rep Sr	308	391	\$64,165	\$83,414	\$102,664
Provider Network Specialist	307	44	\$60,533	\$77,179	\$93,826
Provider Network Specialist Sr	309	595	\$68,015	\$88,419	\$108,824
Provider Office Education Manager	307	300	\$60,533	\$77,179	\$93,826
Provider Relations Rep	306	205	\$58,205	\$74,211	\$90,217
Provider Relations Rep Sr	308	285	\$64,165	\$83,414	\$102,664
Publications Coordinator	306	293	\$58,205	\$74,211	\$90,217
QA Analyst	309	486	\$68,015	\$88,419	\$108,824
QA Analyst Sr	312	380	\$84,092	\$109,320	\$134,548
QA Test Automation Engineer	310	938	\$72,096	\$93,724	\$115,353
QA Test Automation Engineer Advisor	315	939	\$109,892	\$142,859	\$175,827
QA Test Automation Engineer Sr.	314	940	\$99,902	\$129,872	\$159,843
QI Nurse Specialist	313	82	\$90,820	\$118,066	\$145,312
QI Nurse Specialist (LVN)	312	445	\$84,092	\$109,320	\$134,548
Quality Improvement Specialist	309	TBD 982	\$68,015	\$88,419	\$108,824



Annual Base Salary Schedule - Revised: May 2, 2024
To be implemented: May 5, 2024

Job Title	Pay Grade	Job Code	Min	Mid	Max
Quality Improvement Specialist Sr	311	TBD 983	\$77,863	\$101,222	\$124,581
Receptionist	301	140	\$47,840	\$56,212	\$64,584
Records Manager	317	778	\$132,969	\$172,860	\$212,751
Recreational Therapist	306	487	\$58,205	\$74,211	\$90,217
Registered Dietitian	310	57	\$72,096	\$93,724	\$115,353
Regulatory Affairs and Compliance - Lead	311	630	\$77,863	\$101,222	\$124,581
Regulatory Affairs and Compliance Analyst	309	628	\$68,015	\$88,419	\$108,824
Regulatory Affairs and Compliance Analyst Sr	310	629	\$72,096	\$93,724	\$115,353
RN (PACE)	313	480	\$90,820	\$118,066	\$145,312
Security Officer	301	311	\$47,840	\$56,212	\$64,584
Service Desk Technician	304	571	\$53,813	\$67,267	\$80,720
Service Desk Technician Sr	305	573	\$55,966	\$69,958	\$83,949
SharePoint Developer/Administrator Sr	314	397	\$99,902	\$129,872	\$159,843
Social Worker	309	463	\$68,015	\$88,419	\$108,824
Social Worker Sr	310	690	\$72,096	\$93,724	\$115,353
Speech Therapist	312	941	\$84,092	\$109,320	\$134,548
* Sr Director	324	896	\$216,737	\$281,757	\$346,778
Sr Manager I	316	897	\$120,881	\$157,145	\$193,410
Sr Manager II	317	898	\$132,969	\$172,860	\$212,751
Sr Manager III	318	899	\$146,266	\$190,146	\$234,026
Sr Manager IV	319	900	\$160,893	\$209,160	\$257,428
Supervisor Accounting	314	434	\$99,902	\$129,872	\$159,843
Supervisor Audit and Oversight	313	618	\$90,820	\$118,066	\$145,312
Supervisor Behavioral Health	313	659	\$90,820	\$118,066	\$145,312
Supervisor Budgeting	314	466	\$99,902	\$129,872	\$159,843
Supervisor Case Management	315	86	\$109,892	\$142,859	\$175,827
Supervisor Claims	312	219	\$84,092	\$109,320	\$134,548
Supervisor Coding Initiatives	313	502	\$90,820	\$118,066	\$145,312
Supervisor Credentialing	308	671	\$64,165	\$83,414	\$102,664
Supervisor Customer Service	308	34	\$64,165	\$83,414	\$102,664
Supervisor Data Entry	306	192	\$58,205	\$74,211	\$90,217
Supervisor Day Center (PACE)	306	619	\$58,205	\$74,211	\$90,217
Supervisor Dietary Services (PACE)	312	643	\$84,092	\$109,320	\$134,548
Supervisor Encounters	307	253	\$60,533	\$77,179	\$93,826
Supervisor Facilities	310	162	\$72,096	\$93,724	\$115,353
Supervisor Finance	314	419	\$99,902	\$129,872	\$159,843
Supervisor Grievance and Appeals	312	620	\$84,092	\$109,320	\$134,548
Supervisor Information Technology Services	314	457	\$99,902	\$129,872	\$159,843
Supervisor Long Term Support Services	315	587	\$109,892	\$142,859	\$175,827
Supervisor Medical Assistant	306	TBD 984	\$58,205	\$74,211	\$90,217
Supervisor Member Outreach and Education	311	592	\$77,863	\$101,222	\$124,581
Supervisor MSSP	314	348	\$99,902	\$129,872	\$159,843
Supervisor Nursing Services (PACE)	315	662	\$109,892	\$142,859	\$175,827



Annual Base Salary Schedule - Revised: May 2, 2024
To be implemented: May 5, 2024

Job Title	Pay Grade	Job Code	Min	Mid	Max
Supervisor OneCare Customer Service	308	408	\$64,165	\$83,414	\$102,664
Supervisor Payroll	313	517	\$90,820	\$118,066	\$145,312
Supervisor Pharmacist	317	610	\$132,969	\$172,860	\$212,751
Supervisor Population Health Management	313	673	\$90,820	\$118,066	\$145,312
Supervisor Provider Data Management Services	311	439	\$77,863	\$101,222	\$124,581
Supervisor Provider Relations	312	652	\$84,092	\$109,320	\$134,548
Supervisor Quality Analytics	313	609	\$90,820	\$118,066	\$145,312
Supervisor Quality Improvement	313	600	\$90,820	\$118,066	\$145,312
Supervisor Regulatory Affairs and Compliance	313	627	\$90,820	\$118,066	\$145,312
Supervisor Social Work (PACE)	313	636	\$90,820	\$118,066	\$145,312
Supervisor Therapy Services (PACE)	314	645	\$99,902	\$129,872	\$159,843
Supervisor Utilization Management	315	637	\$109,892	\$142,859	\$175,827
Systems Operations Analyst	304	32	\$53,813	\$67,267	\$80,720
Systems Operations Analyst Int	307	45	\$60,533	\$77,179	\$93,826
Technical Analyst Int	309	64	\$68,015	\$88,419	\$108,824
Technical Analyst Sr	312	75	\$84,092	\$109,320	\$134,548
Technical Support Specialist Sr	307	942	\$60,533	\$77,179	\$93,826
Telephony Engineer	314	943	\$99,902	\$129,872	\$159,843
Telephony Engineer Sr	316	944	\$120,881	\$157,145	\$193,410
Therapy Aide	304	521	\$53,813	\$67,267	\$80,720
Training Administrator	308	621	\$64,165	\$83,414	\$102,664
Training Program Coordinator	306	471	\$58,205	\$74,211	\$90,217
Translation Specialist	305	241	\$55,966	\$69,958	\$83,949
Web Architect	314	366	\$99,902	\$129,872	\$159,843

* These positions are identified for the purposes of CalOptima Health Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution.

** These positions are identified for the purposes of CalOptima Health Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution and are also Chief or Executive Director level positions.



Policy: GA.8012
Title: **Conflicts of Interest**
Department: Human Resources
Section: Not Applicable

CEO Approval: /s/

Effective Date: 02/01/2000
Revised Date: 05/02/2024

Applicable to: Medi-Cal
 OneCare
 PACE
 Administrative

1 **I. PURPOSE**

2
3 This policy establishes guidelines and standards for CalOptima Health Employees to avoid conflicts of
4 interest and incompatible outside activities.
5

6 **II. POLICY**

- 7
8 A. CalOptima Health Employees shall avoid anything that constitutes a real or apparent conflict
9 between their personal interests and the interests of CalOptima Health.
10
11 B. CalOptima Health Employees shall avoid conflicts of interest and shall adhere to applicable state
12 and federal laws and regulations, including, but not limited to:
13
14 1. California Government Code Section 81000 et seq., requiring all designated employees to
15 comply with the reporting requirements in CalOptima Health’s Conflict of Interest Code;
16
17 2. California Government Code Section 87100, prohibiting each CalOptima Health Employee
18 from making, participating in making or in any way attempting to use his or her official position
19 to influence a governmental decision in which he or she knows or has reason to know that he or
20 she has a financial interest;
21
22 3. California Government Code section 1090, prohibiting each CalOptima Health Employee from
23 being financially interested in any contract made by the employee in his or her official capacity,
24 and prohibiting each employee from being a purchaser at any sale or vendor at any purchase
25 made by him or her in his or her official capacity.
26
27 4. California Government Code section 1126, which prohibits each CalOptima Health Employee
28 from engaging in any employment, activity, or enterprise for compensation which is
29 inconsistent, incompatible, in conflict with, or inimical to his or her duties as a local agency
30 officer or employee or with the duties, functions, or responsibilities of CalOptima Health.
31
32 5. Title 42 of the United States Code section 1320-7b(b), prohibiting the knowing and willful
33 offer, payment, solicitation or receipt of incentives or remuneration (including any kickback,
34 bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, to induce the
35 referral of business reimbursable under the Medi-Cal or Medicare programs or to induce an
36 enrollee to use a particular practitioner, provider or supplier.

- 1 6. Title 42 of the Code of Federal Regulations section 460.68 regarding the disclosure and recusal
2 requirement of the governing board for direct or indirect interest in any contract that supplies
3 any administrative or care-related service or materials to PACE.
4
- 5 C. A conflict of interest exists in any situation in which an employee uses his or her position or
6 association with CalOptima Health for personal or financial gain. The following guidelines are used
7 to determine whether a real or apparent conflict of interest would exist.
8
- 9 1. *Avoidance of Unfair Competitive Advantage.* An employee's outside employment, consulting,
10 or other business activity outside CalOptima Health may not influence decisions made by
11 CalOptima Health in such a way as to give unfair competitive advantage to the employee's
12 outside business activity.
13
- 14 2. *Use of Privileged or Official Information.* The use of privileged or official information for
15 personal financial gain while employed with or after separating from employment is a type of
16 conflict of interest and is prohibited. Privileged or official information is information that is
17 known to an employee because of his or her employment with CalOptima Health but is not
18 available to the public. The information covered under this provision includes, but is not limited
19 to, personal health information (PHI), provider rates, personnel records, or proprietary
20 information.
21
- 22 3. *Protection of Information Not Yet in Public Domain.* A CalOptima Health Employee acting as
23 an independent consultant or as an employee of another organization may not use information,
24 skills or knowledge obtained as a result of CalOptima Health employment, that is material or
25 necessary to a current, in-progress, or proposed CalOptima Health project, that is proprietary to
26 CalOptima Health and that is not yet in the public domain.
27
- 28 4. *Noncompetition with CalOptima Health.* An employee's outside employment or consulting
29 activity must not compete with current or proposed CalOptima Health projects, programs or
30 initiatives.
31
- 32 D. CalOptima Health Employees shall not handle member or provider issues, applications, requests, or
33 cases on behalf of CalOptima Health for member(s) of the employee's own family or for personal
34 friends.
35
- 36 E. CalOptima Health Employees shall comply with the Code of Conduct and CalOptima Health
37 Policies AA.1204: Gifts, Honoraria, and Travel Payments and AA.1216: Solicitation and Receipt of
38 Gifts to CalOptima Health. Other than as permitted in CalOptima Health Policies, employees shall
39 not receive gratuity, rebates, kickbacks, accommodation, or other unlawful consideration from any
40 one provider, supplier, vendor, firm, or organization with whom CalOptima Health is currently
41 doing or could potentially do business with. It is the responsibility of the employee to return any gift
42 delivered to them and to notify the Clerk of the Board of such action.
43
- 44 F. CalOptima Health Employees shall be aware of what outside activities, investments, and/or
45 positions may conflict with or detract from their effectiveness in employment with CalOptima
46 Health and shall avoid such conflicts.
47
- 48 G. CalOptima Health Employees shall promptly disclose all potential, suspected, or actual conflicts of
49 interest to CalOptima Health's Human Resources Department (HR) and shall personally withdraw
50 from discussion, voting, or other decision-making process where an employee knows or has reason
51 to know the employee has a real or apparent conflict of interest.
52

1 H. Designated CalOptima Health Employees in those positions listed in the CalOptima Health Conflict
2 of Interest Code shall complete Statements of Economic Interests (FPPC Form 700) and a
3 CalOptima Health Supplement to Form 700 upon hire, annually, and upon termination of
4 employment. If an employee or an employee's immediate family member, as defined in the
5 Political Reform Act, has a financial or employment relationship with a current or potential
6 provider, supplier, vendor, consultant or member, the employee must disclose this fact in writing to
7 HR.
8

- 9 1. CalOptima Health Employees are prohibited from performing a second job that would create a
10 conflict of interest. Employees are required to promptly report any non-CalOptima Health job
11 positions that might be considered one of the situations described in Section II.H.2., on an
12 Employee Report of Outside Interest and/or Other Employment form provided by HR for
13 approval. Employees are to resubmit the Employee Report of Outside Interest and/or Other
14 Employment annually for subsequent approval. Employees are to notify HR when the approved
15 activity ends.
16
17 2. CalOptima Health employees shall not participate in any of the following activities without the
18 prior written approval of the Chief Executive Officer (or in the case of the Chief Executive
19 Officer, the Chair of the CalOptima Health Board of Directors):
20
21 a. Perform work or render services for any Contractor/Vendor/Provider, association of
22 Contractors/Vendors/Providers or other organizations with which CalOptima Health does
23 business or which seek to do business with CalOptima Health;
24
25 b. Perform work or hold a position with a job-related non-profit/charitable businesses or
26 organization;
27
28 c. Be a director, officer, or consultant of any Contractor/Vendor/Provider or association of
29 Contractors/Vendors/Providers or other organizations with which CalOptima Health does
30 business or which seek to do business with CalOptima Health; or
31
32 d. Permit his or her name to be used in any fashion that would tend to indicate a business
33 connection with any Contractor/Vendor/Provider or association of Contractors/Vendors/
34 Providers or other organizations with which CalOptima Health does business or which seek
35 to do business with CalOptima Health.
36
37 3. CalOptima Health Employees are prohibited from performing a second job during the same
38 hours or schedule as their position with CalOptima Health.
39

40 I. Employees may participate in the political process on their own time and at their own expense but
41 shall not give the impression that they are speaking on behalf of or representing CalOptima Health
42 in these activities.
43

44 J. As required in CalOptima Health's contract with the Department of Health Care Services (DHCS)
45 and applicable state and federal laws and regulations, CalOptima Health shall avoid conflicts of
46 interest in the employment of current and former state officers and employees.
47

48 K. Employees in Executive Staff positions shall not, for a period of twelve (12) months after leaving
49 that position or employment with CalOptima Health, act as an agent for, or otherwise represent, for
50 compensation, any other person, contractor, or organization, directly or indirectly, by negotiating,
51 servicing, or soliciting contracts with CalOptima Health.
52

- 1 L. To avoid conflicts of interests or potential conflicts of interests, employees performing audit
2 functions are precluded from auditing Health Networks (HN) and or other contracted entities with
3 which they were previously employed. This preclusion can be waived with the approval of the
4 Executive Director of Network Operations in consultation with the Chief Compliance Officer and
5 the Health Network and or other contracted entity.
6
- 7 M. Failure to adhere to this Policy, including failure to promptly disclose any potential or actual
8 conflicts or seek an exception may result in corrective action, up to and including termination of
9 employment and/or legal action. Conflicts that violate state or federal laws may result in regulatory
10 or legal action, including possible fines and criminal prosecution.
11

12 III. PROCEDURE

13 A. HR shall:

- 14
- 15 1. Provide all new CalOptima Health Employees with a copy of this Policy and CalOptima
16 Health's Code of Conduct.
 - 17 2. Provide each designated CalOptima Health employee with a copy of the Conflict of Interest
18 Code and a link to the County of Orange's eDisclosure System to the Form 700 Statement of
19 Economic Interests, to complete when assuming office, annually, and upon termination of
20 employment. HR will also provide the Supplement to Form 700 upon hire and annually.
21
 - 22 3. Make the Employee Report of Outside Interest and/or Other Employment form available to all
23 CalOptima Health employees.
 - 24 4. Collect and review the completed Supplement to Form 700 forms and/or Employee Report of
25 Outside Interest and/or Other Employment Forms and obtain necessary approvals where
26 required.
27
 - 28 5. Not employ an individual holding a permanent or intermittent position in the State civil service
29 or other appointed State official or an individual who was employed within the previous one (1)
30 year as an appointee or civil service employee with DHCS, subject to certain exceptions which
31 employment determination shall be made in conjunction with the Compliance Department.
32

33 B. All CalOptima Health Employees shall:

- 34
- 35 1. Review and comply with this Policy, CalOptima Health's Code of Conduct, and the CalOptima
36 Health Employee Handbook;
37
 - 38 2. Avoid any actual or potential conflict between their personal interests and the interest of
39 CalOptima Health;
40
 - 41 3. Promptly report any job-related outside or personal positions or interests on the Employee
42 Report of Outside Interest and/or Other Employment form and submit such forms to HR.
43
 - 44 4. Not make, or participate in making, or in any way attempt to use his or her official position to
45 influence a governmental decision in which he or she knows or has reason to know he or she
46 has a financial interest.
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5. Not offer, pay, solicit or receive an incentive or remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, to induce the referral of business reimbursable under the Medi-Cal or Medicare programs or to induce an enrollee to use a particular practitioner, provider or supplier.
 6. Promptly report any suspected or apparent violation of this Policy to CalOptima Health's HR Department with detailed information sufficient for HR to investigate the issue and cooperate with any subsequent investigation.
 7. CalOptima Health Employees unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with their supervisor or HR for clarification.
 8. Upon being notified that an actual or apparent conflict exists, and an exception is not granted, the employee must promptly resolve the conflict by:
 - a. Terminating the outside activity;
 - b. Cooperating in reassignment, when appropriate or reasonable or;
 - c. Resigning from CalOptima Health.
- C. Designated CalOptima Health Employees in those positions listed in the CalOptima Health Conflict of Interest Code shall:
1. Upon assuming office, annually, and upon termination of employment, complete and submit a Statement of Economic Interests (FPPC Form 700) on the County of Orange eDisclosure system (<https://cob.ocgov.com/disclosure>); and
 2. Complete a Supplement to Form 700 upon hire and annually.

IV. ATTACHMENT(S)

- A. Conflict of Interest Code Exhibits A and B
- B. Supplement to Form 700
- C. Employee Report of Outside Interest and/or Other Employment Form

V. REFERENCE(S)

- A. California Government Code, §§1090 *et. seq.*
- B. California Government Code, §1126
- C. California Government Code, §§87206.3 and 87206.3(c)
- D. CalOptima Health Code of Conduct
- E. CalOptima Health Conflict of Interest Code
- F. CalOptima Health Contract with the Department of Health Care Services (DHCS)
- G. CalOptima Health Employee Handbook
- H. CalOptima Health Policy AA.1204: Gifts, Honoraria and Travel Payments
- I. CalOptima Health Policy AA.1216: Solicitation and Receipt of Gifts to CalOptima Health
- J. Political Reform Act, Government Code §§81000-91014
- K. Title 2, California Code of Regulations (C.C.R.), §§18730 *et seq.*
- L. Title 22, California Code of Regulations, §53600
- M. Title 42, United States Code, §§1320a-7b(b)
- N. Title 42, Code of Federal Regulations, §460.68

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

2 None to Date

3
4
5 **VII. BOARD ACTION(S)**

Date	Meeting
01/08/2009	Regular Meeting of the CalOptima Board of Directors
05/04/2017	Regular Meeting of the CalOptima Board of Directors
02/07/2019	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors
09/01/2022	Regular Meeting of the CalOptima Health Board of Directors
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors
05/04/2023	Regular Meeting of the CalOptima Health Board of Directors
12/07/2023	Regular Meeting of the CalOptima Health Board of Directors
<u>05/02/2024</u>	<u>Regular Meeting of the CalOptima Health Board of Directors</u>

7
8 **VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	02/01/2000	GA.8012	Conflicts of Interest	Administrative
Revised	07/01/2007	GA.8012	Conflicts of Interest	Administrative
Revised	05/04/2017	GA.8012	Conflicts of Interest	Administrative
Revised	02/07/2019	GA.8012	Conflicts of Interest	Administrative
Revised	12/03/2020	GA.8012	Conflicts of Interest	Administrative
Revised	09/01/2022	GA.8012	Conflicts of Interest	Administrative
Revised	12/01/2022	GA.8012	Conflicts of Interest	Administrative
Revised	05/04/2023	GA.8012	Conflicts of Interest	Administrative
Revised	12/07/2023	GA.8012	Conflicts of Interest	Administrative
<u>Revised</u>	<u>05/02/2024</u>	<u>GA.8012</u>	<u>Conflicts of Interest</u>	<u>Administrative</u>

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IX. GLOSSARY

Term	Definition
CalOptima Health Employee(s)	For purposes of this policy, include, but are not limited to, all full-time and part-time regular CalOptima Health employees, all temporary employees, interns, CalOptima Health Board members, and applicable contractors and consultants.

For 20240502 BOD Review Only

|



Policy: GA.8012
 Title: **Conflicts of Interest**
 Department: Human Resources
 Section: Not Applicable

CEO Approval: /s/

Effective Date: 02/01/2000
 Revised Date: 05/02/2024

Applicable to: Medi-Cal
 OneCare
 PACE
 Administrative

I. PURPOSE

This policy establishes guidelines and standards for CalOptima Health Employees to avoid conflicts of interest and incompatible outside activities.

II. POLICY

- A. CalOptima Health Employees shall avoid anything that constitutes a real or apparent conflict between their personal interests and the interests of CalOptima Health.
- B. CalOptima Health Employees shall avoid conflicts of interest and shall adhere to applicable state and federal laws and regulations, including, but not limited to:
 - 1. California Government Code Section 81000 et seq., requiring all designated employees to comply with the reporting requirements in CalOptima Health’s Conflict of Interest Code;
 - 2. California Government Code Section 87100, prohibiting each CalOptima Health Employee from making, participating in making or in any way attempting to use his or her official position to influence a governmental decision in which he or she knows or has reason to know that he or she has a financial interest;
 - 3. California Government Code section 1090, prohibiting each CalOptima Health Employee from being financially interested in any contract made by the employee in his or her official capacity, and prohibiting each employee from being a purchaser at any sale or vendor at any purchase made by him or her in his or her official capacity.
 - 4. California Government Code section 1126, which prohibits each CalOptima Health Employee from engaging in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a local agency officer or employee or with the duties, functions, or responsibilities of CalOptima Health.
 - 5. Title 42 of the United States Code section 1320-7b(b), prohibiting the knowing and willful offer, payment, solicitation or receipt of incentives or remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, to induce the referral of business reimbursable under the Medi-Cal or Medicare programs or to induce an enrollee to use a particular practitioner, provider or supplier.

1 6. Title 42 of the Code of Federal Regulations section 460.68 regarding the disclosure and recusal
2 requirement of the governing board for direct or indirect interest in any contract that supplies
3 any administrative or care-related service or materials to PACE.
4

5 C. A conflict of interest exists in any situation in which an employee uses his or her position or
6 association with CalOptima Health for personal or financial gain. The following guidelines are used
7 to determine whether a real or apparent conflict of interest would exist.
8

9 1. *Avoidance of Unfair Competitive Advantage.* An employee's outside employment, consulting,
10 or other business activity outside CalOptima Health may not influence decisions made by
11 CalOptima Health in such a way as to give unfair competitive advantage to the employee's
12 outside business activity.
13

14 2. *Use of Privileged or Official Information.* The use of privileged or official information for
15 personal financial gain while employed with or after separating from employment is a type of
16 conflict of interest and is prohibited. Privileged or official information is information that is
17 known to an employee because of his or her employment with CalOptima Health but is not
18 available to the public. The information covered under this provision includes, but is not limited
19 to, personal health information (PHI), provider rates, personnel records, or proprietary
20 information.
21

22 3. *Protection of Information Not Yet in Public Domain.* A CalOptima Health Employee acting as
23 an independent consultant or as an employee of another organization may not use information,
24 skills or knowledge obtained as a result of CalOptima Health employment, that is material or
25 necessary to a current, in-progress, or proposed CalOptima Health project, that is proprietary to
26 CalOptima Health and that is not yet in the public domain.
27

28 4. *Noncompetition with CalOptima Health.* An employee's outside employment or consulting
29 activity must not compete with current or proposed CalOptima Health projects, programs or
30 initiatives.
31

32 D. CalOptima Health Employees shall not handle member or provider issues, applications, requests, or
33 cases on behalf of CalOptima Health for member(s) of the employee's own family or for personal
34 friends.
35

36 E. CalOptima Health Employees shall comply with the Code of Conduct and CalOptima Health
37 Policies AA.1204: Gifts, Honoraria, and Travel Payments and AA.1216: Solicitation and Receipt of
38 Gifts to CalOptima Health. Other than as permitted in CalOptima Health Policies, employees shall
39 not receive gratuity, rebates, kickbacks, accommodation, or other unlawful consideration from any
40 one provider, supplier, vendor, firm, or organization with whom CalOptima Health is currently
41 doing or could potentially do business with. It is the responsibility of the employee to return any gift
42 delivered to them and to notify the Clerk of the Board of such action.
43

44 F. CalOptima Health Employees shall be aware of what outside activities, investments, and/or
45 positions may conflict with or detract from their effectiveness in employment with CalOptima
46 Health and shall avoid such conflicts.
47

48 G. CalOptima Health Employees shall promptly disclose all potential, suspected, or actual conflicts of
49 interest to CalOptima Health's Human Resources Department (HR) and shall personally withdraw
50 from discussion, voting, or other decision-making process where an employee knows or has reason
51 to know the employee has a real or apparent conflict of interest.
52

1 H. Designated CalOptima Health Employees in those positions listed in the CalOptima Health Conflict
2 of Interest Code shall complete Statements of Economic Interests (FPPC Form 700) and a
3 CalOptima Health Supplement to Form 700 upon hire, annually, and upon termination of
4 employment. If an employee or an employee's immediate family member, as defined in the
5 Political Reform Act, has a financial or employment relationship with a current or potential
6 provider, supplier, vendor, consultant or member, the employee must disclose this fact in writing to
7 HR.
8

- 9 1. CalOptima Health Employees are prohibited from performing a second job that would create a
10 conflict of interest. Employees are required to promptly report any non-CalOptima Health job
11 positions that might be considered one of the situations described in Section II.H.2., on an
12 Employee Report of Outside Interest and/or Other Employment form provided by HR for
13 approval. Employees are to resubmit the Employee Report of Outside Interest and/or Other
14 Employment annually for subsequent approval. Employees are to notify HR when the approved
15 activity ends.
16
- 17 2. CalOptima Health employees shall not participate in any of the following activities without the
18 prior written approval of the Chief Executive Officer (or in the case of the Chief Executive
19 Officer, the Chair of the CalOptima Health Board of Directors):
20
- 21 a. Perform work or render services for any Contractor/Vendor/Provider, association of
22 Contractors/Vendors/Providers or other organizations with which CalOptima Health does
23 business or which seek to do business with CalOptima Health;
24
 - 25 b. Perform work or hold a position with a job-related non-profit/charitable businesses or
26 organization;
27
 - 28 c. Be a director, officer, or consultant of any Contractor/Vendor/Provider or association of
29 Contractors/Vendors/Providers or other organizations with which CalOptima Health does
30 business or which seek to do business with CalOptima Health; or
31
 - 32 d. Permit his or her name to be used in any fashion that would tend to indicate a business
33 connection with any Contractor/Vendor/Provider or association of Contractors/Vendors/
34 Providers or other organizations with which CalOptima Health does business or which seek
35 to do business with CalOptima Health.
36
- 37 3. CalOptima Health Employees are prohibited from performing a second job during the same
38 hours or schedule as their position with CalOptima Health.
39

40 I. Employees may participate in the political process on their own time and at their own expense but
41 shall not give the impression that they are speaking on behalf of or representing CalOptima Health
42 in these activities.
43

44 J. As required in CalOptima Health's contract with the Department of Health Care Services (DHCS)
45 and applicable state and federal laws and regulations, CalOptima Health shall avoid conflicts of
46 interest in the employment of current and former state officers and employees.
47

48 K. Employees in Executive Staff positions shall not, for a period of twelve (12) months after leaving
49 that position or employment with CalOptima Health, act as an agent for, or otherwise represent, for
50 compensation, any other person, contractor, or organization, directly or indirectly, by negotiating,
51 servicing, or soliciting contracts with CalOptima Health.
52

- 1 L. To avoid conflicts of interests or potential conflicts of interests, employees performing audit
2 functions are precluded from auditing Health Networks (HNs) and or other contracted entities with
3 which they were previously employed. This preclusion can be waived with the approval of the
4 Executive Director of Network Operations in consultation with the Chief Compliance Officer and
5 the Health Network and or other contracted entity.
6
- 7 M. Failure to adhere to this Policy, including failure to promptly disclose any potential or actual
8 conflicts or seek an exception may result in corrective action, up to and including termination of
9 employment and/or legal action. Conflicts that violate state or federal laws may result in regulatory
10 or legal action, including possible fines and criminal prosecution.
11

12 III. PROCEDURE

13 A. HR shall:

- 14
- 15 1. Provide all new CalOptima Health Employees with a copy of this Policy and CalOptima
16 Health's Code of Conduct.
 - 17 2. Provide each designated CalOptima Health employee with a copy of the Conflict of Interest
18 Code and a link to the County of Orange's eDisclosure System to the Form 700 Statement of
19 Economic Interests, to complete when assuming office, annually, and upon termination of
20 employment. HR will also provide the Supplement to Form 700 upon hire and annually.
21
 - 22 3. Make the Employee Report of Outside Interest and/or Other Employment form available to all
23 CalOptima Health employees.
 - 24 4. Collect and review the completed Supplement to Form 700 forms and/or Employee Report of
25 Outside Interest and/or Other Employment Forms and obtain necessary approvals where
26 required.
27
 - 28 5. Not employ an individual holding a permanent or intermittent position in the State civil service
29 or other appointed State official or an individual who was employed within the previous one (1)
30 year as an appointee or civil service employee with DHCS, subject to certain exceptions which
31 employment determination shall be made in conjunction with the Compliance Department.
32

33 B. All CalOptima Health Employees shall:

- 34
- 35 1. Review and comply with this Policy, CalOptima Health's Code of Conduct, and the CalOptima
36 Health Employee Handbook;
37
 - 38 2. Avoid any actual or potential conflict between their personal interests and the interest of
39 CalOptima Health;
40
 - 41 3. Promptly report any job-related outside or personal positions or interests on the Employee
42 Report of Outside Interest and/or Other Employment form and submit such forms to HR.
43
 - 44 4. Not make, or participate in making, or in any way attempt to use his or her official position to
45 influence a governmental decision in which he or she knows or has reason to know he or she
46 has a financial interest.
47
- 48
49
50
51

- 1 5. Not offer, pay, solicit or receive an incentive or remuneration (including any kickback, bribe, or
2 rebate) directly or indirectly, overtly or covertly, in cash or in kind, to induce the referral of
3 business reimbursable under the Medi-Cal or Medicare programs or to induce an enrollee to use
4 a particular practitioner, provider or supplier.
5
6 6. Promptly report any suspected or apparent violation of this Policy to CalOptima Health's HR
7 Department with detailed information sufficient for HR to investigate the issue and cooperate
8 with any subsequent investigation.
9
10 7. CalOptima Health Employees unsure as to whether a certain transaction, activity, or relationship
11 constitutes a conflict of interest should discuss it with their supervisor or HR for clarification.
12
13 8. Upon being notified that an actual or apparent conflict exists, and an exception is not granted,
14 the employee must promptly resolve the conflict by:
15
16 a. Terminating the outside activity;
17
18 b. Cooperating in reassignment, when appropriate or reasonable or;
19
20 c. Resigning from CalOptima Health.
21
22 C. Designated CalOptima Health Employees in those positions listed in the CalOptima Health Conflict
23 of Interest Code shall:
24
25 1. Upon assuming office, annually, and upon termination of employment, complete and submit a
26 Statement of Economic Interests (FPPC Form 700) on the County of Orange eDisclosure
27 system (<https://cob.ocgov.com/disclosure>); and
28
29 2. Complete a Supplement to Form 700 upon hire and annually.
30

31 **IV. ATTACHMENT(S)**

- 32
33 A. Conflict of Interest Code Exhibits A and B
34 B. Supplement to Form 700
35 C. Employee Report of Outside Interest and/or Other Employment Form
36

37 **V. REFERENCE(S)**

- 38
39 A. California Government Code, §§1090 *et. seq.*
40 B. California Government Code, §1126
41 C. California Government Code, §§87206.3 and 87206.3(c)
42 D. CalOptima Health Code of Conduct
43 E. CalOptima Health Conflict of Interest Code
44 F. CalOptima Health Contract with the Department of Health Care Services (DHCS)
45 G. CalOptima Health Employee Handbook
46 H. CalOptima Health Policy AA.1204: Gifts, Honoraria and Travel Payments
47 I. CalOptima Health Policy AA.1216: Solicitation and Receipt of Gifts to CalOptima Health
48 J. Political Reform Act, Government Code §§81000-91014
49 K. Title 2, California Code of Regulations (C.C.R.), §§18730 *et seq.*
50 L. Title 22, California Code of Regulations, §53600
51 M. Title 42, United States Code, §§1320a-7b(b)
52 N. Title 42, Code of Federal Regulations, §460.68

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

2
3 None to Date

4
5 **VII. BOARD ACTION(S)**

6

Date	Meeting
01/08/2009	Regular Meeting of the CalOptima Board of Directors
05/04/2017	Regular Meeting of the CalOptima Board of Directors
02/07/2019	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors
09/01/2022	Regular Meeting of the CalOptima Health Board of Directors
12/01/2022	Regular Meeting of the CalOptima Health Board of Directors
05/04/2023	Regular Meeting of the CalOptima Health Board of Directors
12/07/2023	Regular Meeting of the CalOptima Health Board of Directors
05/02/2024	Regular Meeting of the CalOptima Health Board of Directors

7
8 **VIII. REVISION HISTORY**

9

Action	Date	Policy	Policy Title	Program(s)
Effective	02/01/2000	GA.8012	Conflicts of Interest	Administrative
Revised	07/01/2007	GA.8012	Conflicts of Interest	Administrative
Revised	05/04/2017	GA.8012	Conflicts of Interest	Administrative
Revised	02/07/2019	GA.8012	Conflicts of Interest	Administrative
Revised	12/03/2020	GA.8012	Conflicts of Interest	Administrative
Revised	09/01/2022	GA.8012	Conflicts of Interest	Administrative
Revised	12/01/2022	GA.8012	Conflicts of Interest	Administrative
Revised	05/04/2023	GA.8012	Conflicts of Interest	Administrative
Revised	12/07/2023	GA.8012	Conflicts of Interest	Administrative
Revised	05/02/2024	GA.8012	Conflicts of Interest	Administrative

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1 IX. GLOSSARY

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Term	Definition
CalOptima Health Employee(s)	For purposes of this policy, include, but are not limited to, all full-time and part-time regular CalOptima Health employees, all temporary employees, interns, CalOptima Health Board members, and applicable contractors and consultants.

3

For 20240502 BOD Review Only



Conflict of Interest Code EXHIBIT A

Approved ~~May 4, 2023~~ May 2, 2024, by
CalOptima Health Board of Directors

Entity: Other Misc. Authorities, Districts and Commissions

Agency: CalOptima Health

Position	Disclosure Category	Files With
Associate Director I	OC-41	COB
Associate Director II	OC-41	COB
Associate Director III	OC-41	COB
Associate Director IV	OC-41	COB
Buyer	OC-01	COB
Buyer, Int.	OC-01	COB
Buyer, Sr.	OC-01	COB
<u>Chief Administrative Officer</u>	<u>OC-01</u>	<u>COB</u>
Chief Compliance Officer	OC-01	COB
Chief Executive Officer	OC-01	COB
Chief Financial Officer	OC-01	COB
Chief Health Equity Officer	OC-01	COB
Chief Human Resources Officer	OC-01	COB
Chief Information Officer	OC-01	COB
Chief Medical Officer	OC-01	COB
Chief of Staff	OC-01	COB
Chief Operating Officer	OC-01	COB
Chief Strategy Officer	OC-01	COB
Clerk of the Board	OC-06	COB
Clinical Pharmacist	OC-20	COB
Consultant	OC-01	Agency
Contract Administrator	OC-06	COB
Contracts Manager	OC-06	COB
Contracts Manager, Sr.	OC-06	COB
Contracts Specialist	OC-06	COB
Contracts Specialist, Int.	OC-06	COB
Contracts Specialist, Sr.	OC-06	COB
Controller	OC-01	COB



Conflict of Interest Code EXHIBIT A

Approved ~~May 4, 2023~~ May 2, 2024, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With
Deputy Chief Medical Officer	OC-01	COB
Director I	OC-01	COB
Director II	OC-01	COB
Director III	OC-01	COB
Director IV	OC-01	COB
Enterprise Analytics Manager	OC-06	COB
Executive Director	OC-01	COB
Financial Analyst I	OC-01	COB
Financial Analyst II	OC-01	COB
Financial Analyst III	OC-01	COB
Financial Analyst IV	OC-01	COB
Financial Reporting Analyst	OC-01	COB
Litigation Support Specialist	OC-41	COB
Manager, Accounting	OC-01	COB
Manager, Actuary	OC-01	COB
Manager, Audit and Oversight	OC-01	COB
Manager, Behavioral Health	OC-41	COB
Manager, Business Integration	OC-06	COB
Manager, Case Management	OC-41	COB
Manager, Claims	OC-41	COB
Manager, Clinic Operations	OC-06	COB
Manager, Clinical Pharmacists	OC-20	COB
Manager, Coding Quality	OC-06	COB
Manager, Communications	OC-13	COB
Manager, Community Relations	OC-06	COB
Manager, Contracting	OC-41	COB
Manager, Cultural & Linguistics	OC-06	COB
Manager, Customer Service	OC-41	COB
Manager, Electronic Business	OC-06	COB
Manager, Encounters	OC-06	COB



Conflict of Interest Code EXHIBIT A

Approved ~~May 4, 2023~~ May 2, 2024, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With
Manager, Environmental Health & Safety	OC-06	COB
Manager, Finance	OC-01	COB
Manager, Financial Analysis	OC-01	COB
Manager, Government Affairs	OC-41	COB
Manager, Grievance and Appeals	OC-41	COB
Manager, Human Resources	OC-11	COB
Manager, Information Technology Services	OC-08	COB
Manager, Long Term Support Services	OC-41	COB
Manager, Marketing and Enrollment (PACE)	OC-06	COB
Manager, Member Liaison Program	OC-41	COB
Manager, Member Outreach & Education	OC-41	COB
Manager, MSSP	OC-41	COB
Manager, OneCare Clinical	OC-41	COB
Manager, OneCare Customer Service	OC-41	COB
Manager, Outreach & Enrollment	OC-41	COB
Manager, PACE Center	OC-41	COB
Manager, Population Health Management	OC-41	COB
Manager, Process Excellence	OC-41	COB
Manager, Program Implementation	OC-06	COB
Manager, Provider Data Management Services	OC-41	COB
Manager, Provider Network	OC-41	COB
Manager, Provider Relations	OC-41	COB
Manager, Purchasing	OC-01	COB
Manager, QI Initiatives	OC-41	COB
Manager, Quality Analytics	OC-06	COB
Manager, Quality Improvement	OC-41	COB
Manager, Regulatory Affairs and Compliance	OC-41	COB
Manager, Reporting & Financial Compliance	OC-01	COB
Manager, Strategic Development	OC-41	COB
Manager, Utilization Management	OC-06	COB



Conflict of Interest Code EXHIBIT A

Approved ~~May 4, 2023~~ May 2, 2024, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With
Medical Case Manager	OC-41	COB
Medical Case Manager (LVN)	OC-41	COB
Medical Director	OC-01	COB
Medical Services Case Manager	OC-41	COB
Nurse Practitioner (PACE)	OC-41	COB
OneCare Operations Manager	OC-41	COB
Pharmacy Resident	OC-20	COB
Pharmacy Services Specialist	OC-20	COB
Pharmacy Services Specialist, Int.	OC-20	COB
Pharmacy Services Specialist, Sr.	OC-20	COB
Policy Advisor, Sr.	OC-41	COB
Principal Financial Analyst	OC-01	COB
Privacy Manager	OC-41	COB
Privacy Officer	OC-41	COB
Process Excellence Manager II	OC-41	COB
Process Excellence Manager III	OC-41	COB
Process Excellence Manager IV	OC-41	COB
Program Manager	OC-06	COB
Program Manager, Sr.	OC-06	COB
Project Manager II	OC-06	COB
Project Manager III	OC-06	COB
Project Manager IV	OC-06	COB
QI Nurse Specialist (RN or LVN)	OC-06	COB
Records Manager	OC-06	COB
Regulatory Affairs and Compliance Analyst	OC-41	COB
Regulatory Affairs and Compliance Analyst, Sr.	OC-41	COB
Regulatory Affairs and Compliance, Lead	OC-41	COB
RN (PACE)	OC-41	COB
Sr Director	OC-01	COB
Sr Manager I	OC-01	COB



Conflict of Interest Code EXHIBIT A

Approved ~~May 4, 2023~~ May 2, 2024, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With
Sr Manager II	OC-01	COB
Sr Manager III	OC-01	COB
Sr Manager IV	OC-01	COB
Supervisor, Accounting	OC-01	COB
Supervisor, Audit and Oversight	OC-01	COB
Supervisor, Behavioral Health	OC-41	COB
Supervisor, Budgeting	OC-01	COB
Supervisor, Case Management	OC-41	COB
Supervisor, Claims	OC-06	COB
Supervisor, Coding Initiatives	OC-06	COB
Supervisor, Credentialing	OC-41	COB
Supervisor, Customer Service	OC-06	COB
Supervisor, Data Entry	OC-06	COB
Supervisor, Day Center (PACE)	OC-06	COB
Supervisor, Dietary Services (PACE)	OC-41	COB
Supervisor, Encounters	OC-06	COB
Supervisor, Facilities	OC-41	COB
Supervisor, Finance	OC-01	COB
Supervisor, Grievance and Appeals	OC-41	COB
Supervisor, Information Technology Services	OC-08	COB
Supervisor, Long Term Support Services	OC-41	COB
Supervisor, Medical Assistant	OC-41	COB
Supervisor, Member Outreach and Education	OC-06	COB
Supervisor, MSSP	OC-06	COB
Supervisor, Nursing Services (PACE)	OC-41	COB
Supervisor, OneCare Customer Service	OC-06	COB
Supervisor, Payroll	OC-06	COB
Supervisor, Pharmacist	OC-20	COB
Supervisor, Population Health Management	OC-41	COB
Supervisor, Provider Data Management Services	OC-06	COB



Conflict of Interest Code EXHIBIT A

Approved ~~May 4, 2023~~ May 2, 2024, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With
Supervisor, Provider Relations	OC-41	COB
Supervisor, Quality Analytics	OC-06	COB
Supervisor, Quality Improvement	OC-41	COB
Supervisor, Regulatory Affairs and Compliance	OC-41	COB
Supervisor, Social Work (PACE)	OC-41	COB
Supervisor, Therapy Services (PACE)	OC-41	COB
Supervisor, Utilization Management	OC-06	COB

Total: 154

OFFICIALS WHO ARE SPECIFIED IN GOVERNMENT CODE SECTION 87200

Officials who are specified in Government Code section 87200 (including officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3 (b)), are NOT subject to the Agency’s Conflict of Interest Code but are subject to the disclosure requirements of the Political Reform Act, Government Code section 87100, et seq. Gov’t Code § 87203. These positions are listed here for informational purposes only.

The positions listed below are officials who are specified in Government Code section 87200:

Alternate Member of the Board of Directors	Files with	COB
Chief Executive Officer	Files with	COB
Chief Financial Officer	Files with	COB
Member of the Board of Directors	Files with	COB

The disclosure requirements for these positions are set forth in Government Code section 87200, et. seq. They require the disclosure of interests in real property in the agency’s jurisdiction, as well as investments, business positions and sources of income (including gifts, loans and travel payments).



Disclosure Descriptions

EXHIBIT B

Entity: Other Misc. Authorities, Districts and
Commissions Agency: CalOptima Health

Disclosure Category	Disclosure Description
87200 Filer	Form 87200 filers shall complete all schedules for Form 700 and disclose all reportable sources of income, interests in real property, investments and business positions in business entities, if applicable, pursuant to Government Code Section 87200 <i>et seq...</i>
OC-01	All interests in real property in Orange County, the authority or the District as applicable, as well as investments, business positions and sources of income (including gifts, loans and travel payments).
OC-06	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide leased facilities and goods, supplies, equipment, vehicles, machinery or services (including training and consulting services) of the types used by the County Department, Authority or District, as applicable.
OC-08	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that develop or provide computer hardware/software, voice data communications, or data processing goods, supplies, equipment, or services (including training and consulting services) used by the County Department, Authority or District, as applicable.
OC-11	All interests in real property in Orange County or located entirely or partly within the Authority or District boundaries as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that are engaged in the supply of equipment related to recruitment, employment search & marketing, classification, training, or negotiation with personnel; employee benefits, and health and welfare benefits.
OC-13	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that produce or provide promotional items for public outreach programs; present, facilitate, market or otherwise act as agent for media relations with regard to public relations; provide printing, copying, or mail services; or provide training for or development of customer service representatives.
OC-20	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide pharmaceutical services, supplies, materials or equipment.

Disclosure Category	Disclosure Description
OC-30	<p>Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The County Department Head/Director/General Manager/Superintendent/etc. may determine that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.</p>
OC-41	<p>All interests in real property in Orange County, the District or Authority, as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide services, supplies, materials, machinery, vehicles, or equipment (including training and consulting services) used by the County Department, Authority or District, as applicable.</p>

Grand Total: 9



Conflict of Interest Code EXHIBIT A

Approved May 2, 2024, by
CalOptima Health Board of Directors

Entity: Other Misc. Authorities, Districts and Commissions

Agency: CalOptima Health

Position	Disclosure Category	Files With
Associate Director I	OC-41	COB
Associate Director II	OC-41	COB
Buyer	OC-01	COB
Buyer, Int.	OC-01	COB
Buyer, Sr.	OC-01	COB
Chief Administrative Officer	OC-01	COB
Chief Compliance Officer	OC-01	COB
Chief Executive Officer	OC-01	COB
Chief Financial Officer	OC-01	COB
Chief Health Equity Officer	OC-01	COB
Chief Human Resources Officer	OC-01	COB
Chief Information Officer	OC-01	COB
Chief Medical Officer	OC-01	COB
Chief of Staff	OC-01	COB
Chief Operating Officer	OC-01	COB
Clerk of the Board	OC-06	COB
Clinical Pharmacist	OC-20	COB
Consultant	OC-01	Agency
Contract Administrator	OC-06	COB
Contracts Manager	OC-06	COB
Contracts Manager, Sr.	OC-06	COB
Contracts Specialist	OC-06	COB
Contracts Specialist, Int.	OC-06	COB
Contracts Specialist, Sr.	OC-06	COB
Controller	OC-01	COB
Deputy Chief Medical Officer	OC-01	COB
Director I	OC-01	COB
Director II	OC-01	COB



Conflict of Interest Code EXHIBIT A

Approved May 2, 2024, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With
Director III	OC-01	COB
Director IV	OC-01	COB
Enterprise Analytics Manager	OC-06	COB
Executive Director	OC-01	COB
Financial Analyst I	OC-01	COB
Financial Analyst II	OC-01	COB
Financial Analyst III	OC-01	COB
Financial Analyst IV	OC-01	COB
Financial Reporting Analyst	OC-01	COB
Litigation Support Specialist	OC-41	COB
Manager, Accounting	OC-01	COB
Manager, Actuary	OC-01	COB
Manager, Audit and Oversight	OC-01	COB
Manager, Behavioral Health	OC-41	COB
Manager, Business Integration	OC-06	COB
Manager, Case Management	OC-41	COB
Manager, Claims	OC-41	COB
Manager, Clinic Operations	OC-06	COB
Manager, Clinical Pharmacists	OC-20	COB
Manager, Coding Quality	OC-06	COB
Manager, Communications	OC-13	COB
Manager, Community Relations	OC-06	COB
Manager, Contracting	OC-41	COB
Manager, Cultural & Linguistics	OC-06	COB
Manager, Customer Service	OC-41	COB
Manager, Electronic Business	OC-06	COB
Manager, Encounters	OC-06	COB
Manager, Environmental Health & Safety	OC-06	COB
Manager, Finance	OC-01	COB
Manager, Financial Analysis	OC-01	COB



Conflict of Interest Code EXHIBIT A

Approved May 2, 2024, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With
Manager, Government Affairs	OC-41	COB
Manager, Grievance and Appeals	OC-41	COB
Manager, Human Resources	OC-11	COB
Manager, Information Technology Services	OC-08	COB
Manager, Long Term Support Services	OC-41	COB
Manager, Marketing and Enrollment (PACE)	OC-06	COB
Manager, Member Liaison Program	OC-41	COB
Manager, Member Outreach & Education	OC-41	COB
Manager, MSSP	OC-41	COB
Manager, OneCare Clinical	OC-41	COB
Manager, OneCare Customer Service	OC-41	COB
Manager, Outreach & Enrollment	OC-41	COB
Manager, PACE Center	OC-41	COB
Manager, Population Health Management	OC-41	COB
Manager, Process Excellence	OC-41	COB
Manager, Program Implementation	OC-06	COB
Manager, Provider Data Management Services	OC-41	COB
Manager, Provider Network	OC-41	COB
Manager, Provider Relations	OC-41	COB
Manager, Purchasing	OC-01	COB
Manager, QI Initiatives	OC-41	COB
Manager, Quality Analytics	OC-06	COB
Manager, Quality Improvement	OC-41	COB
Manager, Regulatory Affairs and Compliance	OC-41	COB
Manager, Reporting & Financial Compliance	OC-01	COB
Manager, Strategic Development	OC-41	COB
Manager, Utilization Management	OC-06	COB
Medical Case Manager	OC-41	COB
Medical Case Manager (LVN)	OC-41	COB
Medical Director	OC-01	COB



Conflict of Interest Code EXHIBIT A

Approved May 2, 2024, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With
Medical Services Case Manager	OC-41	COB
Nurse Practitioner (PACE)	OC-41	COB
OneCare Operations Manager	OC-41	COB
Pharmacy Resident	OC-20	COB
Pharmacy Services Specialist	OC-20	COB
Pharmacy Services Specialist, Int.	OC-20	COB
Pharmacy Services Specialist, Sr.	OC-20	COB
Policy Advisor, Sr.	OC-41	COB
Principal Financial Analyst	OC-01	COB
Privacy Manager	OC-41	COB
Privacy Officer	OC-41	COB
Process Excellence Manager II	OC-41	COB
Process Excellence Manager III	OC-41	COB
Process Excellence Manager IV	OC-41	COB
Program Manager	OC-06	COB
Program Manager, Sr.	OC-06	COB
Project Manager II	OC-06	COB
Project Manager III	OC-06	COB
Project Manager IV	OC-06	COB
QI Nurse Specialist (RN or LVN)	OC-06	COB
Records Manager	OC-06	COB
Regulatory Affairs and Compliance Analyst	OC-41	COB
Regulatory Affairs and Compliance Analyst, Sr.	OC-41	COB
Regulatory Affairs and Compliance, Lead	OC-41	COB
RN (PACE)	OC-41	COB
Sr Director	OC-01	COB
Sr Manager I	OC-01	COB
Sr Manager II	OC-01	COB
Sr Manager III	OC-01	COB
Sr Manager IV	OC-01	COB



Conflict of Interest Code EXHIBIT A

Approved May 2, 2024, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With
Supervisor, Accounting	OC-01	COB
Supervisor, Audit and Oversight	OC-01	COB
Supervisor, Behavioral Health	OC-41	COB
Supervisor, Budgeting	OC-01	COB
Supervisor, Case Management	OC-41	COB
Supervisor, Claims	OC-06	COB
Supervisor, Coding Initiatives	OC-06	COB
Supervisor, Credentialing	OC-41	COB
Supervisor, Customer Service	OC-06	COB
Supervisor, Data Entry	OC-06	COB
Supervisor, Day Center (PACE)	OC-06	COB
Supervisor, Dietary Services (PACE)	OC-41	COB
Supervisor, Encounters	OC-06	COB
Supervisor, Facilities	OC-41	COB
Supervisor, Finance	OC-01	COB
Supervisor, Grievance and Appeals	OC-41	COB
Supervisor, Information Technology Services	OC-08	COB
Supervisor, Long Term Support Services	OC-41	COB
Supervisor, Medical Assistant	OC-41	COB
Supervisor, Member Outreach and Education	OC-06	COB
Supervisor, MSSP	OC-06	COB
Supervisor, Nursing Services (PACE)	OC-41	COB
Supervisor, OneCare Customer Service	OC-06	COB
Supervisor, Payroll	OC-06	COB
Supervisor, Pharmacist	OC-20	COB
Supervisor, Population Health Management	OC-41	COB
Supervisor, Provider Data Management Services	OC-06	COB
Supervisor, Provider Relations	OC-41	COB
Supervisor, Quality Analytics	OC-06	COB
Supervisor, Quality Improvement	OC-41	COB



Conflict of Interest Code EXHIBIT A

Approved May 2, 2024, by
CalOptima Health Board of Directors

Position	Disclosure Category	Files With
Supervisor, Regulatory Affairs and Compliance	OC-41	COB
Supervisor, Social Work (PACE)	OC-41	COB
Supervisor, Therapy Services (PACE)	OC-41	COB
Supervisor, Utilization Management	OC-06	COB

Total: 154

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Disclosure Descriptions

EXHIBIT B

Entity: Other Misc. Authorities, Districts and
Commissions Agency: CalOptima Health

Disclosure Category	Disclosure Description
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OC-11	All interests in real property in Orange County or located entirely or partly within the Authority or District boundaries as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that are engaged in the supply of equipment related to recruitment, employment search & marketing, classification, training, or negotiation with personnel; employee benefits, and health and welfare benefits.
OC-13	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that produce or provide promotional items for public outreach programs; present, facilitate, market or otherwise act as agent for media relations with regard to public relations; provide printing, copying, or mail services; or provide training for or development of customer service representatives.
OC-20	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide pharmaceutical services, supplies, materials or equipment.

Disclosure Category	Disclosure Description
OC-30	<p>Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The County Department Head/Director/General Manager/Superintendent/etc. may determine that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.</p>
OC-41	<p>All interests in real property in Orange County, the District or Authority, as applicable, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide services, supplies, materials, machinery, vehicles, or equipment (including training and consulting services) used by the County Department, Authority or District, as applicable.</p>

Grand Total: 9

**SUPPLEMENT TO FORM
700 CALOPTIMA HEALTH**

Please print:

Name: _____

The purpose of this disclosure form is to ensure that decisions are in the best interest of CalOptima Health and that no individual achieves personal gain because of his / her position with or without knowledge of CalOptima Health.

Please complete the following:

1. Are you or anyone in your family a director, officer, employee or owner in any business or entity (e.g., bank, real estate brokerage firm, consulting firm, construction company, insurance broker, architectural, law firm, medical group, etc.) which has done business in the past 12 months with CalOptima Health, or currently is or contemplates doing business with CalOptima Health in the next 12 months? _____(yes or no)

Entity for these purposes includes any for profit, non-profit or public entity. *If yes, please disclose at end*

Please explain your relationship with such business or entity and the transaction with CalOptima Health.

2. Are there any circumstances or other matters of a personal or family nature, direct or indirect, which could conflict with the interests of CalOptima Health ____ (yes or no) *If yes, please disclose at end.*
3. Disclose any other activities which you or anyone in your family are engaging in, or are considering engaging in, which may be deemed by CalOptima Health's management or Board to present a potential conflict of interest.

Signature

Date

Please disclose any information here:

(Please attach additional sheets if needed)

Human Resources

Approved:



Employee Report of Outside Interest and/or Other Employment

Employees are required to submit this form to Human Resources for determination of any outside interest(s) they may have which could be perceived as a potential conflict of interest with their employment with CalOptima Health. It is understood that not all personal outside interest(s) which may interact with and/or relate to CalOptima Health employment constitute a conflict of interest. By reporting any such related outside interest(s), it is hoped that any potential conflict may be avoided.

Name _____ Position _____

Department _____ Supervisor _____

A) **Other Job / Position:**

Place of Employment _____

Location/Address _____

Hours/Schedule _____

B) **Outside Interest:** Describe the nature of your association/position in which you have an outside interest, which may have a real or perceived connection, influence or interaction with your employment/position at CalOptima Health:

Explain any actions/precautions that you will take to avoid any conflict of interest with your CalOptima Health employment:

I understand that it is my responsibility to ensure there are no conflicts of interest with my CalOptima Health employment. If approved, I will notify Human Resources when the outside activity ends and for ongoing activities will resubmit this form annually for reapproval:

Employee Name (please print): _____

Employee signature: _____ **Date** _____

Approved by:

Manager/Executive: _____ **Date** _____

Compliance: _____ **Date** _____

Human Resources: _____ **Date** _____

Legal (if necessary): _____ **Date** _____

Additional Comments:

This form must be typed. Signatures need to be in blue or black ink.

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

8. Approve Amending the CalOptima Health Bylaws

Contact

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

Recommended Action

Approve amending the CalOptima Health Bylaws, effective May 2, 2024.

Background

The CalOptima Health Bylaws (Bylaws) were formally adopted by the CalOptima Health Board of Directors (Board) on December 6, 1994. The Bylaws set forth the Board's purpose and provide direction to its proceedings. They also provide for the establishment of Board committees and advisory committees.

On August 4, 2022, the Board approved amendments to the Bylaws to modernize the Bylaws and make them consistent with similar public agency health plans. Specifically, the amendments:

- Prohibited a director who is also a county Supervisor from employment by CalOptima Health for a period of one year after the director leaves the Board; and
- Expanded the authority of the Chief Executive Officer to resolve claims in lawsuits, demands, and arbitration matters.

On April 6, 2023, the Board approved amendments to the Bylaws to restate and conform to existing law related to conflicts of interest.

Discussion

Staff recommends amending the Bylaws to standardize employment prohibitions for all Board Directors as recommended by the California State Auditor. Specifically, the following amendment is proposed:

- Modify section 4.8 as follows:

4.8 Prohibition on CalOptima Employment

A Director ~~who is also a member of the Board of Supervisors~~ may not be employed by CalOptima for a period of one year after the Director's term expires, or after the Director resigns or is removed from the Board.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

The recommended amendment updates the Bylaws to conform with recommendations by the California State Auditor.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachment

1. Proposed Bylaws as Amended (Redline)
2. Proposed Bylaws as Amended (Clean)
3. Previous Board Action April 6, 2023, “Approve Amendments to the CalOptima Health Bylaws”
4. Previous Board Action August 4, 2022, “Approve Amendments to CalOptima Bylaws”

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

ADOPTED: December 6, 1994
Amended and Revised August 4, 2022
Amended and Revised April 6, 2023
Amended and Revised May 2, 2024

BYLAWS
OF
ORANGE COUNTY HEALTH AUTHORITY
ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL
ASSISTANCE, CalOptima Health (CalOptima)

ARTICLE I
DEFINITIONS

1.1 "Ad Hoc Committee" means a committee or work group composed solely of Directors which are less than a quorum of the Board, which does not have continuing subject matter jurisdiction, and does not have a meeting schedule fixed by charter, ordinance, Resolution or other formal action of the Board.

1.2 "Board" means the Board of Directors of CalOptima.

1.3 "Board of Supervisors" means the Board of Supervisors of the County of Orange.

1.4 "Brown Act" means the Ralph M. Brown Act (Gov. Code § 54950 et. seq.).

1.5 "Bylaws" means the bylaws of CalOptima.

1.6 "Chair" means the Chairperson of the Board of Directors.

1.7 "Chief Executive Officer" means the non-Board officer designated in Section 9.1 of these Bylaws.

1.8 "Committee" shall include both committees and subcommittees of the Board, unless otherwise specified. "Committee" shall not include "Ad Hoc Committees." The Advisory Committees specified in Section 4-11-15 of the Ordinance are Committees.

1.9 "County" means the County of Orange.

1.10 "Director" means a member of the Board of Directors of CalOptima.

1.11 "CalOptima" means the Orange County Health Authority, doing business as Orange Prevention and Treatment Integrated Medical Assistance, doing business as CalOptima Health.

1.12 "Ordinance" means Ordinance No. 3896 of the County of Orange, adding Division 11 to Title 4 of the codified ordinances of the County of Orange.

1.13 “Resolution” means any action taken by the Board which requires a vote and is thereafter evidenced in the Board meeting minutes.

ARTICLE II ORGANIZATION, POWERS AND PURPOSES

2.1 Authority.

a. These Bylaws are adopted by CalOptima to establish rules for its proceedings pursuant to the authority of Section 4-11-13 of the Ordinance. CalOptima is a local public agency and political subdivision of the State of California created by the Ordinance, pursuant to authority for such creation conferred by Welfare and Institutions Code section 14087.54.

b. CalOptima is an entity separate and distinct from the County. Any obligations of CalOptima, statutory, contractual or otherwise, shall be the obligations solely of CalOptima and shall not be the obligations of the County or of the State of California unless expressly provided for in a contract between CalOptima and the County or State of California.

2.2 Purposes.

The purposes of CalOptima are as set forth in the Ordinance.

2.3 Powers.

a. CalOptima shall have and enjoy all rights, powers, duties, privileges and immunities vested in the County pursuant to Article 2.8 (commencing with Section 14087.5) of Chapter 7, Part 3 of Division 9 of the Welfare and Institutions Code, and shall have and enjoy such other rights, powers, duties, privileges and immunities as provided in applicable law or which are necessary and proper to carry out the purposes of CalOptima.

b. Without limiting the generality of Section 2.3(a), CalOptima shall have the right to:

- (1) Acquire, possess and dispose of real or personal property, as may be necessary for the performance of its functions.
- (2) Contract for services to meet its obligations.
- (3) Employ personnel.
- (4) To sue and be sued.
- (5) To adopt a seal and file such seal with the office of the County Clerk and Secretary of State.
- (6) Borrow such funds as may be necessary and proper.

- (7) Other powers as may be specified in the Ordinance and by other provisions of law.

ARTICLE III OFFICES

3.1 Principal Office.

The principal office for the transaction of business of CalOptima shall be fixed and located at a location within the County designated by the Board.

ARTICLE IV BOARD OF DIRECTORS

4.1 Powers.

The Board of Directors is the governing body of CalOptima. Except as otherwise provided by the Ordinance or these Bylaws, the powers of CalOptima shall be exercised, its property controlled and its business and affairs conducted by or under the direction of the Board. The Board may delegate the management of CalOptima's activities to any person(s) or Committees, however composed, provided that all the activities and affairs of CalOptima shall be managed and all powers shall be exercised under the ultimate direction of the Board. No assignment, referral or delegation of authority by the Board shall preclude the Board from exercising full authority over the conduct of CalOptima's activities, and the Board may rescind such assignment, referral or delegation at any time.

4.2 Number and Qualifications of Directors.

The number and qualifications of Directors are as set forth in the Ordinance.

4.3 Term of Office.

a. The Board of Supervisors shall establish the term of office for the Director who is also a member of the Board of Supervisors, which term shall not exceed four years or other length of time established by amendment to Section 4-11-12 of the Ordinance.

b. The term of office for the Directors who are not also members of the Board of Supervisors shall be four (4) years; provided, however, that the terms of the original Directors shall be staggered to provide that one-half of those original Directors shall serve a term of three (3) years and the other half shall serve a full term of four (4) years to ensure continuity of policy. The initial appointment terms for such Directors shall be drawn by lots.

c. Directors may serve for a maximum of two (2) terms.

d. An orientation shall be provided which familiarizes each new Director with their duties and responsibilities.

e. In accordance with the Brown Act, any person appointed to serve as a Director who has not yet assumed the duties of their office shall conform their conduct to the requirements of Article 5 below.

4.4 Attendance and Participation.

a. Directors must attend the regular and special meetings of the Board and of Committees to which they are appointed and shall contribute their time and special abilities as may be required for the benefit of CalOptima. If a Director is unable to attend a meeting, he or she shall so inform the Clerk giving the reason therefor, and the Clerk shall in turn inform the Chair who may rule in their sole and absolute discretion that the absence shall be excused. Alternatively, the Chair may recommend to the Board that the absence be deemed unexcused, and the Board shall make the final determination as to whether the absence shall be excused.

b. Failure of a Director to attend a regular or special meeting of the Board, or of Committees to which he or she is appointed, without first notifying the Clerk of an inability to attend the meeting shall, except in cases of emergency or extreme hardship (as determined by the Chair in their sole absolute discretion), be treated as an unexcused absence.

4.5 Vacancies.

With the exception of the Director appointed by the Board of Supervisors who is also a County Supervisor, appointments to the Board are based on the Director's representation of a particular group, such as health care providers or other organizations. A seat on the Board shall become vacant if a Director no longer is a member of, no longer represents, the group that qualified the Director for an appointment to the Board, or otherwise is no longer eligible under applicable law to serve as a Director. Vacancies shall be filled by the Board of Supervisors for the remainder of the unexpired term in accordance with the Ordinance.

4.6 Resignation and Removal.

a. Any Director may be removed from office by a majority vote of the Board of Supervisors favoring such removal.

b. Any Director may resign effective upon giving written notice to the Chair, the Clerk of the Board, and the Clerk of the Board of Supervisors, unless the notice specifies a later time for the effectiveness of such resignation.

c. If a Director has unexcused absences from three consecutive regular meetings or from three of any five consecutive meetings of the Board, the Board may pass a Resolution which recommends that the Board of Supervisors immediately remove such Director from the Board and appoint a successor to fill the remainder of the unexpired term.

4.7 Expenses.

Board members shall be reimbursed for their reasonable traveling, incidental and other expenses, when traveling outside the County, and incurred in the performance of official business of CalOptima, in accordance with a policy as approved by the Board.

4.8 Prohibition on CalOptima Employment

A Director ~~who is also a member of the Board of Supervisors~~ may not be employed by CalOptima for a period of one year after the Director's term expires, or after the Director resigns or is removed from the Board.

ARTICLE V
BOARD MEETINGS

5.1 Board Meeting.

a. A meeting of the Board is any congregation of a majority of the Directors at the same time and place to hear, discuss or deliberate upon any item that is within the subject matter jurisdiction of the Board.

b. A meeting of the Board is also the use of direct communication, personal intermediaries or technological devices that are employed by a majority of the Directors to develop a collective concurrence as to action to be made on an item by the Directors.

c. A meeting of the Board shall not be construed to exist when any of the following occur:

(1) A Director makes individual contact with any person not a Director.

(2) The attendance of a majority of the Directors at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies with similar functions or interests as CalOptima, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOptima's subject matter jurisdiction.

(3) The attendance of a majority of the Directors at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than CalOptima, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOptima's subject matter jurisdiction.

(4) The attendance of a majority of the Directors at an open and noticed meeting of the legislative body of another local public agency, provided that a majority of the Directors do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within CalOptima's subject matter jurisdiction.

(5) The attendance of a majority of the Directors at a purely social or ceremonial occasion, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOptima's subject matter jurisdiction.

5.2 Regular Meetings.

a. Regular meetings of the Board shall be held at a location as may be designated by Board action from time to time by the Board.

b. The Board shall conduct an annual organizational meeting at a regular meeting to be designated in advance by the Board. At the annual organizational meeting, the Board shall:

(1) Adopt a schedule stating the dates, times and places of the Board's regular meetings for the following year. A tentative proposed schedule for the Board's regular meetings shall have been distributed at the regular Board meeting preceding the organizational meeting.

(2) Organize itself by the election of one of its Directors as Chair and one as Vice Chair, and by the election of such other officers as the Board may deem appropriate.

5.2 Notice and Meeting; Agendas.

a. The Chief Executive Officer shall prepare, or cause to be prepared, an agenda for every regular and special meeting of the Board, which shall set forth the time and location of the meeting, and a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of the item generally need not exceed twenty (20) words.

b. At least 72 hours before a regular meeting, the Chief Executive Officer shall cause to be posted the agenda for the meeting in a location that is freely accessible to members of the public.

c. Action may be taken by the Board only on items appearing on the posted agenda. "Action taken" means a collective decision, collective commitment or promise made by a majority of the Directors to make a positive or negative decision, or an actual vote by a majority of the Directors upon a motion, proposal, Resolution or order. No action shall be taken on any item not appearing on the posted agenda, unless one of the following conditions exists:

(1) The Board has determined, by a majority vote, that an emergency situation exists. An emergency situation, for purposes of these Bylaws, means either: (a) a work stoppage

or other activity which severely impairs public health, safety, or both, or (b) a crippling disaster which severely impairs public health, safety, or both.

(2) Upon a determination by a two-thirds vote of the Board, or, if less than two-thirds of the Directors are present, a unanimous vote of those Directors present, that there is a need to take immediate action and that the need for action came to the attention of the Board subsequent to the agenda being posted.

(3) The item was posted, as required above, for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which the action is being taken.

(4) The Board may briefly respond to statements made or questions posed by the public at the meeting. In addition, on its own initiative, or in response to questions posed by the public, the Board may ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to the Board at a subsequent meeting. Furthermore, a Director or the Board itself may take action to place a matter of business on a future agenda.

d. Except as specified in Sections 5.3(d)(1) and 5.5(b) below, the Clerk shall give mailed notice of every regular meeting, and any special meeting which is called, at least one week prior to the date set for the meeting, to any person who has filed a written request for such notice with the Board.

(1) The Board may give such notice as it deems practical of special meetings called less than seven (7) days prior to the date set for the meeting, or in the case of an emergency meeting, telephonic notice in accordance with Section 5.5(b).

(2) Any request for notice shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed. Renewal requests for notice shall be filed within ninety (90) days after January 1 of each year. The Board may establish by Resolution a reasonable annual charge for sending such notice based on the estimated cost of providing such service.

5.4 Members of the Public.

a. Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by section 5.3.

b. The Chair may adopt reasonable regulations to ensure that the intent of this section is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. If further public discussion and comment is needed on a particular issue, the Board may vote to allot further time in the same meeting, or allot time in the agenda of the following meeting.

c. Members of the public shall not be required, as a condition of attendance at a Board meeting, to register their name or provide other information. If an attendance list, register or other similar document is posted or circulated at the meeting, it shall state clearly that the signing, registering or completion of the document is voluntary and that all persons may attend the meeting regardless of whether a person does so.

d. The Board shall not prohibit public criticism of the policies, procedures, programs or services of CalOptima or the acts or omissions of the Board or its officers, employees and/or consultants.

5.5 Special Meetings.

a. A special meeting may be called at any time by the Chair, or by four Directors, by delivering personally or by mail written notice to each Director and to each local newspaper of general circulation, radio or television station requesting notice in writing.

(1) Such notice must be delivered personally or by mail at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at special meetings.

(2) The call and notice shall also be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. Notice shall be required pursuant to this section 5.5 regardless of whether any action is taken at the special meeting.

(3) Such written notice may be dispensed with as to any Director who, at or prior to the time the meeting convenes, files with the Clerk a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any Director who is actually present at the meeting at the time it convenes.

b. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement, or both requirements. For purposes of this section, "emergency situation" shall have the same meaning as in Section 5.3(c)(1).

(1) In the event the notice and/or posting requirements are dispensed with due to an emergency situation, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified by the Chair, or their designee, one hour prior to the emergency meeting, by telephone. All telephone numbers provided in the most recent request of such newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the Board, or its designee, shall notify those newspapers, radio stations or television stations

of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(2) Notwithstanding Section 5.8(b) of these Bylaws, the Board shall not meet in closed session during a meeting called as an emergency meeting. With the exception of the 24-hour notice and posting requirements, all special meeting requirements prescribed in this section shall be applicable to a meeting called due to an emergency situation.

(3) The minutes of a meeting called due to an emergency situation, a list of persons who the Chair, or his designee, notified or attempted to notify, a copy of the roll call vote, and any actions taken at the meeting shall be posted for a minimum of ten days in a public place as soon after the meeting as possible.

5.6 Quorum and Action at Board Meeting.

a. A majority of the Directors shall constitute a quorum for the transaction of business. Except as otherwise provided by law or these Bylaws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. No act of the Board shall be valid unless at least a majority of those Directors constituting a quorum concur therein. Any act of the Board shall be accomplished by a roll call vote when such a vote is requested by any Director in attendance. The Board shall not take action by secret ballot, whether preliminary or final.

b. The Board shall adopt a form of agenda for its regular and special meetings which may include consent, individual action, public, and board comments sections.

c. Items on the meeting agenda shall be considered in order by the Board unless the Chair shall announce a change in the order of consideration.

d. Unless an agenda item specifies a particular source for a report, the Chief Executive Officer, Board staff and consultants shall report first on the item. The item shall then be open to public comment upon recognition of the speaker by the Chair.

e. A Director shall disqualify himself or herself from voting on any matter before the Board, and shall take further appropriate action to remove himself or herself from Board consideration of any such matter, when required pursuant to the provisions of Article XII of these Bylaws or applicable law.

5.7 Adjournment and Continuance.

a. The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If no Directors are present at a meeting, the Clerk may declare the meeting adjourned to a stated time and place and shall cause written notice to be given in the same manner as provided in section 5.5 of these Bylaws for special meetings, unless such notice

is waived as provided for special meetings.

b. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

c. The Board may continue any hearing being held or noticed or ordered to be held at any meeting to a subsequent meeting by order or notice of continuance provided in the same manner as set forth above for the adjournment of meetings; provided, that if the meeting is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

5.8 Public Meetings.

a. Meetings of the Board shall be open to the public, except as otherwise provided herein.

b. The Board may hold closed sessions during a meeting for the following purposes:

(1) To consider the appointment, employment, evaluation of performance or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session. As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of their right to have the complaint or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the Board against the employee based on the specific complaints or charges in the closed session shall be null and void. The Board may exclude from that public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the Board. The term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any Director or other independent contractor. During the closed session, the Board shall not discuss or act on an employee's proposed compensation except for a reduction of compensation that results from the imposition of discipline.

(2) To meet with its designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees and for represented employees, any other matter within the statutorily-provided scope of representation. "Employee" shall have the same meaning for this closed session as described in section 5.8(b)(1) above. During the closed session, the Board may include discussions with CalOptima's designated representatives of CalOptima's available funds and funding priorities, but only as these discussions relate

to providing instructions to the designated representatives.

(3) To meet with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for CalOptima, or to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease. However, prior to the closed session, the Board shall hold an open and public session in which it identifies the real property or real properties which the negotiations may concern and the person or persons with whom its negotiator may negotiate. For the purposes of this section, the negotiator may be a Director, and "lease" includes renewal or renegotiation of a lease.

(4) Based on advice of its legal counsel, to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of CalOptima in the litigation. Prior to holding a closed session pursuant to this section, the Board shall state on the agenda or publicly announce the subdivision of Government Code section 54956.9 that authorizes the closed session. If the session is closed because of litigation to which CalOptima is a party has been formally initiated, the Board shall state the title of or otherwise specifically identify the litigation to be discussed, unless the Board states that to do so would jeopardize CalOptima's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage. For purposes of this section, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator. For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

- (a) Litigation to which CalOptima is a party has been formally initiated.
- (b) (i) A point has been reached where, in the opinion of the Board on the advice of its legal counsel, based on existing facts and circumstances, there is significant exposure to litigation against CalOptima, or

(ii) based on existing facts and circumstances, the Board is meeting only to decide whether a closed session is authorized under subparagraph (b)(1) above.
- (c) Based on existing facts and circumstances, the Board has decided to initiate or is deciding whether to initiate litigation.

(5) Any other closed session authorized pursuant to applicable state or federal law or regulation.

c. Prior to holding any closed session, the Board must disclose, in an open meeting, the item or items to be discussed in the closed session. The Board may use the sample closed session agenda descriptions contained in the Brown Act (Gov. Code § 54954.5). The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the

agenda. In the closed session, only those matters covered in the statement can be considered by the Board.

d. After any closed session, the Board shall reconvene into open session prior to adjournment and shall make any disclosures required by the Brown Act concerning final actions.

5.9 Disrupted Meetings.

In the event that any meeting is interrupted by a group or groups of persons rendering the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who were willfully interrupting the meeting, the Board may order the meeting room closed and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. The Board may establish a procedure for readmitting an individual or individuals not responsible for willfully disrupting the orderly conduct of the meeting.

5.10 Minutes.

The Clerk or designee shall prepare minutes of each meeting of the Board. Except as otherwise provided in the Brown Act for minutes of closed sessions, the minutes shall be an accurate summary of the Board's consideration of the matters before it and an accurate record of each action of the Board. Except for minutes of closed sessions, at a subsequent meeting, the Clerk shall submit the minutes to the Board for approval by a majority vote of the Directors in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk or designee to the Chief Executive Officer.

ARTICLE VI
BOARD COMMITTEES

6.1 Establishment: Appointment of Committee Members.

a. All Committees shall be established by these Bylaws or by Board action, and shall be established for any purpose as the Board deems necessary or beneficial in accomplishing the purposes of CalOptima.

b. Committees shall be subject to the requirements of the Brown Act.

c. The Chair may designate alternate members of any Committee to stand in for any absent Director at any meeting of the Committee. The chair of each Committee shall be appointed by the Chair of the Board, except that the Chair of each of the Advisory Committees shall be elected by the Board

d. All Committees shall be advisory only to the Board unless otherwise specifically authorized to act by the Board.

6.2 Ad Hoc Committees.

a. Ad Hoc Committees may be appointed by the Chair for special tasks as circumstances warrant, and shall be composed solely of Directors, and upon completion of the task for which appointed, such Ad Hoc Committee shall stand discharged. Some of the functions that may be the topic of Ad Hoc Committees include, but are not limited to, the review of new projects, the review of special Bylaw changes or the review of the Bylaws periodically, meeting with other public agencies or health facilities on a specific topic, and the evaluation of the Board.

b. The Chair shall make assignments to Ad Hoc Committees to assure that each Director shall have equal participation on Ad Hoc Committees throughout the year.

c. Ad Hoc Committees shall always be advisory in nature.

6.3 Advisors.

A chair of a Committee or an Ad Hoc Committee may invite individuals with expertise in a pertinent area to meet with and assist the Committee or Ad Hoc Committee. Such advisors shall not vote or be counted in determining the existence of a quorum and may be excluded from any Committee session not otherwise open to the public.

6.4 Meetings and Notice.

a. Regular meetings of Committees shall be held at such times and places as are determined by the Board. Special meetings of Committees may be held at any time and place as may be designated by the Chair or the chair of the Committee, or by a majority of the voting members of the Committee.

b. Regular and special meetings of a Committee shall be noticed in accordance with sections 5.3 and 5.5, respectively, of these Bylaws.

c. Meetings of Ad Hoc Committees shall be noticed as directed by the chair of the Ad Hoc Committee.

6.5 Quorum.

A majority of the members of a Committee or Ad Hoc Committee shall constitute a quorum for the transaction of business at any meeting of such Committee or Ad Hoc Committee. Each Committee and Ad Hoc Committee shall keep minutes of its proceedings and shall report periodically to the Board.

6.6 Manner of Acting.

The act of a majority of the members of a Committee or Ad Hoc Committee present at a meeting at which a quorum is present shall be the act of the Committee or Ad Hoc Committee so meeting. Regular and special meetings of Committees shall be conducted in accordance with

applicable provisions of Article V of these Bylaws. Ad Hoc Committee action may be taken without a meeting by a writing setting forth the action so taken signed by each member of the Ad Hoc Committee entitled to vote.

6.7 Tenure.

Each member of a Committee or Ad Hoc Committee shall hold office until a successor is appointed. Any member of an Ad Hoc Committee may be removed at any time by the Chair. The Board may remove any member of a Committee. A Director shall cease to hold membership in an Ad Hoc Committee upon ceasing to be a Director.

6.8 Minutes.

The Clerk or designee shall prepare minutes of each meeting of every Committee. The minutes shall accurately summarize the consideration of all matters, and shall accurately record all action taken. At a subsequent meeting, the Clerk shall submit the minutes to the Committee for approval by a majority vote of the members in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk to the Board and Chief Executive Officer.

ARTICLE VII
ADVISORY COMMITTEES

7.1 Establishment.

a. The Board may establish and appoint Advisory Committees for any purpose that will be necessary and beneficial in accomplishing the work of CalOptima, in a number and with qualifications as set forth in the Resolution of the Board establishing the Advisory Committee or the policy governing such Advisory Committee.

b. The following Advisory Committees are hereby established and appointed:

1. Provider Advisory Committee.
2. Member Advisory Committee.

7.2 Purpose.

Advisory Committees of CalOptima shall be solely advisory in nature. As directed by the Board they are:

- (1) Intended to provide advice and recommendations to the Board on issues concerning the CalOptima program.
- (2) To engage in study and research on issues assigned to them by the Board.

(3) To assist the Board in obtaining public opinion on issues related to the CalOptima program.

(4) To facilitate community outreach for CalOptima and the Board.

7.3 Policy

The Board shall by Resolution adopt and, from time to time may amend, a policy setting forth member qualifications, requirements for meetings (including compliance with the Brown Act), items of procedure, and other matters relating to the overall operations and purposes of Advisory Committees established by the Board.

ARTICLE VIII OFFICERS OF THE BOARD OF DIRECTORS

8.1 Chair.

a. The Board shall elect one of its Directors as Chair at an organizational meeting. In the event of a vacancy in the office of Chair, the Board may elect a new Chair.

b. The Chair shall be the principal officer of the Board, and shall preside at all meetings of the Board. The Chair shall appoint all members of the Ad Hoc Committees, as well as the chair of the Ad Hoc Committees and all Committees other than the Member and Provider Advisory Committees. In addition, the Chair shall perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time.

8.2 Vice Chair.

The Board shall elect one of its Directors as Vice Chair at an organizational meeting. The Vice Chair shall perform the duties of the Chair if the Chair is absent from the meeting or is otherwise unable to act. If both the Chair and Vice Chair are absent from the meeting, or are unable to act, the Directors present at the meeting shall select one of the Directors present to act as temporary Chair, who, while so acting, shall have all of the authority of the Chair.

8.3 Tenure.

Each officer described above in this Article VIII shall serve a one (1) year term, commencing on the first day of the month after the organizational meeting at which he or she is elected to the position. Each officer shall hold office until the end of the one (1) year term, or until a successor is elected, unless he or she shall sooner resign or be removed from office.

8.4 Vacancies, Removal and Resignation.

a. A vacancy in any office for any cause whatsoever shall be filled by Resolution of the Board at any regular or special meeting of the Board.

b. An officer described above may be removed from office by the affirmative vote of four Directors, not counting the affected Director. In addition, an officer described above will automatically be removed from office when their successor is selected and is appointed as a Director.

c. Any officer may resign effective on giving written notice to the Clerk, unless the notice specifies a later time for their resignation to become effective. Upon receipt of such notice, the Clerk shall notify the Chair thereof and shall enter the notice in the proceedings of the Board.

8.5 Other Officers.

The Board may designate such other officers of the Board as the Board may from time to time determine that CalOptima requires and may elect one of its Directors to discharge the duties of any such office.

ARTICLE IX OTHER OFFICERS

9.1 Chief Executive Officer.

a. The Board shall select and employ a Chief Executive Officer, who shall report to the Board and who shall be the Board's direct executive representative in the development and management of the affairs of CalOptima. The Chief Executive Officer shall serve at the pleasure of the Board, subject to the provisions of any contract of employment between CalOptima and the Chief Executive Officer.

b. The Chief Executive Officer shall have such duties and responsibilities as the Board may from time to time reasonably direct. Without limiting the generality of the foregoing, the Chief Executive Officer shall be responsible for:

(1) Implementing the policies, procedures and practices of CalOptima as adopted by the Board.

(2) Acting as the duly authorized representative of CalOptima in all matters in which the Board has not formally designated some other person to act.

(3) Managing and directing the operations of CalOptima, including responsibility for sound personnel, financial, accounting, legal and statistical information practices, such as preparation of CalOptima budgets and forecasts, maintenance of proper financial and other statistical records, collection of data required by governmental and accrediting agencies, and special studies and reports required for efficient operation of CalOptima.

(4) Providing leadership by promoting morale and resolving conflicts and problems

- (5) Implementing community relations activities, including, public appearances, responsive communication with the media.
- (6) Developing and maintaining positive ongoing relations with local, State and federal government officials and agencies.
- (7) Assisting the Board in planning services and facilities and informing the Board of governmental legislation and regulations and requirements of official agencies and accrediting bodies, which affect the planning and operation of the facilities, services and programs sponsored by CalOptima, and maintaining appropriate liaison with government and accrediting agencies and implementing actions necessary for compliance.
- (8) Employing and discharging (subject to the pleasure of the Board, any contract of employment, and CalOptima personnel employment policies), such subordinate officers and employees as are necessary for the purpose of carrying on the normal functions of CalOptima.
- (9) Administrating all contracts to which CalOptima is a party.
- (10) Providing the Board, Committees, and Ad Hoc Committees with adequate staff support.
- (11) Sending periodic reports to the Board on the overall activities of CalOptima and CalOptima's finances and financial status, as well as pertinent federal, state and local developments that effect CalOptima's operations.
- (12) Maintaining insurance or self-insurance to cover the physical properties and activities of CalOptima.
- (13) Developing, amending, promulgating and implementing personnel policies for CalOptima.

9.2 Chief Financial Officer.

a. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business or financial transactions of CalOptima, shall prepare or cause to be prepared financial statements as law or these Bylaws require. The books of account shall at all times be open to inspection by any Director.

b. The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of CalOptima with depositories designated by the Board. The Chief Financial Officer shall disburse the funds of CalOptima as ordered or authorized by the Board, shall render to the Chair and Directors, whenever they request it, an account of all transactions and of the financial condition of CalOptima, and shall have other powers and perform other

duties as prescribed by the Board and/or the Chief Executive Officer.

9.3 Clerk.

a. The Clerk shall have the following duties:

- (1) Keeping a book of the minutes of all meetings of the Board at the principal office of CalOptima or other place ordered by the Board, and of its Committees.
- (2) Giving or causing to be given appropriate notices in accordance with these Bylaws or as required by law.
- (3) Attesting to the Chair's, Vice-Chair's, Chief Executive Officer's, or other authorized signatory's signature on documents executed on behalf of CalOptima.
- (4) Acting as custodian of CalOptima's records and reports and of CalOptima's seal, if one is adopted.
- (5) Causing a statement meeting the requirements of Government Code section 53051 to be filed with the Secretary of State and the County Clerk to list CalOptima on the "Roster of Public Agencies"; and causing an amended statement to be filed with the Secretary of State and County Clerk within ten (10) days of any change in the facts set forth in the original or a subsequently amended statement.
- (6) Providing a copy of the Brown Act to each Director, and to each person appointed to serve as a Director who has not assumed the duties of office.
- (7) Having such other duties as may be prescribed by Resolution of the Board or these Bylaws.

9.4 Subordinate Officers.

The Board may empower the Chief Executive Officer to select and employ such other non-Board officers as CalOptima may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board or Chief Executive Officer may from time to time determine.

ARTICLE X
EXECUTION OF INSTRUMENTS

10.1 Contracts and Instruments.

a. The Board may authorize any officer or officers, agent or agents, employee or employees to enter into any contract or execute any instrument in the name of and on behalf of the Board, and this authority may be general or confined to specific instances; and, unless so

authorized or ratified by the Board, no officer, agent, or employee shall have any power or authority to bind CalOptima by any contract or engagement or to render it liable for any purpose or for any amount.

b. Notwithstanding the foregoing Section 9.1(a), the Chief Executive Officer is hereby authorized to enter into any contract or execute any instrument in the name of and on behalf of CalOptima pursuant to policies established by the Board.

c. The Clerk shall have the authority to attest to the signatures of those individuals authorized to enter into contracts or execute instruments in the name of and on behalf of CalOptima and to certify the incumbency of those signatures.

10.2 Checks, Drafts, Evidences of Indebtedness

All checks, drafts or other orders for payment of money, notes or other evidences issued in the name of or on behalf of CalOptima or payable to the order of CalOptima, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by Resolution of the Board.

ARTICLE XI CLAIMS AND JUDICIAL REMEDIES

11.1 Claims

CalOptima is subject to Division 3.6 of Title 1 of the California Government Code, pertaining to claims against public entities. The Chief Executive Officer or designee is authorized to perform those functions of the Board specified in Part 3 of that Division, including the allowance, compromise or settlement of any claims if the amount to be paid from CalOptima's treasury does not exceed \$50,000.00 per individual claim, or \$300,000 total per lawsuit, demand, or arbitration matter. Any allowance, compromise or settlement of any claim in which the amount to be paid from CalOptima's treasury exceeds \$10,000 per individual claim shall be approved personally by the Chief Executive Officer, rather than their designee.

11.2 Judicial Review

Section 1094.6 of the Code of Civil Procedure shall govern the rights of any person aggrieved by any decision of the Board or CalOptima.

11.3 Claims Procedure

Notwithstanding any exceptions contained in Section 905 of the Government Code, no action based on a claim shall be brought against CalOptima unless presented to CalOptima within the time limitations and in the manner prescribed by Section 910 through 915.2 of the Government Code. Such claims shall further be subject to Section 945.4 of the Government Code.

ARTICLE XII
CONFLICTS OF INTEREST

12.1 Conflict of Interest Code.

The Board shall by Resolution adopt and, from time to time may amend, a Conflict of Interest Code for CalOptima as required by applicable statutes and regulations.

12.2 Disqualifying Interest in Contracts.

a. Pursuant to Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code, a Director shall not be financially interested in any contract made by the Director in their official capacity, or by the Board. Nor shall a Director be a purchaser or vendor at any sale or purchase made by them in their official capacity.

b. Notwithstanding the foregoing Section 12.2(a), a Director shall not be deemed to be interested in a contract entered into by CalOptima within the meaning of Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code if all of the following requirements set forth in Welfare and Institutions Code section 14087.57 apply:

- (1) The Director was appointed to represent the interests of physicians, health care practitioners, hospitals, pharmacies or other health care organizations.
- (2) The contract authorizes the Director or the organization the member represents to provide services to Medi-Cal beneficiaries under CalOptima's program.
- (3) The contract contains substantially the same terms and conditions as contracts entered into with other individuals and organizations that the Director was appointed to represent.
- (4) The Director does not influence or attempt to influence the Board or another Director to enter into the contract in which the member is interested.
- (5) Director discloses the interest to the Board and abstains from voting on the contract.
- (6) The Board notes the Director's disclosure and abstention in its official records and authorizes the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the interested Director.

ARTICLE XIII
MISCELLANEOUS

13.1 Purchase, Hiring, and Personnel.

The Board shall by Resolution adopt and, from time to time may amend, procedures, practices and policies for purchasing and acquiring the use of equipment and supplies, acquiring, constructing and leasing real property and improvements, hiring employees, managing its personnel and for all other matters, in the determination of the Board, as are necessary and appropriate for the proper conduct of CalOptima's activities and affairs and the furtherance of its authorized purposes. Copies of all such procedures, practices and policies shall be maintained with the minutes of proceedings of the Board.

13.2 Insurance.

CalOptima shall procure and maintain property, casualty, indemnity and workers' compensation insurance, including without limitation directors' and officers' liability and professional liability coverage, in such amounts and with such carriers as the Board shall from time to time determine shall be prudent in the conduct of its activities; provided that the Board is authorized to arrange the provision of self-insurance or participate in consortia or similar associations to obtain coverage in lieu of commercial coverage.

13.3 Indemnification and Defense.

a. With respect to any civil claim or action against a Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, for an injury arising out of an act or omission occurring within the scope of such person's duties, CalOptima shall indemnify, hold harmless and defend such persons to the full extent permitted or required under applicable sections of the California Tort Claims Act. (Gov. Code§ 810 et seq.; see, e.g. Gov. Code§§ 825, 825.2, 825.4, 825.6, 995.4, 995.6 and 995.8.)

b. Nothing herein shall be construed to require CalOptima to indemnify and hold harmless any Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, if CalOptima has elected to conduct the defense of such person(s) pursuant to an agreement reserving CalOptima's rights not to pay a judgment, compromise or settlement until it is established that the injury arose out of an act or omission occurring within the scope of their duties with CalOptima.

13.4 Bonds.

All Directors, as well as all officers, employees and agents or representatives of CalOptima designated by the Board, shall obtain fidelity bonds as required by law and as the Board shall determine is prudent in the conduct of its activities and the activities of such officers, employees, and other designated agents or representatives of CalOptima.

13.5 Public Records.

a. All documents and records of CalOptima, not exempt from disclosure by applicable law, shall be public records under the California Public Records Act (Gov. Code § 6250 et seq.)

b. Any authorized representative of the County shall have the absolute right to inspect and copy all books, records and documents of every kind of CalOptima to determine compliance with the provisions of Section 4-11-7 of the Ordinance, provided such inspection is conducted at a reasonable time following reasonable notice.

13.6 Submission of Bylaws to Board of Supervisors.

The Clerk shall deliver a certified copy of these Bylaws, and any amendments thereto, to the Board of Supervisors.

13.7 Conflict Between Bylaws and Ordinance.

In the event of a conflict between these Bylaws and the Ordinance, the applicable provisions of the Ordinance shall govern.

ARTICLE XIV
AMENDMENT

These Bylaws may be amended or repealed by the affirmative vote of at least two-thirds (2/3) of the authorized number of Directors at any Board meeting. Such amendments or repeal shall be effective immediately, except as otherwise indicated by the Board. The Clerk shall deliver a certified copy of any amendment or repeal of these Bylaws to the Board of Supervisors promptly following the Board meeting at which such amendment or repeal was adopted.

CERTIFICATE OF CLERK

I, the undersigned, do hereby certify:

That I am the duly appointed, qualified and acting Clerk of the Board of Directors for Orange Prevention and Treatment Integrated Medical Assistance ("CalOptima"), a special commission of the County of Orange created pursuant to Section 14087 .54 of the Welfare and Institutions Code, and Ordinance No. 3896 of the County of Orange, and

That the foregoing Bylaws attached hereto, comprising 24 pages, including this page, constitute a true, complete and correct copy of the current Bylaws of CalOptima, as duly adopted by the Board of Directors of CalOptima at a regular meeting, duly called and held on the ____ day of _____ at _____, California.

Dated: _____

Clerk

ADOPTED: December 6, 1994
Amended and Revised August 4, 2022
Amended and Revised April 6, 2023
Amended and Revised May 2, 2024

BYLAWS
OF
ORANGE COUNTY HEALTH AUTHORITY
ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL
ASSISTANCE, CalOptima Health (CalOptima)

ARTICLE I
DEFINITIONS

1.1 "Ad Hoc Committee" means a committee or work group composed solely of Directors which are less than a quorum of the Board, which does not have continuing subject matter jurisdiction, and does not have a meeting schedule fixed by charter, ordinance, Resolution or other formal action of the Board.

1.2 "Board" means the Board of Directors of CalOptima.

1.3 "Board of Supervisors" means the Board of Supervisors of the County of Orange.

1.4 "Brown Act" means the Ralph M. Brown Act (Gov. Code § 54950 et. seq.).

1.5 "Bylaws" means the bylaws of CalOptima.

1.6 "Chair" means the Chairperson of the Board of Directors.

1.7 "Chief Executive Officer" means the non-Board officer designated in Section 9.1 of these Bylaws.

1.8 "Committee" shall include both committees and subcommittees of the Board, unless otherwise specified. "Committee" shall not include "Ad Hoc Committees." The Advisory Committees specified in Section 4-11-15 of the Ordinance are Committees.

1.9 "County" means the County of Orange.

1.10 "Director" means a member of the Board of Directors of CalOptima.

1.11 "CalOptima" means the Orange County Health Authority, doing business as Orange Prevention and Treatment Integrated Medical Assistance, doing business as CalOptima Health.

1.12 "Ordinance" means Ordinance No. 3896 of the County of Orange, adding Division 11 to Title 4 of the codified ordinances of the County of Orange.

1.13 “Resolution” means any action taken by the Board which requires a vote and is thereafter evidenced in the Board meeting minutes.

ARTICLE II ORGANIZATION, POWERS AND PURPOSES

2.1 Authority.

a. These Bylaws are adopted by CalOptima to establish rules for its proceedings pursuant to the authority of Section 4-11-13 of the Ordinance. CalOptima is a local public agency and political subdivision of the State of California created by the Ordinance, pursuant to authority for such creation conferred by Welfare and Institutions Code section 14087.54.

b. CalOptima is an entity separate and distinct from the County. Any obligations of CalOptima, statutory, contractual or otherwise, shall be the obligations solely of CalOptima and shall not be the obligations of the County or of the State of California unless expressly provided for in a contract between CalOptima and the County or State of California.

2.2 Purposes.

The purposes of CalOptima are as set forth in the Ordinance.

2.3 Powers.

a. CalOptima shall have and enjoy all rights, powers, duties, privileges and immunities vested in the County pursuant to Article 2.8 (commencing with Section 14087.5) of Chapter 7, Part 3 of Division 9 of the Welfare and Institutions Code, and shall have and enjoy such other rights, powers, duties, privileges and immunities as provided in applicable law or which are necessary and proper to carry out the purposes of CalOptima.

b. Without limiting the generality of Section 2.3(a), CalOptima shall have the right to:

- (1) Acquire, possess and dispose of real or personal property, as may be necessary for the performance of its functions.
- (2) Contract for services to meet its obligations.
- (3) Employ personnel.
- (4) To sue and be sued.
- (5) To adopt a seal and file such seal with the office of the County Clerk and Secretary of State.
- (6) Borrow such funds as may be necessary and proper.

- (7) Other powers as may be specified in the Ordinance and by other provisions of law.

ARTICLE III OFFICES

3.1 Principal Office.

The principal office for the transaction of business of CalOptima shall be fixed and located at a location within the County designated by the Board.

ARTICLE IV BOARD OF DIRECTORS

4.1 Powers.

The Board of Directors is the governing body of CalOptima. Except as otherwise provided by the Ordinance or these Bylaws, the powers of CalOptima shall be exercised, its property controlled and its business and affairs conducted by or under the direction of the Board. The Board may delegate the management of CalOptima's activities to any person(s) or Committees, however composed, provided that all the activities and affairs of CalOptima shall be managed and all powers shall be exercised under the ultimate direction of the Board. No assignment, referral or delegation of authority by the Board shall preclude the Board from exercising full authority over the conduct of CalOptima's activities, and the Board may rescind such assignment, referral or delegation at any time.

4.2 Number and Qualifications of Directors.

The number and qualifications of Directors are as set forth in the Ordinance.

4.3 Term of Office.

a. The Board of Supervisors shall establish the term of office for the Director who is also a member of the Board of Supervisors, which term shall not exceed four years or other length of time established by amendment to Section 4-11-12 of the Ordinance.

b. The term of office for the Directors who are not also members of the Board of Supervisors shall be four (4) years; provided, however, that the terms of the original Directors shall be staggered to provide that one-half of those original Directors shall serve a term of three (3) years and the other half shall serve a full term of four (4) years to ensure continuity of policy. The initial appointment terms for such Directors shall be drawn by lots.

c. Directors may serve for a maximum of two (2) terms.

d. An orientation shall be provided which familiarizes each new Director with their duties and responsibilities.

e. In accordance with the Brown Act, any person appointed to serve as a Director who has not yet assumed the duties of their office shall conform their conduct to the requirements of Article 5 below.

4.4 Attendance and Participation.

a. Directors must attend the regular and special meetings of the Board and of Committees to which they are appointed and shall contribute their time and special abilities as may be required for the benefit of CalOptima. If a Director is unable to attend a meeting, he or she shall so inform the Clerk giving the reason therefor, and the Clerk shall in turn inform the Chair who may rule in their sole and absolute discretion that the absence shall be excused. Alternatively, the Chair may recommend to the Board that the absence be deemed unexcused, and the Board shall make the final determination as to whether the absence shall be excused.

b. Failure of a Director to attend a regular or special meeting of the Board, or of Committees to which he or she is appointed, without first notifying the Clerk of an inability to attend the meeting shall, except in cases of emergency or extreme hardship (as determined by the Chair in their sole absolute discretion), be treated as an unexcused absence.

4.5 Vacancies.

With the exception of the Director appointed by the Board of Supervisors who is also a County Supervisor, appointments to the Board are based on the Director's representation of a particular group, such as health care providers or other organizations. A seat on the Board shall become vacant if a Director no longer is a member of, no longer represents, the group that qualified the Director for an appointment to the Board, or otherwise is no longer eligible under applicable law to serve as a Director. Vacancies shall be filled by the Board of Supervisors for the remainder of the unexpired term in accordance with the Ordinance.

4.6 Resignation and Removal.

a. Any Director may be removed from office by a majority vote of the Board of Supervisors favoring such removal.

b. Any Director may resign effective upon giving written notice to the Chair, the Clerk of the Board, and the Clerk of the Board of Supervisors, unless the notice specifies a later time for the effectiveness of such resignation.

c. If a Director has unexcused absences from three consecutive regular meetings or from three of any five consecutive meetings of the Board, the Board may pass a Resolution which recommends that the Board of Supervisors immediately remove such Director from the Board and appoint a successor to fill the remainder of the unexpired term.

4.7 Expenses.

Board members shall be reimbursed for their reasonable traveling, incidental and other expenses, when traveling outside the County, and incurred in the performance of official business of CalOptima, in accordance with a policy as approved by the Board.

4.8 Prohibition on CalOptima Employment

A Director may not be employed by CalOptima for a period of one year after the Director's term expires, or after the Director resigns or is removed from the Board.

ARTICLE V
BOARD MEETINGS

5.1 Board Meeting.

a. A meeting of the Board is any congregation of a majority of the Directors at the same time and place to hear, discuss or deliberate upon any item that is within the subject matter jurisdiction of the Board.

b. A meeting of the Board is also the use of direct communication, personal intermediaries or technological devices that are employed by a majority of the Directors to develop a collective concurrence as to action to be made on an item by the Directors.

c. A meeting of the Board shall not be construed to exist when any of the following occur:

(1) A Director makes individual contact with any person not a Director.

(2) The attendance of a majority of the Directors at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies with similar functions or interests as CalOptima, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOptima's subject matter jurisdiction.

(3) The attendance of a majority of the Directors at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than CalOptima, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOptima's subject matter jurisdiction.

(4) The attendance of a majority of the Directors at an open and noticed meeting of the legislative body of another local public agency, provided that a majority of the Directors do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within CalOptima's subject matter jurisdiction.

(5) The attendance of a majority of the Directors at a purely social or ceremonial occasion, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOptima's subject matter jurisdiction.

5.2 Regular Meetings.

a. Regular meetings of the Board shall be held at a location as may be designated by Board action from time to time by the Board.

b. The Board shall conduct an annual organizational meeting at a regular meeting to be designated in advance by the Board. At the annual organizational meeting, the Board shall:

(1) Adopt a schedule stating the dates, times and places of the Board's regular meetings for the following year. A tentative proposed schedule for the Board's regular meetings shall have been distributed at the regular Board meeting preceding the organizational meeting.

(2) Organize itself by the election of one of its Directors as Chair and one as Vice Chair, and by the election of such other officers as the Board may deem appropriate.

5.2 Notice and Meeting; Agendas.

a. The Chief Executive Officer shall prepare, or cause to be prepared, an agenda for every regular and special meeting of the Board, which shall set forth the time and location of the meeting, and a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of the item generally need not exceed twenty (20) words.

b. At least 72 hours before a regular meeting, the Chief Executive Officer shall cause to be posted the agenda for the meeting in a location that is freely accessible to members of the public.

c. Action may be taken by the Board only on items appearing on the posted agenda. "Action taken" means a collective decision, collective commitment or promise made by a majority of the Directors to make a positive or negative decision, or an actual vote by a majority of the Directors upon a motion, proposal, Resolution or order. No action shall be taken on any item not appearing on the posted agenda, unless one of the following conditions exists:

(1) The Board has determined, by a majority vote, that an emergency situation exists. An emergency situation, for purposes of these Bylaws, means either: (a) a work stoppage

or other activity which severely impairs public health, safety, or both, or (b) a crippling disaster which severely impairs public health, safety, or both.

(2) Upon a determination by a two-thirds vote of the Board, or, if less than two-thirds of the Directors are present, a unanimous vote of those Directors present, that there is a need to take immediate action and that the need for action came to the attention of the Board subsequent to the agenda being posted.

(3) The item was posted, as required above, for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which the action is being taken.

(4) The Board may briefly respond to statements made or questions posed by the public at the meeting. In addition, on its own initiative, or in response to questions posed by the public, the Board may ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to the Board at a subsequent meeting. Furthermore, a Director or the Board itself may take action to place a matter of business on a future agenda.

d. Except as specified in Sections 5.3(d)(1) and 5.5(b) below, the Clerk shall give mailed notice of every regular meeting, and any special meeting which is called, at least one week prior to the date set for the meeting, to any person who has filed a written request for such notice with the Board.

(1) The Board may give such notice as it deems practical of special meetings called less than seven (7) days prior to the date set for the meeting, or in the case of an emergency meeting, telephonic notice in accordance with Section 5.5(b).

(2) Any request for notice shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed. Renewal requests for notice shall be filed within ninety (90) days after January 1 of each year. The Board may establish by Resolution a reasonable annual charge for sending such notice based on the estimated cost of providing such service.

5.4 Members of the Public.

a. Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by section 5.3.

b. The Chair may adopt reasonable regulations to ensure that the intent of this section is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. If further public discussion and comment is needed on a particular issue, the Board may vote to allot further time in the same meeting, or allot time in the agenda of the following meeting.

c. Members of the public shall not be required, as a condition of attendance at a Board meeting, to register their name or provide other information. If an attendance list, register or other similar document is posted or circulated at the meeting, it shall state clearly that the signing, registering or completion of the document is voluntary and that all persons may attend the meeting regardless of whether a person does so.

d. The Board shall not prohibit public criticism of the policies, procedures, programs or services of CalOptima or the acts or omissions of the Board or its officers, employees and/or consultants.

5.5 Special Meetings.

a. A special meeting may be called at any time by the Chair, or by four Directors, by delivering personally or by mail written notice to each Director and to each local newspaper of general circulation, radio or television station requesting notice in writing.

(1) Such notice must be delivered personally or by mail at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at special meetings.

(2) The call and notice shall also be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. Notice shall be required pursuant to this section 5.5 regardless of whether any action is taken at the special meeting.

(3) Such written notice may be dispensed with as to any Director who, at or prior to the time the meeting convenes, files with the Clerk a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any Director who is actually present at the meeting at the time it convenes.

b. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement, or both requirements. For purposes of this section, "emergency situation" shall have the same meaning as in Section 5.3(c)(1).

(1) In the event the notice and/or posting requirements are dispensed with due to an emergency situation, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified by the Chair, or their designee, one hour prior to the emergency meeting, by telephone. All telephone numbers provided in the most recent request of such newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the Board, or its designee, shall notify those newspapers, radio stations or television stations

of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(2) Notwithstanding Section 5.8(b) of these Bylaws, the Board shall not meet in closed session during a meeting called as an emergency meeting. With the exception of the 24-hour notice and posting requirements, all special meeting requirements prescribed in this section shall be applicable to a meeting called due to an emergency situation.

(3) The minutes of a meeting called due to an emergency situation, a list of persons who the Chair, or his designee, notified or attempted to notify, a copy of the roll call vote, and any actions taken at the meeting shall be posted for a minimum of ten days in a public place as soon after the meeting as possible.

5.6 Quorum and Action at Board Meeting.

a. A majority of the Directors shall constitute a quorum for the transaction of business. Except as otherwise provided by law or these Bylaws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. No act of the Board shall be valid unless at least a majority of those Directors constituting a quorum concur therein. Any act of the Board shall be accomplished by a roll call vote when such a vote is requested by any Director in attendance. The Board shall not take action by secret ballot, whether preliminary or final.

b. The Board shall adopt a form of agenda for its regular and special meetings which may include consent, individual action, public, and board comments sections.

c. Items on the meeting agenda shall be considered in order by the Board unless the Chair shall announce a change in the order of consideration.

d. Unless an agenda item specifies a particular source for a report, the Chief Executive Officer, Board staff and consultants shall report first on the item. The item shall then be open to public comment upon recognition of the speaker by the Chair.

e. A Director shall disqualify himself or herself from voting on any matter before the Board, and shall take further appropriate action to remove himself or herself from Board consideration of any such matter, when required pursuant to the provisions of Article XII of these Bylaws or applicable law.

5.7 Adjournment and Continuance.

a. The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If no Directors are present at a meeting, the Clerk may declare the meeting adjourned to a stated time and place and shall cause written notice to be given in the same manner as provided in section 5.5 of these Bylaws for special meetings, unless such notice

is waived as provided for special meetings.

b. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

c. The Board may continue any hearing being held or noticed or ordered to be held at any meeting to a subsequent meeting by order or notice of continuance provided in the same manner as set forth above for the adjournment of meetings; provided, that if the meeting is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

5.8 Public Meetings.

a. Meetings of the Board shall be open to the public, except as otherwise provided herein.

b. The Board may hold closed sessions during a meeting for the following purposes:

(1) To consider the appointment, employment, evaluation of performance or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session. As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of their right to have the complaint or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the Board against the employee based on the specific complaints or charges in the closed session shall be null and void. The Board may exclude from that public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the Board. The term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any Director or other independent contractor. During the closed session, the Board shall not discuss or act on an employee's proposed compensation except for a reduction of compensation that results from the imposition of discipline.

(2) To meet with its designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees and for represented employees, any other matter within the statutorily-provided scope of representation. "Employee" shall have the same meaning for this closed session as described in section 5.8(b)(1) above. During the closed session, the Board may include discussions with CalOptima's designated representatives of CalOptima's available funds and funding priorities, but only as these discussions relate

to providing instructions to the designated representatives.

(3) To meet with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for CalOptima, or to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease. However, prior to the closed session, the Board shall hold an open and public session in which it identifies the real property or real properties which the negotiations may concern and the person or persons with whom its negotiator may negotiate. For the purposes of this section, the negotiator may be a Director, and "lease" includes renewal or renegotiation of a lease.

(4) Based on advice of its legal counsel, to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of CalOptima in the litigation. Prior to holding a closed session pursuant to this section, the Board shall state on the agenda or publicly announce the subdivision of Government Code section 54956.9 that authorizes the closed session. If the session is closed because of litigation to which CalOptima is a party has been formally initiated, the Board shall state the title of or otherwise specifically identify the litigation to be discussed, unless the Board states that to do so would jeopardize CalOptima's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage. For purposes of this section, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator. For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

- (a) Litigation to which CalOptima is a party has been formally initiated.
- (b) (i) A point has been reached where, in the opinion of the Board on the advice of its legal counsel, based on existing facts and circumstances, there is significant exposure to litigation against CalOptima, or

(ii) based on existing facts and circumstances, the Board is meeting only to decide whether a closed session is authorized under subparagraph (b)(1) above.
- (c) Based on existing facts and circumstances, the Board has decided to initiate or is deciding whether to initiate litigation.

(5) Any other closed session authorized pursuant to applicable state or federal law or regulation.

c. Prior to holding any closed session, the Board must disclose, in an open meeting, the item or items to be discussed in the closed session. The Board may use the sample closed session agenda descriptions contained in the Brown Act (Gov. Code § 54954.5). The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the

agenda. In the closed session, only those matters covered in the statement can be considered by the Board.

d. After any closed session, the Board shall reconvene into open session prior to adjournment and shall make any disclosures required by the Brown Act concerning final actions.

5.9 Disrupted Meetings.

In the event that any meeting is interrupted by a group or groups of persons rendering the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who were willfully interrupting the meeting, the Board may order the meeting room closed and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. The Board may establish a procedure for readmitting an individual or individuals not responsible for willfully disrupting the orderly conduct of the meeting.

5.10 Minutes.

The Clerk or designee shall prepare minutes of each meeting of the Board. Except as otherwise provided in the Brown Act for minutes of closed sessions, the minutes shall be an accurate summary of the Board's consideration of the matters before it and an accurate record of each action of the Board. Except for minutes of closed sessions, at a subsequent meeting, the Clerk shall submit the minutes to the Board for approval by a majority vote of the Directors in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk or designee to the Chief Executive Officer.

ARTICLE VI
BOARD COMMITTEES

6.1 Establishment: Appointment of Committee Members.

a. All Committees shall be established by these Bylaws or by Board action, and shall be established for any purpose as the Board deems necessary or beneficial in accomplishing the purposes of CalOptima.

b. Committees shall be subject to the requirements of the Brown Act.

c. The Chair may designate alternate members of any Committee to stand in for any absent Director at any meeting of the Committee. The chair of each Committee shall be appointed by the Chair of the Board, except that the Chair of each of the Advisory Committees shall be elected by the Board

d. All Committees shall be advisory only to the Board unless otherwise specifically authorized to act by the Board.

6.2 Ad Hoc Committees.

a. Ad Hoc Committees may be appointed by the Chair for special tasks as circumstances warrant, and shall be composed solely of Directors, and upon completion of the task for which appointed, such Ad Hoc Committee shall stand discharged. Some of the functions that may be the topic of Ad Hoc Committees include, but are not limited to, the review of new projects, the review of special Bylaw changes or the review of the Bylaws periodically, meeting with other public agencies or health facilities on a specific topic, and the evaluation of the Board.

b. The Chair shall make assignments to Ad Hoc Committees to assure that each Director shall have equal participation on Ad Hoc Committees throughout the year.

c. Ad Hoc Committees shall always be advisory in nature.

6.3 Advisors.

A chair of a Committee or an Ad Hoc Committee may invite individuals with expertise in a pertinent area to meet with and assist the Committee or Ad Hoc Committee. Such advisors shall not vote or be counted in determining the existence of a quorum and may be excluded from any Committee session not otherwise open to the public.

6.4 Meetings and Notice.

a. Regular meetings of Committees shall be held at such times and places as are determined by the Board. Special meetings of Committees may be held at any time and place as may be designated by the Chair or the chair of the Committee, or by a majority of the voting members of the Committee.

b. Regular and special meetings of a Committee shall be noticed in accordance with sections 5.3 and 5.5, respectively, of these Bylaws.

c. Meetings of Ad Hoc Committees shall be noticed as directed by the chair of the Ad Hoc Committee.

6.5 Quorum.

A majority of the members of a Committee or Ad Hoc Committee shall constitute a quorum for the transaction of business at any meeting of such Committee or Ad Hoc Committee. Each Committee and Ad Hoc Committee shall keep minutes of its proceedings and shall report periodically to the Board.

6.6 Manner of Acting.

The act of a majority of the members of a Committee or Ad Hoc Committee present at a meeting at which a quorum is present shall be the act of the Committee or Ad Hoc Committee so meeting. Regular and special meetings of Committees shall be conducted in accordance with

applicable provisions of Article V of these Bylaws. Ad Hoc Committee action may be taken without a meeting by a writing setting forth the action so taken signed by each member of the Ad Hoc Committee entitled to vote.

6.7 Tenure.

Each member of a Committee or Ad Hoc Committee shall hold office until a successor is appointed. Any member of an Ad Hoc Committee may be removed at any time by the Chair. The Board may remove any member of a Committee. A Director shall cease to hold membership in an Ad Hoc Committee upon ceasing to be a Director.

6.8 Minutes.

The Clerk or designee shall prepare minutes of each meeting of every Committee. The minutes shall accurately summarize the consideration of all matters, and shall accurately record all action taken. At a subsequent meeting, the Clerk shall submit the minutes to the Committee for approval by a majority vote of the members in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk to the Board and Chief Executive Officer.

ARTICLE VII
ADVISORY COMMITTEES

7.1 Establishment.

a. The Board may establish and appoint Advisory Committees for any purpose that will be necessary and beneficial in accomplishing the work of CalOptima, in a number and with qualifications as set forth in the Resolution of the Board establishing the Advisory Committee or the policy governing such Advisory Committee.

b. The following Advisory Committees are hereby established and appointed:

1. Provider Advisory Committee.
2. Member Advisory Committee.

7.2 Purpose.

Advisory Committees of CalOptima shall be solely advisory in nature. As directed by the Board they are:

- (1) Intended to provide advice and recommendations to the Board on issues concerning the CalOptima program.
- (2) To engage in study and research on issues assigned to them by the Board.

(3) To assist the Board in obtaining public opinion on issues related to the CalOptima program.

(4) To facilitate community outreach for CalOptima and the Board.

7.3 Policy

The Board shall by Resolution adopt and, from time to time may amend, a policy setting forth member qualifications, requirements for meetings (including compliance with the Brown Act), items of procedure, and other matters relating to the overall operations and purposes of Advisory Committees established by the Board.

ARTICLE VIII OFFICERS OF THE BOARD OF DIRECTORS

8.1 Chair.

a. The Board shall elect one of its Directors as Chair at an organizational meeting. In the event of a vacancy in the office of Chair, the Board may elect a new Chair.

b. The Chair shall be the principal officer of the Board, and shall preside at all meetings of the Board. The Chair shall appoint all members of the Ad Hoc Committees, as well as the chair of the Ad Hoc Committees and all Committees other than the Member and Provider Advisory Committees. In addition, the Chair shall perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time.

8.2 Vice Chair.

The Board shall elect one of its Directors as Vice Chair at an organizational meeting. The Vice Chair shall perform the duties of the Chair if the Chair is absent from the meeting or is otherwise unable to act. If both the Chair and Vice Chair are absent from the meeting, or are unable to act, the Directors present at the meeting shall select one of the Directors present to act as temporary Chair, who, while so acting, shall have all of the authority of the Chair.

8.3 Tenure.

Each officer described above in this Article VIII shall serve a one (1) year term, commencing on the first day of the month after the organizational meeting at which he or she is elected to the position. Each officer shall hold office until the end of the one (1) year term, or until a successor is elected, unless he or she shall sooner resign or be removed from office.

8.4 Vacancies, Removal and Resignation.

a. A vacancy in any office for any cause whatsoever shall be filled by Resolution of the Board at any regular or special meeting of the Board.

b. An officer described above may be removed from office by the affirmative vote of four Directors, not counting the affected Director. In addition, an officer described above will automatically be removed from office when their successor is selected and is appointed as a Director.

c. Any officer may resign effective on giving written notice to the Clerk, unless the notice specifies a later time for their resignation to become effective. Upon receipt of such notice, the Clerk shall notify the Chair thereof and shall enter the notice in the proceedings of the Board.

8.5 Other Officers.

The Board may designate such other officers of the Board as the Board may from time to time determine that CalOptima requires and may elect one of its Directors to discharge the duties of any such office.

ARTICLE IX OTHER OFFICERS

9.1 Chief Executive Officer.

a. The Board shall select and employ a Chief Executive Officer, who shall report to the Board and who shall be the Board's direct executive representative in the development and management of the affairs of CalOptima. The Chief Executive Officer shall serve at the pleasure of the Board, subject to the provisions of any contract of employment between CalOptima and the Chief Executive Officer.

b. The Chief Executive Officer shall have such duties and responsibilities as the Board may from time to time reasonably direct. Without limiting the generality of the foregoing, the Chief Executive Officer shall be responsible for:

(1) Implementing the policies, procedures and practices of CalOptima as adopted by the Board.

(2) Acting as the duly authorized representative of CalOptima in all matters in which the Board has not formally designated some other person to act.

(3) Managing and directing the operations of CalOptima, including responsibility for sound personnel, financial, accounting, legal and statistical information practices, such as preparation of CalOptima budgets and forecasts, maintenance of proper financial and other statistical records, collection of data required by governmental and accrediting agencies, and special studies and reports required for efficient operation of CalOptima.

(4) Providing leadership by promoting morale and resolving conflicts and problems

- (5) Implementing community relations activities, including, public appearances, responsive communication with the media.
- (6) Developing and maintaining positive ongoing relations with local, State and federal government officials and agencies.
- (7) Assisting the Board in planning services and facilities and informing the Board of governmental legislation and regulations and requirements of official agencies and accrediting bodies, which affect the planning and operation of the facilities, services and programs sponsored by CalOptima, and maintaining appropriate liaison with government and accrediting agencies and implementing actions necessary for compliance.
- (8) Employing and discharging (subject to the pleasure of the Board, any contract of employment, and CalOptima personnel employment policies), such subordinate officers and employees as are necessary for the purpose of carrying on the normal functions of CalOptima.
- (9) Administrating all contracts to which CalOptima is a party.
- (10) Providing the Board, Committees, and Ad Hoc Committees with adequate staff support.
- (11) Sending periodic reports to the Board on the overall activities of CalOptima and CalOptima's finances and financial status, as well as pertinent federal, state and local developments that effect CalOptima's operations.
- (12) Maintaining insurance or self-insurance to cover the physical properties and activities of CalOptima.
- (13) Developing, amending, promulgating and implementing personnel policies for CalOptima.

9.2 Chief Financial Officer.

a. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business or financial transactions of CalOptima, shall prepare or cause to be prepared financial statements as law or these Bylaws require. The books of account shall at all times be open to inspection by any Director.

b. The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of CalOptima with depositories designated by the Board. The Chief Financial Officer shall disburse the funds of CalOptima as ordered or authorized by the Board, shall render to the Chair and Directors, whenever they request it, an account of all transactions and of the financial condition of CalOptima, and shall have other powers and perform other

duties as prescribed by the Board and/or the Chief Executive Officer.

9.3 Clerk.

a. The Clerk shall have the following duties:

(1) Keeping a book of the minutes of all meetings of the Board at the principal office of CalOptima or other place ordered by the Board, and of its Committees.

(2) Giving or causing to be given appropriate notices in accordance with these Bylaws or as required by law.

(3) Attesting to the Chair's, Vice-Chair's, Chief Executive Officer's, or other authorized signatory's signature on documents executed on behalf of CalOptima.

(4) Acting as custodian of CalOptima's records and reports and of CalOptima's seal, if one is adopted.

(5) Causing a statement meeting the requirements of Government Code section 53051 to be filed with the Secretary of State and the County Clerk to list CalOptima on the "Roster of Public Agencies"; and causing an amended statement to be filed with the Secretary of State and County Clerk within ten (10) days of any change in the facts set forth in the original or a subsequently amended statement.

(6) Providing a copy of the Brown Act to each Director, and to each person appointed to serve as a Director who has not assumed the duties of office.

(7) Having such other duties as may be prescribed by Resolution of the Board or these Bylaws.

9.4 Subordinate Officers.

The Board may empower the Chief Executive Officer to select and employ such other non-Board officers as CalOptima may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board or Chief Executive Officer may from time to time determine.

ARTICLE X
EXECUTION OF INSTRUMENTS

10.1 Contracts and Instruments.

a. The Board may authorize any officer or officers, agent or agents, employee or employees to enter into any contract or execute any instrument in the name of and on behalf of the Board, and this authority may be general or confined to specific instances; and, unless so

authorized or ratified by the Board, no officer, agent, or employee shall have any power or authority to bind CalOptima by any contract or engagement or to render it liable for any purpose or for any amount.

b. Notwithstanding the foregoing Section 9.1(a), the Chief Executive Officer is hereby authorized to enter into any contract or execute any instrument in the name of and on behalf of CalOptima pursuant to policies established by the Board.

c. The Clerk shall have the authority to attest to the signatures of those individuals authorized to enter into contracts or execute instruments in the name of and on behalf of CalOptima and to certify the incumbency of those signatures.

10.2 Checks, Drafts, Evidences of Indebtedness

All checks, drafts or other orders for payment of money, notes or other evidences issued in the name of or on behalf of CalOptima or payable to the order of CalOptima, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by Resolution of the Board.

ARTICLE XI CLAIMS AND JUDICIAL REMEDIES

11.1 Claims

CalOptima is subject to Division 3.6 of Title 1 of the California Government Code, pertaining to claims against public entities. The Chief Executive Officer or designee is authorized to perform those functions of the Board specified in Part 3 of that Division, including the allowance, compromise or settlement of any claims if the amount to be paid from CalOptima's treasury does not exceed \$50,000.00 per individual claim, or \$300,000 total per lawsuit, demand, or arbitration matter. Any allowance, compromise or settlement of any claim in which the amount to be paid from CalOptima's treasury exceeds \$10,000 per individual claim shall be approved personally by the Chief Executive Officer, rather than their designee.

11.2 Judicial Review

Section 1094.6 of the Code of Civil Procedure shall govern the rights of any person aggrieved by any decision of the Board or CalOptima.

11.3 Claims Procedure

Notwithstanding any exceptions contained in Section 905 of the Government Code, no action based on a claim shall be brought against CalOptima unless presented to CalOptima within the time limitations and in the manner prescribed by Section 910 through 915.2 of the Government Code. Such claims shall further be subject to Section 945.4 of the Government Code.

ARTICLE XII
CONFLICTS OF INTEREST

12.1 Conflict of Interest Code.

The Board shall by Resolution adopt and, from time to time may amend, a Conflict of Interest Code for CalOptima as required by applicable statutes and regulations.

12.2 Disqualifying Interest in Contracts.

a. Pursuant to Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code, a Director shall not be financially interested in any contract made by the Director in their official capacity, or by the Board. Nor shall a Director be a purchaser or vendor at any sale or purchase made by them in their official capacity.

b. Notwithstanding the foregoing Section 12.2(a), a Director shall not be deemed to be interested in a contract entered into by CalOptima within the meaning of Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code if all of the following requirements set forth in Welfare and Institutions Code section 14087.57 apply:

- (1) The Director was appointed to represent the interests of physicians, health care practitioners, hospitals, pharmacies or other health care organizations.
- (2) The contract authorizes the Director or the organization the member represents to provide services to Medi-Cal beneficiaries under CalOptima's program.
- (3) The contract contains substantially the same terms and conditions as contracts entered into with other individuals and organizations that the Director was appointed to represent.
- (4) The Director does not influence or attempt to influence the Board or another Director to enter into the contract in which the member is interested.
- (5) Director discloses the interest to the Board and abstains from voting on the contract.
- (6) The Board notes the Director's disclosure and abstention in its official records and authorizes the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the interested Director.

ARTICLE XIII
MISCELLANEOUS

13.1 Purchase, Hiring, and Personnel.

The Board shall by Resolution adopt and, from time to time may amend, procedures, practices and policies for purchasing and acquiring the use of equipment and supplies, acquiring, constructing and leasing real property and improvements, hiring employees, managing its personnel and for all other matters, in the determination of the Board, as are necessary and appropriate for the proper conduct of CalOptima's activities and affairs and the furtherance of its authorized purposes. Copies of all such procedures, practices and policies shall be maintained with the minutes of proceedings of the Board.

13.2 Insurance.

CalOptima shall procure and maintain property, casualty, indemnity and workers' compensation insurance, including without limitation directors' and officers' liability and professional liability coverage, in such amounts and with such carriers as the Board shall from time to time determine shall be prudent in the conduct of its activities; provided that the Board is authorized to arrange the provision of self-insurance or participate in consortia or similar associations to obtain coverage in lieu of commercial coverage.

13.3 Indemnification and Defense.

a. With respect to any civil claim or action against a Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, for an injury arising out of an act or omission occurring within the scope of such person's duties, CalOptima shall indemnify, hold harmless and defend such persons to the full extent permitted or required under applicable sections of the California Tort Claims Act. (Gov. Code§ 810 et seq.; see, e.g. Gov. Code§§ 825, 825.2, 825.4, 825.6, 995.4, 995.6 and 995.8.)

b. Nothing herein shall be construed to require CalOptima to indemnify and hold harmless any Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, if CalOptima has elected to conduct the defense of such person(s) pursuant to an agreement reserving CalOptima's rights not to pay a judgment, compromise or settlement until it is established that the injury arose out of an act or omission occurring within the scope of their duties with CalOptima.

13.4 Bonds.

All Directors, as well as all officers, employees and agents or representatives of CalOptima designated by the Board, shall obtain fidelity bonds as required by law and as the Board shall determine is prudent in the conduct of its activities and the activities of such officers, employees, and other designated agents or representatives of CalOptima.

13.5 Public Records.

a. All documents and records of CalOptima, not exempt from disclosure by applicable law, shall be public records under the California Public Records Act (Gov. Code § 6250 et seq.)

b. Any authorized representative of the County shall have the absolute right to inspect and copy all books, records and documents of every kind of CalOptima to determine compliance with the provisions of Section 4-11-7 of the Ordinance, provided such inspection is conducted at a reasonable time following reasonable notice.

13.6 Submission of Bylaws to Board of Supervisors.

The Clerk shall deliver a certified copy of these Bylaws, and any amendments thereto, to the Board of Supervisors.

13.7 Conflict Between Bylaws and Ordinance.

In the event of a conflict between these Bylaws and the Ordinance, the applicable provisions of the Ordinance shall govern.

ARTICLE XIV
AMENDMENT

These Bylaws may be amended or repealed by the affirmative vote of at least two-thirds (2/3) of the authorized number of Directors at any Board meeting. Such amendments or repeal shall be effective immediately, except as otherwise indicated by the Board. The Clerk shall deliver a certified copy of any amendment or repeal of these Bylaws to the Board of Supervisors promptly following the Board meeting at which such amendment or repeal was adopted.

CERTIFICATE OF CLERK

I, the undersigned, do hereby certify:

That I am the duly appointed, qualified and acting Clerk of the Board of Directors for Orange Prevention and Treatment Integrated Medical Assistance ("CalOptima"), a special commission of the County of Orange created pursuant to Section 14087 .54 of the Welfare and Institutions Code, and Ordinance No. 3896 of the County of Orange, and

That the foregoing Bylaws attached hereto, comprising 24 pages, including this page, constitute a true, complete and correct copy of the current Bylaws of CalOptima, as duly adopted by the Board of Directors of CalOptima at a regular meeting, duly called and held on the ____ day of _____ at _____, California.

Dated: _____

Clerk

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 6, 2023

Regular Meeting of the CalOptima Health Board of Directors

Report Item

12. Approve Amendments to the CalOptima Health Bylaws

Contacts

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

Yunkyung Kim, Chief Operating Officer, (714) 923-8834

Recommended Action

Approve amendments to the CalOptima Health Bylaws, effective April 6, 2023.

Background

The CalOptima Health Bylaws (Bylaws) were formally adopted by the CalOptima Health Board of Directors (Board) on December 6, 1994. The Bylaws set forth the Board's purpose and provide direction to its proceedings. They also provide for the establishment of Board Committees and advisory committees. On August 4, 2022, the Board approved amendments to the Bylaws to modernize the Bylaws and make them consistent with similar public agency health plans. Specifically, the amendments:

- Prohibited a director who is also a county Supervisor from employment by CalOptima Health for a period of one year after the director leaves the Board; and
- Expanded the authority of the Chief Executive Officer to resolve claims in lawsuits, demands or arbitration matters.

Discussion

Staff recommends amending the Bylaws to restate and conform to existing law related to conflict of interest, as follows:

- In addition to clarifying language, add a new subsection 12.2(a) as outlined below, and renumber existing sections to follow sequentially:

12.2 ~~No~~ Disqualifying Interest in Contracts.

a. Pursuant to Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code, a Director shall not be financially interested in any contract made by the Director in their official capacity, or by the Board. Nor shall a Director be a purchaser or vendor at any sale or purchase made by them in their official capacity.

In addition to the material changes above, staff recommends conforming reference and formatting edits.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

The recommended amendments update to the Bylaws conform with existing law.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachment

1. Amended Bylaws (Redline and Clean Versions)
2. CalOptima Health Board Action, August 4, 2022, Approve Amendments to CalOptima Bylaws

/s/ Michael Hunn
Authorized Signature

03/30/2023
Date

BYLAWS
OF
ORANGE COUNTY HEALTH AUTHORITY
ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL
ASSISTANCE, ~~CALOPTIMA HEALTH~~ [CalOptima Health](#)
~~(CalOptima)~~ ~~(CALOPTIMA)~~

ARTICLE I
DEFINITIONS

1.1 "Ad Hoc Committee" means a committee or work group composed solely of Directors which are less than a quorum of the Board, which does not have continuing subject matter jurisdiction, and does not have a meeting schedule fixed by charter, ordinance, Resolution or other formal action of the Board.

1.2 "Board" means the Board of Directors of ~~CalOPTIMA~~ [CalOptima](#).

1.3 "Board of Supervisors" means the Board of Supervisors of the County of Orange.

1.4 "Brown Act" means the Ralph M. Brown Act (Gov. Code § 54950 et. seq.).

1.5 "Bylaws" means the bylaws of ~~CalOPTIMA~~ [CalOptima](#).

1.6 "Chair" means the Chairperson of the Board of Directors.

1.7 "Chief Executive Officer" means the non-Board officer designated in Section 9.1 of these Bylaws.

1.8 "Committee" shall include both committees and subcommittees of the Board, unless otherwise specified. "Committee" shall not include "Ad Hoc Committees." The Advisory Committees specified in Section 4-11-15 of the Ordinance are Committees.

1.9 "County" means the County of Orange.

1.10 "Director" means a member of the Board of Directors of ~~CalOPTIMA~~ [CalOptima](#).

1.11 "~~CalOPTIMA~~ [CalOptima](#)" means the Orange County Health Authority, doing business as Orange Prevention and Treatment Integrated Medical Assistance, [doing business as CalOptima Health](#).

1.12 "Ordinance" means Ordinance No. 3896 of the County of Orange, adding Division 11 to Title 4 of the codified ordinances of the County of Orange.

1.13 “Resolution” means any action taken by the Board which requires a vote and is thereafter evidenced in the Board meeting minutes.

ARTICLE II ORGANIZATION, POWERS AND PURPOSES

2.1 Authority.

a. These Bylaws are adopted by ~~CalOPTIMA~~CalOptima to establish rules for its proceedings pursuant to the authority of Section 4-11-13 of the Ordinance. ~~CalOPTIMA~~CalOptima is a local public agency and political subdivision of the State of California created by the Ordinance, pursuant to authority for such creation conferred by Welfare and Institutions Code section 14087.54.

b. ~~CalOPTIMA~~CalOptima is an entity separate and distinct from the County. Any obligations of ~~CalOPTIMA~~CalOptima, statutory, contractual or otherwise, shall be the obligations solely of ~~CalOPTIMA~~CalOptima and shall not be the obligations of the County or of the State of California unless expressly provided for in a contract between ~~CalOPTIMA~~CalOptima and the County or State of California.

2.2 Purposes.

The purposes of ~~CalOPTIMA~~CalOptima are as set forth in the Ordinance.

2.3 Powers.

a. ~~CalOPTIMA~~CalOptima shall have and enjoy all rights, powers, duties, privileges and immunities vested in the County pursuant to Article 2.8 (commencing with Section 14087.5) of Chapter 7, Part 3 of Division 9 of the Welfare and Institutions Code, and shall have and enjoy such other rights, powers, duties, privileges and immunities as provided in applicable law or which are necessary and proper to carry out the purposes of ~~CalOPTIMA~~CalOptima.

b. Without limiting the generality of Section 2.3(a), ~~CalOPTIMA~~CalOptima shall have the right to:

- (1) Acquire, possess and dispose of real or personal property, as may be necessary for the performance of its functions.
- (2) Contract for services to meet its obligations.
- (3) Employ personnel.
- (4) To sue and be sued.
- (5) To adopt a seal and file such seal with the office of the County Clerk and

Secretary of State.

- (6) Borrow such funds as may be necessary and proper.
- (7) Other powers as may be specified in the Ordinance and by other provisions of law.

ARTICLE III OFFICES

3.1 Principal Office.

The principal office for the transaction of business of ~~CalOPTIMA~~CalOptima shall be fixed and located at a location within the County designated by the Board.

ARTICLE IV BOARD OF DIRECTORS

4.1 Powers.

The Board of Directors is the governing body of ~~CalOPTIMA~~CalOptima. Except as otherwise provided by the Ordinance or these Bylaws, the powers of ~~CalOPTIMA~~CalOptima shall be exercised, its property controlled and its business and affairs conducted by or under the direction of the Board. The Board may delegate the management of ~~CalOPTIMA~~CalOptima's activities to any person(s) or Committees, however composed, provided that all the activities and affairs of ~~CalOPTIMA~~CalOptima shall be managed and all powers shall be exercised under the ultimate direction of the Board. No assignment, referral or delegation of authority by the Board shall preclude the Board from exercising full authority over the conduct of ~~CalOPTIMA~~CalOptima's activities, and the Board may rescind such assignment, referral or delegation at any time.

4.2 Number and Qualifications of Directors.

The number and qualifications of Directors are as set forth in the Ordinance.

4.3 Term of Office.

a. The Board of Supervisors shall establish the term of office for the Director who is also a member of the Board of Supervisors, which term shall not exceed four years or other length of time established by amendment to Section 4-11-12 of the Ordinance.

b. The term of office for the Directors who are not also members of the Board of Supervisors shall be four (4) years; provided, however, that the terms of the original Directors shall be staggered to provide that one-half of those original Directors shall serve a term of three (3) years and the other half shall serve a full term of four (4) years to ensure continuity of policy. The initial appointment terms for such Directors shall be drawn by lots.

c. Directors may serve for a maximum of two (2) terms.

d. An orientation shall be provided which familiarizes each new Director with their duties and responsibilities.

e. In accordance with the Brown Act, any person appointed to serve as a Director who has not yet assumed the duties of their office shall conform their conduct to the requirements of Article 5 below.

4.4 Attendance and Participation.

a. Directors must attend the regular and special meetings of the Board and of Committees to which they are appointed and shall contribute their time and special abilities as may be required for the benefit of ~~CalOPTIMA~~ CalOptima. If a Director is unable to attend a meeting, he or she shall so inform the Clerk giving the reason therefor, and the Clerk shall in turn inform the Chair who may rule in their sole and absolute discretion that the absence shall be excused. Alternatively, the Chair may recommend to the Board that the absence be deemed unexcused, and the Board shall make the final determination as to whether the absence shall be excused.

b. Failure of a Director to attend a regular or special meeting of the Board, or of Committees to which he or she is appointed, without first notifying the Clerk of an inability to attend the meeting shall, except in cases of emergency or extreme hardship (as determined by the Chair in their sole absolute discretion), be treated as an unexcused absence.

4.5 Vacancies.

With the exception of the Director appointed by the Board of Supervisors who is also a County Supervisor, appointments to the Board are based on the Director's representation of a particular group, such as health care providers or other organizations. A seat on the Board shall become vacant if a Director no longer is a member of, no longer represents, the group that qualified the Director for an appointment to the Board, or otherwise is no longer eligible under applicable law to serve as a Director. Vacancies shall be filled by the Board of Supervisors for the remainder of the unexpired term in accordance with the Ordinance.

4.6 Resignation and Removal.

a. Any Director may be removed from office by a majority vote of the Board of Supervisors favoring such removal.

b. Any Director may resign effective upon giving written notice to the Chair, the Clerk of the Board, and the Clerk of the Board of Supervisors, unless the notice specifies a later time for the effectiveness of such resignation.

c. If a Director has unexcused absences from three consecutive regular meetings or from three of any five consecutive meetings of the Board, the Board may pass a Resolution which recommends that the Board of Supervisors immediately remove such Director from the Board and appoint a successor to fill the remainder of the unexpired term.

4.7 Expenses.

Board members shall be reimbursed for their reasonable traveling, incidental and other expenses, when traveling outside the County, and incurred in the performance of official business of ~~CalOPTIMA~~CalOptima, in accordance with a policy as approved by the Board.

4.8 Prohibition on ~~CalOptima~~CalOptima Employment

A Director who is also a member of the Board of Supervisors may not be employed by ~~CalOptima~~CalOptima for a period of one year after the Director's term expires, or after the Director resigns or is removed from the Board.

ARTICLE V
BOARD MEETINGS

5.1 Board Meeting.

a. A meeting of the Board is any congregation of a majority of the Directors at the same time and place to hear, discuss or deliberate upon any item that is within the subject matter jurisdiction of the Board.

b. A meeting of the Board is also the use of direct communication, personal intermediaries or technological devices that are employed by a majority of the Directors to develop a collective concurrence as to action to be made on an item by the Directors.

c. A meeting of the Board shall not be construed to exist when any of the following occur:

(1) A Director makes individual contact with any person not a Director.

(2) The attendance of a majority of the Directors at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies with similar functions or interests as ~~CalOPTIMA~~CalOptima, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within ~~CalOPTIMA~~CalOptima's subject matter jurisdiction.

(3) The attendance of a majority of the Directors at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than ~~CalOPTIMA~~CalOptima, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within ~~CalOPTIMA~~CalOptima's subject matter jurisdiction.

(4) The attendance of a majority of the Directors at an open and noticed meeting of the legislative body of another local public agency, provided that a majority of the Directors do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within ~~CalOPTIMA~~CalOptima's subject matter jurisdiction.

(5) The attendance of a majority of the Directors at a purely social or ceremonial occasion, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within ~~CalOPTIMA~~CalOptima's subject matter jurisdiction.

5.2 Regular Meetings.

a. Regular meetings of the Board shall be held at a location as may be designated by Board action from time to time by the Board.

b. The Board shall conduct an annual organizational meeting at a regular meeting to be designated in advance by the Board. At the annual organizational meeting, the Board shall:

(1) Adopt a schedule stating the dates, times and places of the Board's regular meetings for the following year. A tentative proposed schedule for the Board's regular meetings shall have been distributed at the regular Board meeting preceding the organizational meeting.

(2) Organize itself by the election of one of its Directors as Chair and one as Vice Chair, and by the election of such other officers as the Board may deem appropriate.

5.2 Notice and Meeting; Agendas.

a. The Chief Executive Officer shall prepare, or cause to be prepared, an agenda for every regular and special meeting of the Board, which shall set forth the time and location of the meeting, and a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of the item generally need not exceed twenty (20) words.

b. At least 72 hours before a regular meeting, the Chief Executive Officer shall cause to be posted the agenda for the meeting in a location that is freely accessible to members of the public.

c. Action may be taken by the Board only on items appearing on the posted agenda. "Action taken" means a collective decision, collective commitment or promise made by a majority of the Directors to make a positive or negative decision, or an actual vote by a majority of the Directors upon a motion, proposal, Resolution or order. No action shall be taken on any item not appearing on the posted agenda, unless one of the following conditions exists:

(1) The Board has determined, by a majority vote, that an emergency situation exists. An emergency situation, for purposes of these Bylaws, means either: (a) a work stoppage

or other activity which severely impairs public health, safety, or both, or (b) a crippling disaster which severely impairs public health, safety, or both.

(2) Upon a determination by a two-thirds vote of the Board, or, if less than two-thirds of the Directors are present, a unanimous vote of those Directors present, that there is a need to take immediate action and that the need for action came to the attention of the Board subsequent to the agenda being posted.

(3) The item was posted, as required above, for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which the action is being taken.

(4) The Board may briefly respond to statements made or questions posed by the public at the meeting. In addition, on its own initiative, or in response to questions posed by the public, the Board may ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to the Board at a subsequent meeting. Furthermore, a Director or the Board itself may take action to place a matter of business on a future agenda.

d. Except as specified in Sections 5.3(d)(1) and 5.5(b) below, the Clerk shall give mailed notice of every regular meeting, and any special meeting which is called, at least one week prior to the date set for the meeting, to any person who has filed a written request for such notice with the Board.

(1) The Board may give such notice as it deems practical of special meetings called less than seven (7) days prior to the date set for the meeting, or in the case of an emergency meeting, telephonic notice in accordance with Section 5.5(b).

(2) Any request for notice shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed. Renewal requests for notice shall be filed within ninety (90) days after January 1 of each year. The Board may establish by Resolution a reasonable annual charge for sending such notice based on the estimated cost of providing such service.

5.4 Members of the Public.

a. Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by section 5.3.

b. The Chair may adopt reasonable regulations to ~~insure~~ensure that the intent of this section is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. If further public discussion and comment is needed on a particular issue, the Board may vote to allot further time in the same meeting, or allot time in the agenda of the following meeting.

c. Members of the public shall not be required, as a condition of attendance at a Board meeting, to register their name or provide other information. If an attendance list, register or other similar document is posted or circulated at the meeting, it shall state clearly that the signing, registering or completion of the document is voluntary and that all persons may attend the meeting regardless of whether a person does so.

d. The Board shall not prohibit public criticism of the policies, procedures, programs or services of [CalOPTIMA](#) or the acts or omissions of the Board or its officers, employees and/or consultants.

5.5 Special Meetings.

a. A special meeting may be called at any time by the Chair, or by four Directors, by delivering personally or by mail written notice to each Director and to each local newspaper of general circulation, radio or television station requesting notice in writing.

(1) Such notice must be delivered personally or by mail at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at special meetings.

(2) The call and notice shall also be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. Notice shall be required pursuant to this section 5.5 regardless of whether any action is taken at the special meeting.

(3) Such written notice may be dispensed with as to any Director who, at or prior to the time the meeting convenes, files with the Clerk a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any Director who is actually present at the meeting at the time it convenes.

b. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement, or both requirements. For purposes of this section, "emergency situation" shall have the same meaning as in Section 5.3(c)(1).

(1) In the event the notice and/or posting requirements are dispensed with due to an emergency situation, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified by the Chair, or their designee, one hour prior to the emergency meeting, by telephone. All telephone numbers provided in the most recent request of such newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the Board, or its designee, shall notify those newspapers, radio stations or television stations

of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(2) Notwithstanding Section 5.8(b) of these Bylaws, the Board shall not meet in closed session during a meeting called as an emergency meeting. With the exception of the 24-hour notice and posting requirements, all special meeting requirements prescribed in this section shall be applicable to a meeting called due to an emergency situation.

(3) The minutes of a meeting called due to an emergency situation, a list of persons who the Chair, or his designee, notified or attempted to notify, a copy of the roll call vote, and any actions taken at the meeting shall be posted for a minimum of ten days in a public place as soon after the meeting as possible.

5.6 Quorum and Action at Board Meeting.

a. A majority of the Directors shall constitute a quorum for the transaction of business. Except as otherwise provided by law or these Bylaws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. No act of the Board shall be valid unless at least a majority of those Directors constituting a quorum concur therein. Any act of the Board shall be accomplished by a roll call vote when such a vote is requested by any Director in attendance. The Board shall not take action by secret ballot, whether preliminary or final.

b. The Board shall adopt a form of agenda for its regular and special meetings which may include consent, individual action, public, and board comments sections.

c. Items on the meeting agenda shall be considered in order by the Board unless the Chair shall announce a change in the order of consideration.

d. Unless an agenda item specifies a particular source for a report, the Chief Executive Officer, Board staff and consultants shall report first on the item. The item shall then be open to public comment upon recognition of the speaker by the Chair.

e. A Director shall disqualify himself or herself from voting on any matter before the Board, and shall take further appropriate action to remove himself or herself from Board consideration of any such matter, when required pursuant to the provisions of Article XII of these Bylaws or applicable law.

5.7 Adjournment and Continuance.

a. The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If no Directors are present at a meeting, the Clerk may declare the meeting adjourned to a stated time and place and shall cause written notice to be given in the same manner as provided in section 5.5 of these Bylaws for special meetings, unless such notice

is waived as provided for special meetings.

b. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

c. The Board may continue any hearing being held or noticed or ordered to be held at any meeting to a subsequent meeting by order or notice of continuance provided in the same manner as set forth above for the adjournment of meetings; provided, that if the meeting is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

5.8 Public Meetings.

a. Meetings of the Board shall be open to the public, except as otherwise provided herein.

b. The Board may hold closed sessions during a meeting for the following purposes:

(1) To consider the appointment, employment, evaluation of performance or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session. As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of their right to have the complaint or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the Board against the employee based on the specific complaints or charges in the closed session shall be null and void. The Board may exclude from that public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the Board. The term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any Director or other independent contractor. During the closed session, the Board shall not discuss or act on an employee's proposed compensation except for a reduction of compensation that results from the imposition of discipline.

(2) To meet with its designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees and for represented employees, any other matter within the statutorily-provided scope of representation. "Employee" shall have the same meaning for this closed session as described in section 5.8(b)(1) above. During the closed session, the Board may include discussions with [CalOPTIMACalOptima](#)'s designated representatives of [CalOPTIMACalOptima](#)'s available funds and funding priorities, but only as these discussions relate

to providing instructions to the designated representatives.

(3) To meet with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for [CalOPTIMA CalOptima](#), or to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease. However, prior to the closed session, the Board shall hold an open and public session in which it identifies the real property or real properties which the negotiations may concern and the person or persons with whom its negotiator may negotiate. For the purposes of this section, the negotiator may be a Director, and "lease" includes renewal or renegotiation of a lease.

(4) Based on advice of its legal counsel, to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of [CalOPTIMA CalOptima](#) in the litigation. Prior to holding a closed session pursuant to this section, the Board shall state on the agenda or publicly announce the subdivision of Government Code section 54956.9 that authorizes the closed session. If the session is closed because of litigation to which [CalOPTIMA CalOptima](#) is a party has been formally initiated, the Board shall state the title of or otherwise specifically identify the litigation to be discussed, unless the Board states that to do so would jeopardize [CalOPTIMA CalOptima](#)'s ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage. For purposes of this section, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator. For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

- (a) Litigation to which [CalOPTIMA CalOptima](#) is a party has been formally initiated.
- (b) (i) A point has been reached where, in the opinion of the Board on the advice of its legal counsel, based on existing facts and circumstances, there is significant exposure to litigation against [CalOPTIMA CalOptima](#), or
(ii) based on existing facts and circumstances, the Board is meeting only to decide whether a closed session is authorized under subparagraph (b)(1) above.
- (c) Based on existing facts and circumstances, the Board has decided to initiate or is deciding whether to initiate litigation.

(5) Any other closed session authorized pursuant to applicable state or federal law or regulation.

c. Prior to holding any closed session, the Board must disclose, in an open meeting, the item or items to be discussed in the closed session. The Board may use the sample closed session agenda descriptions contained in the Brown Act (Gov. Code § 54954.5). The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the

agenda. In the closed session, only those matters covered in the statement can be considered by the Board.

d. After any closed session, the Board shall reconvene into open session prior to adjournment and shall make any disclosures required by the Brown Act concerning final actions.

5.9 Disrupted Meetings.

In the event that any meeting is interrupted by a group or groups of persons rendering the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who were willfully interrupting the meeting, the Board may order the meeting room closed and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. The Board may establish a procedure for readmitting an individual or individuals not responsible for willfully disrupting the orderly conduct of the meeting.

5.10 Minutes.

The Clerk or designee shall prepare minutes of each meeting of the Board. Except as otherwise provided in the Brown Act for minutes of closed sessions, the minutes shall be an accurate summary of the Board's consideration of the matters before it and an accurate record of each action of the Board. Except for minutes of closed sessions, at a subsequent meeting, the Clerk shall submit the minutes to the Board for approval by a majority vote of the Directors in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk or designee to the Chief Executive Officer.

ARTICLE VI BOARD COMMITTEES

6.1 Establishment: Appointment of Committee Members.

a. All Committees shall be established by these Bylaws or by Board action, and shall be established for any purpose as the Board deems necessary or beneficial in accomplishing the purposes of ~~CalOPTIMA~~CalOptima.

b. Committees shall be subject to the requirements of the Brown Act.

c. The Chair may designate alternate members of any Committee to stand in for any absent Director at any meeting of the Committee. The chair of each Committee shall be appointed by the Chair of the Board, except that the Chair of each of the Advisory Committees shall be elected by the Board

d. All Committees shall be advisory only to the Board unless otherwise specifically authorized to act by the Board.

6.2 Ad Hoc Committees.

- a. Ad Hoc Committees may be appointed by the Chair for special tasks as circumstances warrant, and shall be composed solely of Directors, and upon completion of the task for which appointed, such Ad Hoc Committee shall stand discharged. Some of the functions that may be the topic of Ad Hoc Committees include, but are not limited to, the review of new projects, the review of special Bylaw changes or the review of the Bylaws periodically, meeting with other public agencies or health facilities on a specific topic, and the evaluation of the Board.
- b. The Chair shall make assignments to Ad Hoc Committees to assure that each Director shall have equal participation on Ad Hoc Committees throughout the year.
- c. Ad Hoc Committees shall always be advisory in nature.

6.3 Advisors.

A chair of a Committee or an Ad Hoc Committee may invite individuals with expertise in a pertinent area to meet with and assist the Committee or Ad Hoc Committee. Such advisors shall not vote or be counted in determining the existence of a quorum and may be excluded from any Committee session not otherwise open to the public.

6.4 Meetings and Notice.

- a. Regular meetings of Committees shall be held at such times and places as are determined by the Board. Special meetings of Committees may be held at any time and place as may be designated by the Chair or the chair of the Committee, or by a majority of the voting members of the Committee.
- b. Regular and special meetings of a Committee shall be noticed in accordance with sections 5.3 and 5.5, respectively, of these Bylaws.
- c. Meetings of Ad Hoc Committees shall be noticed as directed by the chair of the Ad Hoc Committee.

6.5 Quorum.

A majority of the members of a Committee or Ad Hoc Committee shall constitute a quorum for the transaction of business at any meeting of such Committee or Ad Hoc Committee. Each Committee and Ad Hoc Committee shall keep minutes of its proceedings and shall report periodically to the Board.

6.6 Manner of Acting.

The act of a majority of the members of a Committee or Ad Hoc Committee present at a meeting at which a quorum is present shall be the act of the Committee or Ad Hoc Committee so meeting. Regular and special meetings of Committees shall be conducted in accordance with

applicable provisions of Article V of these Bylaws. Ad Hoc Committee action may be taken without a meeting by a writing setting forth the action so taken signed by each member of the Ad Hoc Committee entitled to vote.

6.7 Tenure.

Each member of a Committee or Ad Hoc Committee shall hold office until a successor is appointed. Any member of an Ad Hoc Committee may be removed at any time by the Chair. The Board may remove any member of a Committee. A Director shall cease to hold membership in an Ad Hoc Committee upon ceasing to be a Director.

6.8 Minutes.

The Clerk or designee shall prepare minutes of each meeting of every Committee. The minutes shall accurately summarize the consideration of all matters, and shall accurately record all action taken. At a subsequent meeting, the Clerk shall submit the minutes to the Committee for approval by a majority vote of the members in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk to the Board and Chief Executive Officer.

ARTICLE VII
ADVISORY COMMITTEES

7.1 Establishment.

a. The Board may establish and appoint Advisory Committees for any purpose that will be necessary and beneficial in accomplishing the work of [CalOPTIMA CalOptima](#), in a number and with qualifications as set forth in the Resolution of the Board establishing the Advisory Committee or the policy governing such Advisory Committee.

b. The following Advisory Committees are hereby established and appointed:

1. Provider Advisory Committee.
2. Member Advisory Committee.

7.2 Purpose.

Advisory Committees of [CalOPTIMA CalOptima](#) shall be solely advisory in nature. As directed by the Board they are:

- (1) Intended to provide advice and recommendations to the Board on issues concerning the [CalOPTIMA CalOptima](#) program.
- (2) To engage in study and research on issues assigned to them by the Board.

- (3) To assist the Board in obtaining public opinion on issues related to the ~~CalOPTIMA~~CalOptima program.
- (4) To facilitate community outreach for ~~CalOPTIMA~~CalOptima and the Board.

7.3 Policy

The Board shall by Resolution adopt and, from time to time may amend, a policy setting forth member qualifications, requirements for meetings (including compliance with the Brown Act), items of procedure, and other matters relating to the overall operations and purposes of Advisory Committees established by the Board.

ARTICLE VIII OFFICERS OF THE BOARD OF DIRECTORS

8.1 Chair.

a. The Board shall elect one of its Directors as Chair at an organizational meeting. In the event of a vacancy in the office of Chair, the Board may elect a new Chair.

b. The Chair shall be the principal officer of the Board, and shall preside at all meetings of the Board. The Chair shall appoint all members of the Ad Hoc Committees, as well as the chair of the Ad Hoc Committees and all Committees other than the Member and Provider Advisory Committees. In addition, the Chair shall perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time.

8.2 Vice Chair.

The Board shall elect one of its Directors as Vice Chair at an organizational meeting. The Vice Chair shall perform the duties of the Chair if the Chair is absent from the meeting or is otherwise unable to act. If both the Chair and Vice Chair are absent from the meeting, or are unable to act, the Directors present at the meeting shall select one of the Directors present to act as temporary Chair, who, while so acting, shall have all of the authority of the Chair.

8.3 Tenure.

Each officer described above in this Article VIII shall serve a one (1) year term, commencing on the first day of the month after the organizational meeting at which he or she is elected to the position. Each officer shall hold office until the end of the one (1) year term, or until a successor is elected, unless he or she shall sooner resign or be removed from office.

8.4 Vacancies, Removal and Resignation.

a. A vacancy in any office for any cause whatsoever shall be filled by Resolution of the Board at any regular or special meeting of the Board.

b. An officer described above may be removed from office by the affirmative vote of four Directors, not counting the affected Director. In addition, an officer described above will automatically be removed from office when their successor is selected and is appointed as a Director.

c. Any officer may resign effective on giving written notice to the Clerk, unless the notice specifies a later time for their resignation to become effective. Upon receipt of such notice, the Clerk shall notify the Chair thereof and shall enter the notice in the proceedings of the Board.

8.5 Other Officers.

The Board may designate such other officers of the Board as the Board may from time to time determine that ~~CalOPTIMA~~CalOptima requires and may elect one of its Directors to discharge the duties of any such office.

ARTICLE IX OTHER OFFICERS

9.1 Chief Executive Officer.

a. The Board shall select and employ a Chief Executive Officer, who shall report to the Board and who shall be the Board's direct executive representative in the development and management of the affairs of ~~CalOPTIMA~~CalOptima. The Chief Executive Officer shall serve at the pleasure of the Board, subject to the provisions of any contract of employment between ~~CalOPTIMA~~CalOptima and the Chief Executive Officer.

b. The Chief Executive Officer shall have such duties and responsibilities as the Board may from time to time reasonably direct. Without limiting the generality of the foregoing, the Chief Executive Officer shall be responsible for:

(1) Implementing the policies, procedures and practices of ~~CalOPTIMA~~CalOptima as adopted by the Board.

(2) Acting as the duly authorized representative of ~~CalOPTIMA~~CalOptima in all matters in which the Board has not formally designated some other person to act.

(3) Managing and directing the operations of ~~CalOPTIMA~~CalOptima, including responsibility for sound personnel, financial, accounting, legal and statistical information practices, such as preparation of ~~CalOPTIMA~~CalOptima budgets and forecasts, maintenance of proper financial and other statistical records, collection of data required by governmental and accrediting agencies, and special studies and reports required for efficient operation of ~~CalOPTIMA~~CalOptima ~~problems~~.

(4) Providing leadership by promoting morale and resolving conflicts and problems

- (5) Implementing community relations activities, including, public appearances, responsive communication with the media.
- (6) Developing and maintaining positive ongoing relations with local, State and federal government officials and agencies.
- (7) Assisting the Board in planning services and facilities and informing the Board of governmental legislation and regulations and requirements of official agencies and accrediting bodies, which affect the planning and operation of the facilities, services and programs sponsored by [CalOPTIMACalOptima](#), and maintaining appropriate liaison with government and accrediting agencies and implementing actions necessary for compliance.
- (8) Employing and discharging (subject to the pleasure of the Board, any contract of employment, and [CalOPTIMACalOptima](#) personnel employment policies), such subordinate officers and employees as are necessary for the purpose of carrying on the normal functions of [CalOPTIMACalOptima](#).
- (9) Administrating all contracts to which [CalOPTIMACalOptima](#) is a party.
- (10) Providing the Board, Committees, and Ad Hoc Committees with adequate staff support.
- (11) Sending periodic reports to the Board on the overall activities of [CalOPTIMACalOptima](#) and [CalOPTIMACalOptima](#)'s finances and financial status, as well as pertinent federal, state and local developments that effect [CalOPTIMACalOptima](#)'s operations.
- (12) Maintaining insurance or self-insurance to cover the physical properties and activities of [CalOPTIMACalOptima](#).
- (13) Developing, amending, promulgating and implementing personnel policies for [CalOPTIMACalOptima](#).

9.2 Chief Financial Officer.

a. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business or financial transactions of [CalOPTIMACalOptima](#), shall prepare or cause to be prepared financial statements as law or these Bylaws require. The books of account shall at all times be open to inspection by any Director.

b. The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of [CalOPTIMACalOptima](#) with depositories designated by the Board. The Chief Financial Officer shall disburse the funds of [CalOPTIMACalOptima](#) as ordered or authorized by the Board, shall render to the Chair and Directors, whenever they request it, an account of all transactions and of the financial condition of [CalOPTIMACalOptima](#), and shall

have other powers and perform other

duties as prescribed by the Board and/or the Chief Executive Officer.

9.3 Clerk.

a. The Clerk shall have the following duties:

- (1) Keeping a book of the minutes of all meetings of the Board at the principal office of ~~CalOPTIMA~~CalOptima or other place ordered by the Board, and of its Committees.
- (2) Giving or causing to be given appropriate notices in accordance with these Bylaws or as required by law.
- (3) Attesting to the Chair's, Vice-Chair's, Chief Executive Officer's, or other authorized signatory's signature on documents executed on behalf of ~~CalOPTIMA~~CalOptima.
- (4) Acting as custodian of ~~CalOPTIMA~~CalOptima's records and reports and of ~~CalOPTIMA~~CalOptima's seal, if one is adopted.
- (5) Causing a statement meeting the requirements of Government Code section 53051 to be filed with the Secretary of State and the County Clerk to list ~~CalOPTIMA~~CalOptima on the "Roster of Public Agencies"; and causing an amended statement to be filed with the Secretary of State and County Clerk within ten (10) days of any change in the facts set forth in the original or a subsequently amended statement.
- (6) Providing a copy of the Brown Act to each Director, and to each person appointed to serve as a Director who has not assumed the duties of office.
- (7) Having such other duties as may be prescribed by Resolution of the Board or these Bylaws.

9.4 Subordinate Officers.

The Board may empower the Chief Executive Officer to select and employ such other non-Board officers as ~~CalOPTIMA~~CalOptima may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board or Chief Executive Officer may from time to time determine.

ARTICLE X
EXECUTION OF INSTRUMENTS

10.1 Contracts and Instruments.

a. The Board may authorize any officer or officers, agent or agents, employee or employees to enter into any contract or execute any instrument in the name of and on behalf of the Board, and this authority may be general or confined to specific instances; and, unless so

authorized or ratified by the Board, no officer, agent, or employee shall have any power or authority to bind CalOPTIMACalOptima by any contract or engagement or to render it liable for any purpose or for any amount.

b. Notwithstanding the foregoing Section 9.1(a), the Chief Executive Officer is hereby authorized to enter into any contract or execute any instrument in the name of and on behalf of CalOPTIMACalOptima pursuant to policies established by the Board.

c. The Clerk shall have the authority to attest to the signatures of those individuals authorized to enter into contracts or execute instruments in the name of and on behalf of CalOPTIMACalOptima and to certify the incumbency of those signatures.

10.2 Checks, Drafts, Evidences of Indebtedness

All checks, drafts or other orders for payment of money, notes or other evidences issued in the name of or on behalf of CalOPTIMACalOptima or payable to the order of CalOPTIMACalOptima, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by Resolution of the Board.

ARTICLE XI CLAIMS AND JUDICIAL REMEDIES

11.1 Claims

CalOPTIMACalOptima is subject to Division 3.6 of Title 1 of the California Government Code, pertaining to claims against public entities. The Chief Executive Officer or designee is authorized to perform those functions of the Board specified in Part 3 of that Division, including the allowance, compromise or settlement of any claims if the amount to be paid from CalOPTIMACalOptima's treasury does not exceed \$50,000.00 per individual claim, or \$300,000 total per lawsuit, demand, or arbitration matter. ~~action~~ Any allowance, compromise or settlement of any claim in which the amount to be paid form CalOPTIMACalOptima's treasury exceeds \$10,000 per individual claim shall be approved personally by the Chief Executive Officer, rather than their designee.

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11.2 Judicial Review

Section 1094.6 of the Code of Civil Procedure shall govern the rights of any person aggrieved by any decision of the Board or CalOPTIMACalOptima.

11.3 Claims Procedure

Notwithstanding any exceptions contained in Section 905 of the Government Code, no action based on a claim shall be brought against CalOPTIMACalOptima unless presented to CalOPTIMACalOptima within the time limitations and in the manner prescribed by Section 910 through 915.2 of the Government Code. Such claims shall further be subject to Section 945.4 of the Government Code.

ARTICLE XII
CONFLICTS OF INTEREST

12.1 Conflict of Interest Code.

The Board shall by Resolution adopt and, from time to time may amend, a Conflict of Interest Code for ~~CalOPTIMA~~CalOptima as required by applicable statutes and regulations.

12.2 ~~No~~ Disqualifying Interest in Contracts.

a. Pursuant to Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code, a Director shall not be financially interested in any contract made by the Director in their official capacity, or by the Board. Nor shall a Director be a purchaser or vendor at any sale or purchase made by them in their official capacity.

a.b. Notwithstanding the foregoing Section 12.2(a), A-a Director shall not be deemed to be interested in a contract entered into by ~~CalOPTIMA~~CalOptima within the meaning of Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code if all of the following requirements set forth in Welfare and Institutions Code section 14087.57 apply:

- a. (1) The Director was appointed to represent the interests of physicians, health care practitioners, hospitals, pharmacies or other health care organizations.
- b. (2) The contract authorizes the Director or the organization the member represents to provide services to Medi-Cal beneficiaries under ~~CalOPTIMA~~CalOptima's program.
- c. (3) The contract contains substantially the same terms and conditions as contracts entered into with other individuals and organizations that the Director was appointed to represent.
- d. (4) The Director does not influence or attempt to influence the Board or another Director to enter into the contract in which the member is interested.
- e. (5) Director discloses the interest to the Board and abstains from voting on the contract.
- f. (6) The Board notes the Director's disclosure and abstention in its official records and authorizes the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the interested Director.

ARTICLE XIII

MISCELLANEOUS

13.1 Purchase, Hiring, and Personnel.

The Board shall by Resolution adopt and, from time to time may amend, procedures, practices and policies for purchasing and acquiring the use of equipment and supplies, acquiring, constructing and leasing real property and improvements, hiring employees, managing its personnel and for all other matters, in the determination of the Board, as are necessary and appropriate for the proper conduct of ~~CalOPTIMA~~CalOptima' s activities and affairs and the furtherance of its authorized purposes. Copies of all such procedures, practices and policies shall be maintained with the minutes of proceedings of the Board.

13.2 Insurance.

~~CalOPTIMA~~CalOptima shall procure and maintain property, casualty, indemnity and workers' compensation insurance, including without limitation directors' and officers' liability and professional liability coverage, in such amounts and with such carriers as the Board shall from time to time determine shall be prudent in the conduct of its activities; provided that the Board is authorized to arrange the provision of self-insurance or participate in consortia or similar associations to obtain coverage in lieu of commercial coverage.

13.3 Indemnification and Defense.

a. With respect to any civil claim or action against a Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, for an injury arising out of an act or omission occurring within the scope of such person's duties, ~~CalOPTIMA~~CalOptima shall indemnify, hold harmless and defend such persons to the full extent permitted or required under applicable sections of the California Tort Claims Act. (Gov. Code§ 810 et seq.; see, e.g. Gov. Code§§ 825, 825.2, 825.4, 825.6, 995.4, 995.6 and 995.8.)

b. Nothing herein shall be construed to require ~~CalOPTIMA~~CalOptima to indemnify and hold harmless any Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, if ~~CalOPTIMA~~CalOptima has elected to conduct the defense of such person(s) pursuant to an agreement reserving ~~CalOPTIMA~~CalOptima's rights not to pay a judgment, compromise or settlement until it is established that the injury arose out of an act or omission occurring within the scope of their duties with ~~CalOPTIMA~~CalOptima.

13.4 Bonds.

All Directors, as well as all officers, employees and agents or representatives of ~~CalOPTIMA~~CalOptima designated by the Board, shall obtain fidelity bonds as required by law and as the Board shall determine is prudent in the conduct of its activities and the activities of such officers, employees, and other designated agents or representatives of ~~CalOPTIMA~~CalOptima.

13.5 Public Records.

a. All documents and records of ~~CalOPTIMA~~CalOptima, not exempt from disclosure by applicable law, shall be public records under the California Public Records Act (Gov. Code § 6250 et seq.)

b. Any authorized representative of the County shall have the absolute right to inspect and copy all books, records and documents of every kind of ~~CalOPTIMA~~CalOptima to determine compliance with the provisions of Section 4-11-7 of the Ordinance, provided such inspection is conducted at a reasonable time following reasonable notice.

13.6 Submission of Bylaws to Board of Supervisors.

The Clerk shall deliver a certified copy of these Bylaws, and any amendments thereto, to the Board of Supervisors.

13.7 Conflict Between Bylaws and Ordinance.

In the event of a conflict between these Bylaws and the Ordinance, the applicable provisions of the Ordinance shall govern.

ARTICLE XIV
AMENDMENT

These Bylaws may be amended or repealed by the affirmative vote of at least two-thirds (2/3) of the authorized number of Directors at any Board meeting. Such amendments or repeal shall be effective immediately, except as otherwise indicated by the Board. The Clerk shall deliver a certified copy of any amendment or repeal of these Bylaws to the Board of Supervisors promptly following the Board meeting at which such amendment or repeal was adopted.

CERTIFICATE OF CLERK

I, the undersigned, do hereby certify:

That I am the duly appointed, qualified and acting Clerk of the Board of Directors for Orange Prevention and Treatment Integrated Medical Assistance ("~~CalOPTIMA~~CalOptima"), a special commission of the County of Orange created pursuant to Section 14087 .54 of the Welfare and Institutions Code, and Ordinance No. 3896 of the County of Orange, and

That the foregoing Bylaws attached hereto, comprising ~~26~~ 23 pages, including this page, constitute a true, complete and correct copy of the current Bylaws of

~~CalOPTIMA~~CalOptima, as duly adopted by the Board of Directors of ~~CalOPTIMA~~CalOptima at a regular meeting, duly called and held on the _____ day of _____ at _____, California.

Dated: _____

Clerk

BYLAWS
OF
ORANGE COUNTY HEALTH AUTHORITY
ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL
ASSISTANCE, CalOptima Health (CalOptima)

ARTICLE I
DEFINITIONS

1.1 "Ad Hoc Committee" means a committee or work group composed solely of Directors which are less than a quorum of the Board, which does not have continuing subject matter jurisdiction, and does not have a meeting schedule fixed by charter, ordinance, Resolution or other formal action of the Board.

1.2 "Board" means the Board of Directors of CalOptima.

1.3 "Board of Supervisors" means the Board of Supervisors of the County of Orange.

1.4 "Brown Act" means the Ralph M. Brown Act (Gov. Code § 54950 et. seq.).

1.5 "Bylaws" means the bylaws of CalOptima.

1.6 "Chair" means the Chairperson of the Board of Directors.

1.7 "Chief Executive Officer" means the non-Board officer designated in Section 9.1 of these Bylaws.

1.8 "Committee" shall include both committees and subcommittees of the Board, unless otherwise specified. "Committee" shall not include "Ad Hoc Committees." The Advisory Committees specified in Section 4-11-15 of the Ordinance are Committees.

1.9 "County" means the County of Orange.

1.10 "Director" means a member of the Board of Directors of CalOptima.

1.11 "CalOptima" means the Orange County Health Authority, doing business as Orange Prevention and Treatment Integrated Medical Assistance, doing business as CalOptima Health.

1.12 "Ordinance" means Ordinance No. 3896 of the County of Orange, adding Division 11 to Title 4 of the codified ordinances of the County of Orange.

1.13 “Resolution” means any action taken by the Board which requires a vote and is thereafter evidenced in the Board meeting minutes.

ARTICLE II ORGANIZATION, POWERS AND PURPOSES

2.1 Authority.

a. These Bylaws are adopted by CalOptima to establish rules for its proceedings pursuant to the authority of Section 4-11-13 of the Ordinance. CalOptima is a local public agency and political subdivision of the State of California created by the Ordinance, pursuant to authority for such creation conferred by Welfare and Institutions Code section 14087.54.

b. CalOptima is an entity separate and distinct from the County. Any obligations of CalOptima, statutory, contractual or otherwise, shall be the obligations solely of CalOptima and shall not be the obligations of the County or of the State of California unless expressly provided for in a contract between CalOptima and the County or State of California.

2.2 Purposes.

The purposes of CalOptima are as set forth in the Ordinance.

2.3 Powers.

a. CalOptima shall have and enjoy all rights, powers, duties, privileges and immunities vested in the County pursuant to Article 2.8 (commencing with Section 14087.5) of Chapter 7, Part 3 of Division 9 of the Welfare and Institutions Code, and shall have and enjoy such other rights, powers, duties, privileges and immunities as provided in applicable law or which are necessary and proper to carry out the purposes of CalOptima.

b. Without limiting the generality of Section 2.3(a), CalOptima shall have the right to:

- (1) Acquire, possess and dispose of real or personal property, as may be necessary for the performance of its functions.
- (2) Contract for services to meet its obligations.
- (3) Employ personnel.
- (4) To sue and be sued.
- (5) To adopt a seal and file such seal with the office of the County Clerk and Secretary of State.
- (6) Borrow such funds as may be necessary and proper.

- (7) Other powers as may be specified in the Ordinance and by other provisions of law.

ARTICLE III OFFICES

3.1 Principal Office.

The principal office for the transaction of business of CalOptima shall be fixed and located at a location within the County designated by the Board.

ARTICLE IV BOARD OF DIRECTORS

4.1 Powers.

The Board of Directors is the governing body of CalOptima. Except as otherwise provided by the Ordinance or these Bylaws, the powers of CalOptima shall be exercised, its property controlled and its business and affairs conducted by or under the direction of the Board. The Board may delegate the management of CalOptima's activities to any person(s) or Committees, however composed, provided that all the activities and affairs of CalOptima shall be managed and all powers shall be exercised under the ultimate direction of the Board. No assignment, referral or delegation of authority by the Board shall preclude the Board from exercising full authority over the conduct of CalOptima's activities, and the Board may rescind such assignment, referral or delegation at any time.

4.2 Number and Qualifications of Directors.

The number and qualifications of Directors are as set forth in the Ordinance.

4.3 Term of Office.

a. The Board of Supervisors shall establish the term of office for the Director who is also a member of the Board of Supervisors, which term shall not exceed four years or other length of time established by amendment to Section 4-11-12 of the Ordinance.

b. The term of office for the Directors who are not also members of the Board of Supervisors shall be four (4) years; provided, however, that the terms of the original Directors shall be staggered to provide that one-half of those original Directors shall serve a term of three (3) years and the other half shall serve a full term of four (4) years to ensure continuity of policy. The initial appointment terms for such Directors shall be drawn by lots.

c. Directors may serve for a maximum of two (2) terms.

d. An orientation shall be provided which familiarizes each new Director with their duties and responsibilities.

e. In accordance with the Brown Act, any person appointed to serve as a Director who has not yet assumed the duties of their office shall conform their conduct to the requirements of Article 5 below.

4.4 Attendance and Participation.

a. Directors must attend the regular and special meetings of the Board and of Committees to which they are appointed and shall contribute their time and special abilities as may be required for the benefit of CalOptima. If a Director is unable to attend a meeting, he or she shall so inform the Clerk giving the reason therefor, and the Clerk shall in turn inform the Chair who may rule in their sole and absolute discretion that the absence shall be excused. Alternatively, the Chair may recommend to the Board that the absence be deemed unexcused, and the Board shall make the final determination as to whether the absence shall be excused.

b. Failure of a Director to attend a regular or special meeting of the Board, or of Committees to which he or she is appointed, without first notifying the Clerk of an inability to attend the meeting shall, except in cases of emergency or extreme hardship (as determined by the Chair in their sole absolute discretion), be treated as an unexcused absence.

4.5 Vacancies.

With the exception of the Director appointed by the Board of Supervisors who is also a County Supervisor, appointments to the Board are based on the Director's representation of a particular group, such as health care providers or other organizations. A seat on the Board shall become vacant if a Director no longer is a member of, no longer represents, the group that qualified the Director for an appointment to the Board, or otherwise is no longer eligible under applicable law to serve as a Director. Vacancies shall be filled by the Board of Supervisors for the remainder of the unexpired term in accordance with the Ordinance.

4.6 Resignation and Removal.

a. Any Director may be removed from office by a majority vote of the Board of Supervisors favoring such removal.

b. Any Director may resign effective upon giving written notice to the Chair, the Clerk of the Board, and the Clerk of the Board of Supervisors, unless the notice specifies a later time for the effectiveness of such resignation.

c. If a Director has unexcused absences from three consecutive regular meetings or from three of any five consecutive meetings of the Board, the Board may pass a Resolution which recommends that the Board of Supervisors immediately remove such Director from the Board and appoint a successor to fill the remainder of the unexpired term.

4.7 Expenses.

Board members shall be reimbursed for their reasonable traveling, incidental and other expenses, when traveling outside the County, and incurred in the performance of official business of CalOptima, in accordance with a policy as approved by the Board.

4.8 Prohibition on CalOptima Employment

A Director who is also a member of the Board of Supervisors may not be employed by CalOptima for a period of one year after the Director's term expires, or after the Director resigns or is removed from the Board.

ARTICLE V
BOARD MEETINGS

5.1 Board Meeting.

a. A meeting of the Board is any congregation of a majority of the Directors at the same time and place to hear, discuss or deliberate upon any item that is within the subject matter jurisdiction of the Board.

b. A meeting of the Board is also the use of direct communication, personal intermediaries or technological devices that are employed by a majority of the Directors to develop a collective concurrence as to action to be made on an item by the Directors.

c. A meeting of the Board shall not be construed to exist when any of the following occur:

(1) A Director makes individual contact with any person not a Director.

(2) The attendance of a majority of the Directors at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies with similar functions or interests as CalOptima, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOptima's subject matter jurisdiction.

(3) The attendance of a majority of the Directors at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than CalOptima, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOptima's subject matter jurisdiction.

(4) The attendance of a majority of the Directors at an open and noticed meeting of the legislative body of another local public agency, provided that a majority of the Directors do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within CalOptima's subject matter jurisdiction.

(5) The attendance of a majority of the Directors at a purely social or ceremonial occasion, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOptima's subject matter jurisdiction.

5.2 Regular Meetings.

a. Regular meetings of the Board shall be held at a location as may be designated by Board action from time to time by the Board.

b. The Board shall conduct an annual organizational meeting at a regular meeting to be designated in advance by the Board. At the annual organizational meeting, the Board shall:

(1) Adopt a schedule stating the dates, times and places of the Board's regular meetings for the following year. A tentative proposed schedule for the Board's regular meetings shall have been distributed at the regular Board meeting preceding the organizational meeting.

(2) Organize itself by the election of one of its Directors as Chair and one as Vice Chair, and by the election of such other officers as the Board may deem appropriate.

5.2 Notice and Meeting; Agendas.

a. The Chief Executive Officer shall prepare, or cause to be prepared, an agenda for every regular and special meeting of the Board, which shall set forth the time and location of the meeting, and a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of the item generally need not exceed twenty (20) words.

b. At least 72 hours before a regular meeting, the Chief Executive Officer shall cause to be posted the agenda for the meeting in a location that is freely accessible to members of the public.

c. Action may be taken by the Board only on items appearing on the posted agenda. "Action taken" means a collective decision, collective commitment or promise made by a majority of the Directors to make a positive or negative decision, or an actual vote by a majority of the Directors upon a motion, proposal, Resolution or order. No action shall be taken on any item not appearing on the posted agenda, unless one of the following conditions exists:

(1) The Board has determined, by a majority vote, that an emergency situation exists. An emergency situation, for purposes of these Bylaws, means either: (a) a work stoppage

or other activity which severely impairs public health, safety, or both, or (b) a crippling disaster which severely impairs public health, safety, or both.

(2) Upon a determination by a two-thirds vote of the Board, or, if less than two-thirds of the Directors are present, a unanimous vote of those Directors present, that there is a need to take immediate action and that the need for action came to the attention of the Board subsequent to the agenda being posted.

(3) The item was posted, as required above, for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which the action is being taken.

(4) The Board may briefly respond to statements made or questions posed by the public at the meeting. In addition, on its own initiative, or in response to questions posed by the public, the Board may ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to the Board at a subsequent meeting. Furthermore, a Director or the Board itself may take action to place a matter of business on a future agenda.

d. Except as specified in Sections 5.3(d)(1) and 5.5(b) below, the Clerk shall give mailed notice of every regular meeting, and any special meeting which is called, at least one week prior to the date set for the meeting, to any person who has filed a written request for such notice with the Board.

(1) The Board may give such notice as it deems practical of special meetings called less than seven (7) days prior to the date set for the meeting, or in the case of an emergency meeting, telephonic notice in accordance with Section 5.5(b).

(2) Any request for notice shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed. Renewal requests for notice shall be filed within ninety (90) days after January 1 of each year. The Board may establish by Resolution a reasonable annual charge for sending such notice based on the estimated cost of providing such service.

5.4 Members of the Public.

a. Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by section 5.3.

b. The Chair may adopt reasonable regulations to ensure that the intent of this section is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. If further public discussion and comment is needed on a particular issue, the Board may vote to allot further time in the same meeting, or allot time in the agenda of the following meeting.

c. Members of the public shall not be required, as a condition of attendance at a Board meeting, to register their name or provide other information. If an attendance list, register or other similar document is posted or circulated at the meeting, it shall state clearly that the signing, registering or completion of the document is voluntary and that all persons may attend the meeting regardless of whether a person does so.

d. The Board shall not prohibit public criticism of the policies, procedures, programs or services of CalOptima or the acts or omissions of the Board or its officers, employees and/or consultants.

5.5 Special Meetings.

a. A special meeting may be called at any time by the Chair, or by four Directors, by delivering personally or by mail written notice to each Director and to each local newspaper of general circulation, radio or television station requesting notice in writing.

(1) Such notice must be delivered personally or by mail at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at special meetings.

(2) The call and notice shall also be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. Notice shall be required pursuant to this section 5.5 regardless of whether any action is taken at the special meeting.

(3) Such written notice may be dispensed with as to any Director who, at or prior to the time the meeting convenes, files with the Clerk a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any Director who is actually present at the meeting at the time it convenes.

b. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement, or both requirements. For purposes of this section, "emergency situation" shall have the same meaning as in Section 5.3(c)(1).

(1) In the event the notice and/or posting requirements are dispensed with due to an emergency situation, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified by the Chair, or their designee, one hour prior to the emergency meeting, by telephone. All telephone numbers provided in the most recent request of such newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the Board, or its designee, shall notify those newspapers, radio stations or television stations

of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(2) Notwithstanding Section 5.8(b) of these Bylaws, the Board shall not meet in closed session during a meeting called as an emergency meeting. With the exception of the 24-hour notice and posting requirements, all special meeting requirements prescribed in this section shall be applicable to a meeting called due to an emergency situation.

(3) The minutes of a meeting called due to an emergency situation, a list of persons who the Chair, or his designee, notified or attempted to notify, a copy of the roll call vote, and any actions taken at the meeting shall be posted for a minimum of ten days in a public place as soon after the meeting as possible.

5.6 Quorum and Action at Board Meeting.

a. A majority of the Directors shall constitute a quorum for the transaction of business. Except as otherwise provided by law or these Bylaws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. No act of the Board shall be valid unless at least a majority of those Directors constituting a quorum concur therein. Any act of the Board shall be accomplished by a roll call vote when such a vote is requested by any Director in attendance. The Board shall not take action by secret ballot, whether preliminary or final.

b. The Board shall adopt a form of agenda for its regular and special meetings which may include consent, individual action, public, and board comments sections.

c. Items on the meeting agenda shall be considered in order by the Board unless the Chair shall announce a change in the order of consideration.

d. Unless an agenda item specifies a particular source for a report, the Chief Executive Officer, Board staff and consultants shall report first on the item. The item shall then be open to public comment upon recognition of the speaker by the Chair.

e. A Director shall disqualify himself or herself from voting on any matter before the Board, and shall take further appropriate action to remove himself or herself from Board consideration of any such matter, when required pursuant to the provisions of Article XII of these Bylaws or applicable law.

5.7 Adjournment and Continuance.

a. The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If no Directors are present at a meeting, the Clerk may declare the meeting adjourned to a stated time and place and shall cause written notice to be given in the same manner as provided in section 5.5 of these Bylaws for special meetings, unless such notice

is waived as provided for special meetings.

b. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

c. The Board may continue any hearing being held or noticed or ordered to be held at any meeting to a subsequent meeting by order or notice of continuance provided in the same manner as set forth above for the adjournment of meetings; provided, that if the meeting is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

5.8 Public Meetings.

a. Meetings of the Board shall be open to the public, except as otherwise provided herein.

b. The Board may hold closed sessions during a meeting for the following purposes:

(1) To consider the appointment, employment, evaluation of performance or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session. As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of their right to have the complaint or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the Board against the employee based on the specific complaints or charges in the closed session shall be null and void. The Board may exclude from that public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the Board. The term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any Director or other independent contractor. During the closed session, the Board shall not discuss or act on an employee's proposed compensation except for a reduction of compensation that results from the imposition of discipline.

(2) To meet with its designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees and for represented employees, any other matter within the statutorily-provided scope of representation. "Employee" shall have the same meaning for this closed session as described in section 5.8(b)(1) above. During the closed session, the Board may include discussions with CalOptima's designated representatives of CalOptima's available funds and funding priorities, but only as these discussions relate

to providing instructions to the designated representatives.

(3) To meet with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for CalOptima, or to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease. However, prior to the closed session, the Board shall hold an open and public session in which it identifies the real property or real properties which the negotiations may concern and the person or persons with whom its negotiator may negotiate. For the purposes of this section, the negotiator may be a Director, and "lease" includes renewal or renegotiation of a lease.

(4) Based on advice of its legal counsel, to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of CalOptima in the litigation. Prior to holding a closed session pursuant to this section, the Board shall state on the agenda or publicly announce the subdivision of Government Code section 54956.9 that authorizes the closed session. If the session is closed because of litigation to which CalOptima is a party has been formally initiated, the Board shall state the title of or otherwise specifically identify the litigation to be discussed, unless the Board states that to do so would jeopardize CalOptima's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage. For purposes of this section, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator. For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

- (a) Litigation to which CalOptima is a party has been formally initiated.
- (b) (i) A point has been reached where, in the opinion of the Board on the advice of its legal counsel, based on existing facts and circumstances, there is significant exposure to litigation against CalOptima, or

(ii) based on existing facts and circumstances, the Board is meeting only to decide whether a closed session is authorized under subparagraph (b)(1) above.
- (c) Based on existing facts and circumstances, the Board has decided to initiate or is deciding whether to initiate litigation.

(5) Any other closed session authorized pursuant to applicable state or federal law or regulation.

c. Prior to holding any closed session, the Board must disclose, in an open meeting, the item or items to be discussed in the closed session. The Board may use the sample closed session agenda descriptions contained in the Brown Act (Gov. Code § 54954.5). The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the

agenda. In the closed session, only those matters covered in the statement can be considered by the Board.

d. After any closed session, the Board shall reconvene into open session prior to adjournment and shall make any disclosures required by the Brown Act concerning final actions.

5.9 Disrupted Meetings.

In the event that any meeting is interrupted by a group or groups of persons rendering the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who were willfully interrupting the meeting, the Board may order the meeting room closed and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. The Board may establish a procedure for readmitting an individual or individuals not responsible for willfully disrupting the orderly conduct of the meeting.

5.10 Minutes.

The Clerk or designee shall prepare minutes of each meeting of the Board. Except as otherwise provided in the Brown Act for minutes of closed sessions, the minutes shall be an accurate summary of the Board's consideration of the matters before it and an accurate record of each action of the Board. Except for minutes of closed sessions, at a subsequent meeting, the Clerk shall submit the minutes to the Board for approval by a majority vote of the Directors in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk or designee to the Chief Executive Officer.

ARTICLE VI
BOARD COMMITTEES

6.1 Establishment: Appointment of Committee Members.

a. All Committees shall be established by these Bylaws or by Board action, and shall be established for any purpose as the Board deems necessary or beneficial in accomplishing the purposes of CalOptima.

b. Committees shall be subject to the requirements of the Brown Act.

c. The Chair may designate alternate members of any Committee to stand in for any absent Director at any meeting of the Committee. The chair of each Committee shall be appointed by the Chair of the Board, except that the Chair of each of the Advisory Committees shall be elected by the Board

d. All Committees shall be advisory only to the Board unless otherwise specifically authorized to act by the Board.

6.2 Ad Hoc Committees.

- a. Ad Hoc Committees may be appointed by the Chair for special tasks as circumstances warrant, and shall be composed solely of Directors, and upon completion of the task for which appointed, such Ad Hoc Committee shall stand discharged. Some of the functions that may be the topic of Ad Hoc Committees include, but are not limited to, the review of new projects, the review of special Bylaw changes or the review of the Bylaws periodically, meeting with other public agencies or health facilities on a specific topic, and the evaluation of the Board.
- b. The Chair shall make assignments to Ad Hoc Committees to assure that each Director shall have equal participation on Ad Hoc Committees throughout the year.
- c. Ad Hoc Committees shall always be advisory in nature.

6.3 Advisors.

A chair of a Committee or an Ad Hoc Committee may invite individuals with expertise in a pertinent area to meet with and assist the Committee or Ad Hoc Committee. Such advisors shall not vote or be counted in determining the existence of a quorum and may be excluded from any Committee session not otherwise open to the public.

6.4 Meetings and Notice.

- a. Regular meetings of Committees shall be held at such times and places as are determined by the Board. Special meetings of Committees may be held at any time and place as may be designated by the Chair or the chair of the Committee, or by a majority of the voting members of the Committee.
- b. Regular and special meetings of a Committee shall be noticed in accordance with sections 5.3 and 5.5, respectively, of these Bylaws.
- c. Meetings of Ad Hoc Committees shall be noticed as directed by the chair of the Ad Hoc Committee.

6.5 Quorum.

A majority of the members of a Committee or Ad Hoc Committee shall constitute a quorum for the transaction of business at any meeting of such Committee or Ad Hoc Committee. Each Committee and Ad Hoc Committee shall keep minutes of its proceedings and shall report periodically to the Board.

6.6 Manner of Acting.

The act of a majority of the members of a Committee or Ad Hoc Committee present at a meeting at which a quorum is present shall be the act of the Committee or Ad Hoc Committee so meeting. Regular and special meetings of Committees shall be conducted in accordance with

applicable provisions of Article V of these Bylaws. Ad Hoc Committee action may be taken without a meeting by a writing setting forth the action so taken signed by each member of the Ad Hoc Committee entitled to vote.

6.7 Tenure.

Each member of a Committee or Ad Hoc Committee shall hold office until a successor is appointed. Any member of an Ad Hoc Committee may be removed at any time by the Chair. The Board may remove any member of a Committee. A Director shall cease to hold membership in an Ad Hoc Committee upon ceasing to be a Director.

6.8 Minutes.

The Clerk or designee shall prepare minutes of each meeting of every Committee. The minutes shall accurately summarize the consideration of all matters, and shall accurately record all action taken. At a subsequent meeting, the Clerk shall submit the minutes to the Committee for approval by a majority vote of the members in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk to the Board and Chief Executive Officer.

ARTICLE VII
ADVISORY COMMITTEES

7.1 Establishment.

a. The Board may establish and appoint Advisory Committees for any purpose that will be necessary and beneficial in accomplishing the work of CalOptima, in a number and with qualifications as set forth in the Resolution of the Board establishing the Advisory Committee or the policy governing such Advisory Committee.

b. The following Advisory Committees are hereby established and appointed:

1. Provider Advisory Committee.
2. Member Advisory Committee.

7.2 Purpose.

Advisory Committees of CalOptima shall be solely advisory in nature. As directed by the Board they are:

- (1) Intended to provide advice and recommendations to the Board on issues concerning the CalOptima program.
- (2) To engage in study and research on issues assigned to them by the Board.

(3) To assist the Board in obtaining public opinion on issues related to the CalOptima program.

(4) To facilitate community outreach for CalOptima and the Board.

7.3 Policy

The Board shall by Resolution adopt and, from time to time may amend, a policy setting forth member qualifications, requirements for meetings (including compliance with the Brown Act), items of procedure, and other matters relating to the overall operations and purposes of Advisory Committees established by the Board.

ARTICLE VIII OFFICERS OF THE BOARD OF DIRECTORS

8.1 Chair.

a. The Board shall elect one of its Directors as Chair at an organizational meeting. In the event of a vacancy in the office of Chair, the Board may elect a new Chair.

b. The Chair shall be the principal officer of the Board, and shall preside at all meetings of the Board. The Chair shall appoint all members of the Ad Hoc Committees, as well as the chair of the Ad Hoc Committees and all Committees other than the Member and Provider Advisory Committees. In addition, the Chair shall perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time.

8.2 Vice Chair.

The Board shall elect one of its Directors as Vice Chair at an organizational meeting. The Vice Chair shall perform the duties of the Chair if the Chair is absent from the meeting or is otherwise unable to act. If both the Chair and Vice Chair are absent from the meeting, or are unable to act, the Directors present at the meeting shall select one of the Directors present to act as temporary Chair, who, while so acting, shall have all of the authority of the Chair.

8.3 Tenure.

Each officer described above in this Article VIII shall serve a one (1) year term, commencing on the first day of the month after the organizational meeting at which he or she is elected to the position. Each officer shall hold office until the end of the one (1) year term, or until a successor is elected, unless he or she shall sooner resign or be removed from office.

8.4 Vacancies, Removal and Resignation.

a. A vacancy in any office for any cause whatsoever shall be filled by Resolution of the Board at any regular or special meeting of the Board.

b. An officer described above may be removed from office by the affirmative vote of four Directors, not counting the affected Director. In addition, an officer described above will automatically be removed from office when their successor is selected and is appointed as a Director.

c. Any officer may resign effective on giving written notice to the Clerk, unless the notice specifies a later time for their resignation to become effective. Upon receipt of such notice, the Clerk shall notify the Chair thereof and shall enter the notice in the proceedings of the Board.

8.5 Other Officers.

The Board may designate such other officers of the Board as the Board may from time to time determine that CalOptima requires and may elect one of its Directors to discharge the duties of any such office.

ARTICLE IX OTHER OFFICERS

9.1 Chief Executive Officer.

a. The Board shall select and employ a Chief Executive Officer, who shall report to the Board and who shall be the Board's direct executive representative in the development and management of the affairs of CalOptima. The Chief Executive Officer shall serve at the pleasure of the Board, subject to the provisions of any contract of employment between CalOptima and the Chief Executive Officer.

b. The Chief Executive Officer shall have such duties and responsibilities as the Board may from time to time reasonably direct. Without limiting the generality of the foregoing, the Chief Executive Officer shall be responsible for:

(1) Implementing the policies, procedures and practices of CalOptima as adopted by the Board.

(2) Acting as the duly authorized representative of CalOptima in all matters in which the Board has not formally designated some other person to act.

(3) Managing and directing the operations of CalOptima, including responsibility for sound personnel, financial, accounting, legal and statistical information practices, such as preparation of CalOptima budgets and forecasts, maintenance of proper financial and other statistical records, collection of data required by governmental and accrediting agencies, and special studies and reports required for efficient operation of CalOptima.

(4) Providing leadership by promoting morale and resolving conflicts and problems

- (5) Implementing community relations activities, including, public appearances, responsive communication with the media.
- (6) Developing and maintaining positive ongoing relations with local, State and federal government officials and agencies.
- (7) Assisting the Board in planning services and facilities and informing the Board of governmental legislation and regulations and requirements of official agencies and accrediting bodies, which affect the planning and operation of the facilities, services and programs sponsored by CalOptima, and maintaining appropriate liaison with government and accrediting agencies and implementing actions necessary for compliance.
- (8) Employing and discharging (subject to the pleasure of the Board, any contract of employment, and CalOptima personnel employment policies), such subordinate officers and employees as are necessary for the purpose of carrying on the normal functions of CalOptima.
- (9) Administrating all contracts to which CalOptima is a party.
- (10) Providing the Board, Committees, and Ad Hoc Committees with adequate staff support.
- (11) Sending periodic reports to the Board on the overall activities of CalOptima and CalOptima's finances and financial status, as well as pertinent federal, state and local developments that effect CalOptima's operations.
- (12) Maintaining insurance or self-insurance to cover the physical properties and activities of CalOptima.
- (13) Developing, amending, promulgating and implementing personnel policies for CalOptima.

9.2 Chief Financial Officer.

a. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business or financial transactions of CalOptima, shall prepare or cause to be prepared financial statements as law or these Bylaws require. The books of account shall at all times be open to inspection by any Director.

b. The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of CalOptima with depositories designated by the Board. The Chief Financial Officer shall disburse the funds of CalOptima as ordered or authorized by the Board, shall render to the Chair and Directors, whenever they request it, an account of all transactions and of the financial condition of CalOptima, and shall have other powers and perform other

duties as prescribed by the Board and/or the Chief Executive Officer.

9.3 Clerk.

a. The Clerk shall have the following duties:

(1) Keeping a book of the minutes of all meetings of the Board at the principal office of CalOptima or other place ordered by the Board, and of its Committees.

(2) Giving or causing to be given appropriate notices in accordance with these Bylaws or as required by law.

(3) Attesting to the Chair's, Vice-Chair's, Chief Executive Officer's, or other authorized signatory's signature on documents executed on behalf of CalOptima.

(4) Acting as custodian of CalOptima's records and reports and of CalOptima's seal, if one is adopted.

(5) Causing a statement meeting the requirements of Government Code section 53051 to be filed with the Secretary of State and the County Clerk to list CalOptima on the "Roster of Public Agencies"; and causing an amended statement to be filed with the Secretary of State and County Clerk within ten (10) days of any change in the facts set forth in the original or a subsequently amended statement.

(6) Providing a copy of the Brown Act to each Director, and to each person appointed to serve as a Director who has not assumed the duties of office.

(7) Having such other duties as may be prescribed by Resolution of the Board or these Bylaws.

9.4 Subordinate Officers.

The Board may empower the Chief Executive Officer to select and employ such other non-Board officers as CalOptima may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board or Chief Executive Officer may from time to time determine.

ARTICLE X
EXECUTION OF INSTRUMENTS

10.1 Contracts and Instruments.

a. The Board may authorize any officer or officers, agent or agents, employee or employees to enter into any contract or execute any instrument in the name of and on behalf of the Board, and this authority may be general or confined to specific instances; and, unless so

authorized or ratified by the Board, no officer, agent, or employee shall have any power or authority to bind CalOptima by any contract or engagement or to render it liable for any purpose or for any amount.

b. Notwithstanding the foregoing Section 9.1(a), the Chief Executive Officer is hereby authorized to enter into any contract or execute any instrument in the name of and on behalf of CalOptima pursuant to policies established by the Board.

c. The Clerk shall have the authority to attest to the signatures of those individuals authorized to enter into contracts or execute instruments in the name of and on behalf of CalOptima and to certify the incumbency of those signatures.

10.2 Checks, Drafts, Evidences of Indebtedness

All checks, drafts or other orders for payment of money, notes or other evidences issued in the name of or on behalf of CalOptima or payable to the order of CalOptima, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by Resolution of the Board.

ARTICLE XI CLAIMS AND JUDICIAL REMEDIES

11.1 Claims

CalOptima is subject to Division 3.6 of Title 1 of the California Government Code, pertaining to claims against public entities. The Chief Executive Officer or designee is authorized to perform those functions of the Board specified in Part 3 of that Division, including the allowance, compromise or settlement of any claims if the amount to be paid from CalOptima's treasury does not exceed \$50,000.00 per individual claim, or \$300,000 total per lawsuit, demand, or arbitration matter. Any allowance, compromise or settlement of any claim in which the amount to be paid from CalOptima's treasury exceeds \$10,000 per individual claim shall be approved personally by the Chief Executive Officer, rather than their designee.

11.2 Judicial Review

Section 1094.6 of the Code of Civil Procedure shall govern the rights of any person aggrieved by any decision of the Board or CalOptima.

11.3 Claims Procedure

Notwithstanding any exceptions contained in Section 905 of the Government Code, no action based on a claim shall be brought against CalOptima unless presented to CalOptima within the time limitations and in the manner prescribed by Section 910 through 915.2 of the Government Code. Such claims shall further be subject to Section 945.4 of the Government Code.

ARTICLE XII
CONFLICTS OF INTEREST

12.1 Conflict of Interest Code.

The Board shall by Resolution adopt and, from time to time may amend, a Conflict of Interest Code for CalOptima as required by applicable statutes and regulations.

12.2 Disqualifying Interest in Contracts.

a. Pursuant to Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code, a Director shall not be financially interested in any contract made by the Director in their official capacity, or by the Board. Nor shall a Director be a purchaser or vendor at any sale or purchase made by them in their official capacity.

b. Notwithstanding the foregoing Section 12.2(a), a Director shall not be deemed to be interested in a contract entered into by CalOptima within the meaning of Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code if all of the following requirements set forth in Welfare and Institutions Code section 14087.57 apply:

- (1) The Director was appointed to represent the interests of physicians, health care practitioners, hospitals, pharmacies or other health care organizations.
- (2) The contract authorizes the Director or the organization the member represents to provide services to Medi-Cal beneficiaries under CalOptima's program.
- (3) The contract contains substantially the same terms and conditions as contracts entered into with other individuals and organizations that the Director was appointed to represent.
- (4) The Director does not influence or attempt to influence the Board or another Director to enter into the contract in which the member is interested.
- (5) Director discloses the interest to the Board and abstains from voting on the contract.
- (6) The Board notes the Director's disclosure and abstention in its official records and authorizes the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the interested Director.

ARTICLE XIII
MISCELLANEOUS

13.1 Purchase, Hiring, and Personnel.

The Board shall by Resolution adopt and, from time to time may amend, procedures, practices and policies for purchasing and acquiring the use of equipment and supplies, acquiring, constructing and leasing real property and improvements, hiring employees, managing its personnel and for all other matters, in the determination of the Board, as are necessary and appropriate for the proper conduct of CalOptima's activities and affairs and the furtherance of its authorized purposes. Copies of all such procedures, practices and policies shall be maintained with the minutes of proceedings of the Board.

13.2 Insurance.

CalOptima shall procure and maintain property, casualty, indemnity and workers' compensation insurance, including without limitation directors' and officers' liability and professional liability coverage, in such amounts and with such carriers as the Board shall from time to time determine shall be prudent in the conduct of its activities; provided that the Board is authorized to arrange the provision of self-insurance or participate in consortia or similar associations to obtain coverage in lieu of commercial coverage.

13.3 Indemnification and Defense.

a. With respect to any civil claim or action against a Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, for an injury arising out of an act or omission occurring within the scope of such person's duties, CalOptima shall indemnify, hold harmless and defend such persons to the full extent permitted or required under applicable sections of the California Tort Claims Act. (Gov. Code§ 810 et seq.; see, e.g. Gov. Code§§ 825, 825.2, 825.4, 825.6, 995.4, 995.6 and 995.8.)

b. Nothing herein shall be construed to require CalOptima to indemnify and hold harmless any Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, if CalOptima has elected to conduct the defense of such person(s) pursuant to an agreement reserving CalOptima's rights not to pay a judgment, compromise or settlement until it is established that the injury arose out of an act or omission occurring within the scope of their duties with CalOptima.

13.4 Bonds.

All Directors, as well as all officers, employees and agents or representatives of CalOptima designated by the Board, shall obtain fidelity bonds as required by law and as the Board shall determine is prudent in the conduct of its activities and the activities of such officers, employees, and other designated agents or representatives of CalOptima.

13.5 Public Records.

a. All documents and records of CalOptima, not exempt from disclosure by applicable law, shall be public records under the California Public Records Act (Gov. Code § 6250 et seq.)

b. Any authorized representative of the County shall have the absolute right to inspect and copy all books, records and documents of every kind of CalOptima to determine compliance with the provisions of Section 4-11-7 of the Ordinance, provided such inspection is conducted at a reasonable time following reasonable notice.

13.6 Submission of Bylaws to Board of Supervisors.

The Clerk shall deliver a certified copy of these Bylaws, and any amendments thereto, to the Board of Supervisors.

13.7 Conflict Between Bylaws and Ordinance.

In the event of a conflict between these Bylaws and the Ordinance, the applicable provisions of the Ordinance shall govern.

ARTICLE XIV
AMENDMENT

These Bylaws may be amended or repealed by the affirmative vote of at least two-thirds (2/3) of the authorized number of Directors at any Board meeting. Such amendments or repeal shall be effective immediately, except as otherwise indicated by the Board. The Clerk shall deliver a certified copy of any amendment or repeal of these Bylaws to the Board of Supervisors promptly following the Board meeting at which such amendment or repeal was adopted.

CERTIFICATE OF CLERK

I, the undersigned, do hereby certify:

That I am the duly appointed, qualified and acting Clerk of the Board of Directors for Orange Prevention and Treatment Integrated Medical Assistance ("CalOptima"), a special commission of the County of Orange created pursuant to Section 14087 .54 of the Welfare and Institutions Code, and Ordinance No. 3896 of the County of Orange, and

That the foregoing Bylaws attached hereto, comprising 24 pages, including this page, constitute a true, complete and correct copy of the current Bylaws of CalOptima, as duly adopted by the Board of Directors of CalOptima at a regular meeting, duly called and held on the _____ day of _____ at _____, California.

Dated: _____

Clerk

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 4, 2022 Regular Meeting of the CalOptima Board of Directors

Report Item

15. Approve Amendments to CalOptima Bylaws

Contacts

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

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

Recommended Action

Approve amendments to CalOptima bylaws (Bylaws), effective August 4, 2022.

Background

CalOptima's Bylaws were formally adopted by the CalOptima Board of Directors (Board) on December 6, 1994. The Bylaws set forth the Board's purpose and provided direction to its proceedings. They also provided for the establishment of Board Committees and advisory committees.

Discussion

The Bylaws have served the Board and CalOptima staff for nearly 28 years and have not been amended since initial adoption. To modernize the Bylaws and to be consistent with similar public agency health plans, staff recommends the following amendments:

- **Add section 4.8: Prohibition on CalOptima Employment**
A Director who is also a member of the Board of Supervisors may not be employed by CalOptima for a period of one year after the Director's term expires, or after the Director resigns or is removed from the Board.
- **Amend section 11.1: Claims**
CalOPTIMA is subject to Division 3.6 of Title 1 of the California Government Code, pertaining to claims against public entities. The Chief Executive Officer or designee is authorized to perform those functions of the Board specified in Part 3 of that Division, including the allowance, compromise, or settlement of any claims if the amount to be paid from CalOPTIMA's treasury does not exceed \$50,000 per individual claim, or \$300,000 total per lawsuit, demand, or arbitration matter. Any allowance, compromise or settlement of any claim in which the amount to be paid from CalOPTIMA's treasury exceeds \$10,000 per individual claim shall be approved personally by the Chief Executive Officer, rather than ~~his or her~~their designee.

In addition to the material changes above, staff recommends adding a definition for the term "resolution" and non-substantive grammatical edits.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

The recommended amendments to the Bylaws modernize the Bylaws to serve the Board and the CalOptima staff into the future.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Amended Bylaws](#)

/s/ Michael Hunn
Authorized Signature

07/28/2022
Date

BYLAWS
OF
ORANGE COUNTY HEALTH AUTHORITY
ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL
ASSISTANCE

ARTICLE I
DEFINITIONS

1.1 "Ad Hoc Committee" means a committee or work group composed solely of Directors which are less than a quorum of the Board, which does not have continuing subject matter jurisdiction, and does not have a meeting schedule fixed by charter, ordinance, Resolution or other formal action of the Board.

1.2 "Board" means the Board of Directors of CalOPTIMA.

1.3 "Board of Supervisors" means the Board of Supervisors of the County of Orange.

1.4 "Brown Act" means the Ralph M. Brown Act (Gov. Code § 54950 et. seq.).

1.5 "Bylaws" means the bylaws of CalOPTIMA.

1.6 "Chair" means the Chairperson of the Board of Directors.

1.7 "Chief Executive Officer" means the non-Board officer designated in Section 9.1 of these Bylaws.

1.8 "Committee" shall include both committees and subcommittees of the Board, unless otherwise specified. "Committee" shall not include "Ad Hoc Committees." The Advisory Committees specified in Section 4-11-15 of the Ordinance are Committees.

1.9 "County" means the County of Orange.

1.10 "Director" means a member of the Board of Directors of CalOPTIMA.

1.11 "CalOPTIMA" means the Orange County Health Authority, doing business as Orange Prevention and Treatment Integrated Medical Assistance.

1.12 "Ordinance" means Ordinance No. 3896 of the County of Orange, adding Division 11 to Title 4 of the codified ordinances of the County of Orange.

1.13 “Resolution” means any action taken by the Board which requires a vote and is thereafter evidenced in the Board meeting minutes.

ARTICLE II ORGANIZATION, POWERS AND PURPOSES

2.1 Authority.

a. These Bylaws are adopted by CalOPTIMA to establish rules for its proceedings pursuant to the authority of Section 4-11-13 of the Ordinance. CalOPTIMA is a local public agency and political subdivision of the State of California created by the Ordinance, pursuant to authority for such creation conferred by Welfare and Institutions Code section 14087.54.

b. CalOPTIMA is an entity separate and distinct from the County. Any obligations of CalOPTIMA, statutory, contractual or otherwise, shall be the obligations solely of CalOPTIMA and shall not be the obligations of the County or of the State of California unless expressly provided for in a contract between CalOPTIMA and the County or State of California.

2.2 Purposes.

The purposes of CalOPTIMA are as set forth in the Ordinance.

2.3 Powers.

a. CalOPTIMA shall have and enjoy all rights, powers, duties, privileges and immunities vested in the County pursuant to Article 2.8 (commencing with Section 14087.5) of Chapter 7, Part 3 of Division 9 of the Welfare and Institutions Code, and shall have and enjoy such other rights, powers, duties, privileges and immunities as provided in applicable law or which are necessary and proper to carry out the purposes of CalOPTIMA.

b. Without limiting the generality of Section 2.3(a), CalOPTIMA shall have the right to:

- (1) Acquire, possess and dispose of real or personal property, as may be necessary for the performance of its functions.
- (2) Contract for services to meet its obligations.
- (3) Employ personnel.
- (4) To sue and be sued.
- (5) To adopt a seal and file such seal with the office of the County Clerk and Secretary of State.

- (6) Borrow such funds as may be necessary and proper.
- (7) Other powers as may be specified in the Ordinance and by other provisions of law.

ARTICLE III OFFICES

3.1 Principal Office.

The principal office for the transaction of business of CalOPTIMA shall be fixed and located at a location within the County designated by the Board.

ARTICLE IV BOARD OF DIRECTORS

4.1 Powers.

The Board of Directors is the governing body of CalOPTIMA. Except as otherwise provided by the Ordinance or these Bylaws, the powers of CalOPTIMA shall be exercised, its property controlled and its business and affairs conducted by or under the direction of the Board. The Board may delegate the management of CalOPTIMA's activities to any person(s) or Committees, however composed, provided that all the activities and affairs of CalOPTIMA shall be managed and all powers shall be exercised under the ultimate direction of the Board. No assignment, referral or delegation of authority by the Board shall preclude the Board from exercising full authority over the conduct of CalOPTIMA's activities, and the Board may rescind such assignment, referral or delegation at any time.

4.2 Number and Qualifications of Directors.

The number and qualifications of Directors are as set forth in the Ordinance.

4.3 Term of Office.

a. The Board of Supervisors shall establish the term of office for the Director who is also a member of the Board of Supervisors, which term shall not exceed four years or other length of time established by amendment to Section 4-11-12 of the Ordinance.

b. The term of office for the Directors who are not also members of the Board of Supervisors shall be four (4) years; provided, however, that the terms of the original Directors shall be staggered to provide that one-half of those original Directors shall serve a term of three (3) years and the other half shall serve a full term of four (4) years to ensure continuity of policy. The initial appointment terms for such Directors shall be drawn by lots.

c. Directors may serve for a maximum of two (2) terms.

d. An orientation shall be provided which familiarizes each new Director with their duties and responsibilities.

e. In accordance with the Brown Act, any person appointed to serve as a Director who has not yet assumed the duties of their office shall conform their conduct to the requirements of Article 5 below.

4.4 Attendance and Participation.

a. Directors must attend the regular and special meetings of the Board and of Committees to which they are appointed and shall contribute their time and special abilities as may be required for the benefit of CalOPTIMA. If a Director is unable to attend a meeting, he or she shall so inform the Clerk giving the reason therefor, and the Clerk shall in turn inform the Chair who may rule in their sole and absolute discretion that the absence shall be excused. Alternatively, the Chair may recommend to the Board that the absence be deemed unexcused, and the Board shall make the final determination as to whether the absence shall be excused.

b. Failure of a Director to attend a regular or special meeting of the Board, or of Committees to which he or she is appointed, without first notifying the Clerk of an inability to attend the meeting shall, except in cases of emergency or extreme hardship (as determined by the Chair in their sole absolute discretion), be treated as an unexcused absence.

4.5 Vacancies.

With the exception of the Director appointed by the Board of Supervisors who is also a County Supervisor, appointments to the Board are based on the Director's representation of a particular group, such as health care providers or other organizations. A seat on the Board shall become vacant if a Director no longer is a member of, no longer represents, the group that qualified the Director for an appointment to the Board, or otherwise is no longer eligible under applicable law to serve as a Director. Vacancies shall be filled by the Board of Supervisors for the remainder of the unexpired term in accordance with the Ordinance.

4.6 Resignation and Removal.

a. Any Director may be removed from office by a majority vote of the Board of Supervisors favoring such removal.

b. Any Director may resign effective upon giving written notice to the Chair, the Clerk of the Board, and the Clerk of the Board of Supervisors, unless the notice specifies a later time for the effectiveness of such resignation.

c. If a Director has unexcused absences from three consecutive regular meetings or from three of any five consecutive meetings of the Board, the Board may pass a Resolution which recommends that the Board of Supervisors immediately remove such Director from the Board and appoint a successor to fill the remainder of the unexpired term.

4.7 Expenses.

Board members shall be reimbursed for their reasonable traveling, incidental and other expenses, when traveling outside the County, and incurred in the performance of official business of CalOPTIMA, in accordance with a policy as approved by the Board.

4.8 Prohibition on CalOptima Employment

A Director who is also a member of the Board of Supervisors may not be employed by CalOptima for a period of one year after the Director's term expires, or after the Director resigns or is removed from the Board.

ARTICLE V
BOARD MEETINGS

5.1 Board Meeting.

a. A meeting of the Board is any congregation of a majority of the Directors at the same time and place to hear, discuss or deliberate upon any item that is within the subject matter jurisdiction of the Board.

b. A meeting of the Board is also the use of direct communication, personal intermediaries or technological devices that are employed by a majority of the Directors to develop a collective concurrence as to action to be made on an item by the Directors.

c. A meeting of the Board shall not be construed to exist when any of the following occur:

(1) A Director makes individual contact with any person not a Director.

(2) The attendance of a majority of the Directors at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies with similar functions or interests as CalOPTIMA, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOPTIMA's subject matter jurisdiction.

(3) The attendance of a majority of the Directors at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than CalOPTIMA, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOPTIMA's subject matter jurisdiction.

(4) The attendance of a majority of the Directors at an open and noticed meeting of the legislative body of another local public agency, provided that a majority of the Directors do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within CalOPTIMA's subject matter jurisdiction.

(5) The attendance of a majority of the Directors at a purely social or ceremonial occasion, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOPTIMA's subject matter jurisdiction.

5.2 Regular Meetings.

a. Regular meetings of the Board shall be held at a location as may be designated by Board action from time to time by the Board.

b. The Board shall conduct an annual organizational meeting at a regular meeting to be designated in advance by the Board. At the annual organizational meeting, the Board shall:

(1) Adopt a schedule stating the dates, times and places of the Board's regular meetings for the following year. A tentative proposed schedule for the Board's regular meetings shall have been distributed at the regular Board meeting preceding the organizational meeting.

(2) Organize itself by the election of one of its Directors as Chair and one as Vice Chair, and by the election of such other officers as the Board may deem appropriate.

5.2 Notice and Meeting: Agendas.

a. The Chief Executive Officer shall prepare, or cause to be prepared, an agenda for every regular and special meeting of the Board, which shall set forth the time and location of the meeting, and a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of the item generally need not exceed twenty (20) words.

b. At least 72 hours before a regular meeting, the Chief Executive Officer shall cause to be posted the agenda for the meeting in a location that is freely accessible to members of the public.

c. Action may be taken by the Board only on items appearing on the posted agenda. "Action taken" means a collective decision, collective commitment or promise made by a majority of the Directors to make a positive or negative decision, or an actual vote by a majority of the Directors upon a motion, proposal, Resolution or order. No action shall be taken on any item not appearing on the posted agenda, unless one of the following conditions exists:

(1) The Board has determined, by a majority vote, that an emergency situation exists. An emergency situation, for purposes of these Bylaws, means either: (a) a work stoppage

or other activity which severely impairs public health, safety, or both, or (b) a crippling disaster which severely impairs public health, safety, or both.

(2) Upon a determination by a two-thirds vote of the Board, or, if less than two-thirds of the Directors are present, a unanimous vote of those Directors present, that there is a need to take immediate action and that the need for action came to the attention of the Board subsequent to the agenda being posted.

(3) The item was posted, as required above, for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which the action is being taken.

(4) The Board may briefly respond to statements made or questions posed by the public at the meeting. In addition, on its own initiative, or in response to questions posed by the public, the Board may ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to the Board at a subsequent meeting. Furthermore, a Director or the Board itself may take action to place a matter of business on a future agenda.

d. Except as specified in Sections 5.3(d)(1) and 5.5(b) below, the Clerk shall give mailed notice of every regular meeting, and any special meeting which is called, at least one week prior to the date set for the meeting, to any person who has filed a written request for such notice with the Board.

(1) The Board may give such notice as it deems practical of special meetings called less than seven (7) days prior to the date set for the meeting, or in the case of an emergency meeting, telephonic notice in accordance with Section 5.5(b).

(2) Any request for notice shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed. Renewal requests for notice shall be filed within ninety (90) days after January 1 of each year. The Board may establish by Resolution a reasonable annual charge for sending such notice based on the estimated cost of providing such service.

5.4 Members of the Public.

a. Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by section 5.3.

b. The Chair may adopt reasonable regulations to insure that the intent of this section is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. If further public discussion and comment is needed on a particular issue, the Board may vote to allot further time in the same meeting, or allot time in the agenda of the following meeting.

c. Members of the public shall not be required, as a condition of attendance at a Board meeting, to register their name or provide other information. If an attendance list, register or other similar document is posted or circulated at the meeting, it shall state clearly that the signing, registering or completion of the document is voluntary and that all persons may attend the meeting regardless of whether a person does so.

d. The Board shall not prohibit public criticism of the policies, procedures, programs or services of CalOPTIMA or the acts or omissions of the Board or its officers, employees and/or consultants.

5.5 Special Meetings.

a. A special meeting may be called at any time by the Chair, or by four Directors, by delivering personally or by mail written notice to each Director and to each local newspaper of general circulation, radio or television station requesting notice in writing.

(1) Such notice must be delivered personally or by mail at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at special meetings.

(2) The call and notice shall also be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. Notice shall be required pursuant to this section 5.5 regardless of whether any action is taken at the special meeting.

(3) Such written notice may be dispensed with as to any Director who, at or prior to the time the meeting convenes, files with the Clerk a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any Director who is actually present at the meeting at the time it convenes.

b. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement, or both requirements. For purposes of this section, "emergency situation" shall have the same meaning as in Section 5.3(c)(1).

(1) In the event the notice and/or posting requirements are dispensed with due to an emergency situation, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified by the Chair, or their designee, one hour prior to the emergency meeting, by telephone. All telephone numbers provided in the most recent request of such newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the Board, or its designee, shall notify those newspapers, radio stations or television stations

of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(2) Notwithstanding Section 5.8(b) of these Bylaws, the Board shall not meet in closed session during a meeting called as an emergency meeting. With the exception of the 24-hour notice and posting requirements, all special meeting requirements prescribed in this section shall be applicable to a meeting called due to an emergency situation.

(3) The minutes of a meeting called due to an emergency situation, a list of persons who the Chair, or his designee, notified or attempted to notify, a copy of the roll call vote, and any actions taken at the meeting shall be posted for a minimum of ten days in a public place as soon after the meeting as possible.

5.6 Quorum and Action at Board Meeting.

a. A majority of the Directors shall constitute a quorum for the transaction of business. Except as otherwise provided by law or these Bylaws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. No act of the Board shall be valid unless at least a majority of those Directors constituting a quorum concur therein. Any act of the Board shall be accomplished by a roll call vote when such a vote is requested by any Director in attendance. The Board shall not take action by secret ballot, whether preliminary or final.

b. The Board shall adopt a form of agenda for its regular and special meetings which may include consent, individual action, public, and board comments sections.

c. Items on the meeting agenda shall be considered in order by the Board unless the Chair shall announce a change in the order of consideration.

d. Unless an agenda item specifies a particular source for a report, the Chief Executive Officer, Board staff and consultants shall report first on the item. The item shall then be open to public comment upon recognition of the speaker by the Chair.

e. A Director shall disqualify himself or herself from voting on any matter before the Board, and shall take further appropriate action to remove himself or herself from Board consideration of any such matter, when required pursuant to the provisions of Article XII of these Bylaws or applicable law.

5.7 Adjournment and Continuance.

a. The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If no Directors are present at a meeting, the Clerk may declare the meeting adjourned to a stated time and place and shall cause written notice to be given in the same manner as provided in section 5.5 of these Bylaws for special meetings, unless such notice

is waived as provided for special meetings.

b. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

c. The Board may continue any hearing being held or noticed or ordered to be held at any meeting to a subsequent meeting by order or notice of continuance provided in the same manner as set forth above for the adjournment of meetings; provided, that if the meeting is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

5.8 Public Meetings.

a. Meetings of the Board shall be open to the public, except as otherwise provided herein.

b. The Board may hold closed sessions during a meeting for the following purposes:

(1) To consider the appointment, employment, evaluation of performance or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session. As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of their right to have the complaint or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the Board against the employee based on the specific complaints or charges in the closed session shall be null and void. The Board may exclude from that public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the Board. The term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any Director or other independent contractor. During the closed session, the Board shall not discuss or act on an employee's proposed compensation except for a reduction of compensation that results from the imposition of discipline.

(2) To meet with its designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees and for represented employees, any other matter within the statutorily-provided scope of representation. "Employee" shall have the same meaning for this closed session as described in section 5.8(b)(1) above. During the closed session, the Board may include discussions with CalOPTIMA's designated representatives of CalOPTIMA's available funds and funding priorities, but only as these discussions relate

to providing instructions to the designated representatives.

(3) To meet with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for CalOPTIMA, or to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease. However, prior to the closed session, the Board shall hold an open and public session in which it identifies the real property or real properties which the negotiations may concern and the person or persons with whom its negotiator may negotiate. For the purposes of this section, the negotiator may be a Director, and "lease" includes renewal or renegotiation of a lease.

(4) Based on advice of its legal counsel, to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of CalOPTIMA in the litigation. Prior to holding a closed session pursuant to this section, the Board shall state on the agenda or publicly announce the subdivision of Government Code section 54956.9 that authorizes the closed session. If the session is closed because of litigation to which CalOPTIMA is a party has been formally initiated, the Board shall state the title of or otherwise specifically identify the litigation to be discussed, unless the Board states that to do so would jeopardize CalOPTIMA's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage. For purposes of this section, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator. For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

- (a) Litigation to which CalOPTIMA is a party has been formally initiated.
- (b) (i) A point has been reached where, in the opinion of the Board on the advice of its legal counsel, based on existing facts and circumstances, there is significant exposure to litigation against CalOPTIMA, or

(ii) based on existing facts and circumstances, the Board is meeting only to decide whether a closed session is authorized under subparagraph (b)(1) above.
- (c) Based on existing facts and circumstances, the Board has decided to initiate or is deciding whether to initiate litigation.

(5) Any other closed session authorized pursuant to applicable state or federal law or regulation.

c. Prior to holding any closed session, the Board must disclose, in an open meeting, the item or items to be discussed in the closed session. The Board may use the sample closed session agenda descriptions contained in the Brown Act (Gov. Code § 54954.5). The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the

agenda. In the closed session, only those matters covered in the statement can be considered by the Board.

d. After any closed session, the Board shall reconvene into open session prior to adjournment and shall make any disclosures required by the Brown Act concerning final actions.

5.9 Disrupted Meetings.

In the event that any meeting is interrupted by a group or groups of persons rendering the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who were willfully interrupting the meeting, the Board may order the meeting room closed and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. The Board may establish a procedure for readmitting an individual or individuals not responsible for willfully disrupting the orderly conduct of the meeting.

5.10 Minutes.

The Clerk or designee shall prepare minutes of each meeting of the Board. Except as otherwise provided in the Brown Act for minutes of closed sessions, the minutes shall be an accurate summary of the Board's consideration of the matters before it and an accurate record of each action of the Board. Except for minutes of closed sessions, at a subsequent meeting, the Clerk shall submit the minutes to the Board for approval by a majority vote of the Directors in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk or designee to the Chief Executive Officer.

ARTICLE VI BOARD COMMITTEES

6.1 Establishment: Appointment of Committee Members.

a. All Committees shall be established by these Bylaws or by Board action, and shall be established for any purpose as the Board deems necessary or beneficial in accomplishing the purposes of CalOPTIMA.

b. Committees shall be subject to the requirements of the Brown Act.

c. The Chair may designate alternate members of any Committee to stand in for any absent Director at any meeting of the Committee. The chair of each Committee shall be appointed by the Chair of the Board, except that the Chair of each of the Advisory Committees shall be elected by the Board

d. All Committees shall be advisory only to the Board unless otherwise specifically authorized to act by the Board.

6.2 Ad Hoc Committees.

- a. Ad Hoc Committees may be appointed by the Chair for special tasks as circumstances warrant, and shall be composed solely of Directors, and upon completion of the task for which appointed, such Ad Hoc Committee shall stand discharged. Some of the functions that may be the topic of Ad Hoc Committees include, but are not limited to, the review of new projects, the review of special Bylaw changes or the review of the Bylaws periodically, meeting with other public agencies or health facilities on a specific topic, and the evaluation of the Board.
- b. The Chair shall make assignments to Ad Hoc Committees to assure that each Director shall have equal participation on Ad Hoc Committees throughout the year.
- c. Ad Hoc Committees shall always be advisory in nature.

6.3 Advisors.

A chair of a Committee or an Ad Hoc Committee may invite individuals with expertise in a pertinent area to meet with and assist the Committee or Ad Hoc Committee. Such advisors shall not vote or be counted in determining the existence of a quorum and may be excluded from any Committee session not otherwise open to the public.

6.4 Meetings and Notice.

- a. Regular meetings of Committees shall be held at such times and places as are determined by the Board. Special meetings of Committees may be held at any time and place as may be designated by the Chair or the chair of the Committee, or by a majority of the voting members of the Committee.
- b. Regular and special meetings of a Committee shall be noticed in accordance with sections 5.3 and 5.5, respectively, of these Bylaws.
- c. Meetings of Ad Hoc Committees shall be noticed as directed by the chair of the Ad Hoc Committee.

6.5 Quorum.

A majority of the members of a Committee or Ad Hoc Committee shall constitute a quorum for the transaction of business at any meeting of such Committee or Ad Hoc Committee. Each Committee and Ad Hoc Committee shall keep minutes of its proceedings and shall report periodically to the Board.

6.6 Manner of Acting.

The act of a majority of the members of a Committee or Ad Hoc Committee present at a meeting at which a quorum is present shall be the act of the Committee or Ad Hoc Committee so meeting. Regular and special meetings of Committees shall be conducted in accordance with

applicable provisions of Article V of these Bylaws. Ad Hoc Committee action may be taken without a meeting by a writing setting forth the action so taken signed by each member of the Ad Hoc Committee entitled to vote.

6.7 Tenure.

Each member of a Committee or Ad Hoc Committee shall hold office until a successor is appointed. Any member of an Ad Hoc Committee may be removed at any time by the Chair. The Board may remove any member of a Committee. A Director shall cease to hold membership in an Ad Hoc Committee upon ceasing to be a Director.

6.8 Minutes.

The Clerk or designee shall prepare minutes of each meeting of every Committee. The minutes shall accurately summarize the consideration of all matters, and shall accurately record all action taken. At a subsequent meeting, the Clerk shall submit the minutes to the Committee for approval by a majority vote of the members in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk to the Board and Chief Executive Officer.

ARTICLE VII
ADVISORY COMMITTEES

7.1 Establishment.

a. The Board may establish and appoint Advisory Committees for any purpose that will be necessary and beneficial in accomplishing the work of CalOPTIMA, in a number and with qualifications as set forth in the Resolution of the Board establishing the Advisory Committee or the policy governing such Advisory Committee.

b. The following Advisory Committees are hereby established and appointed:

1. Provider Advisory Committee.
2. Member Advisory Committee.

7.2 Purpose.

Advisory Committees of CalOPTIMA shall be solely advisory in nature. As directed by the Board they are:

- (1) Intended to provide advice and recommendations to the Board on issues concerning the CalOPTIMA program.
- (2) To engage in study and research on issues assigned to them by the Board.

(3) To assist the Board in obtaining public opinion on issues related to the CalOPTIMA program.

(4) To facilitate community outreach for CalOPTIMA and the Board.

7.3 Policy

The Board shall by Resolution adopt and, from time to time may amend, a policy setting forth member qualifications, requirements for meetings (including compliance with the Brown Act), items of procedure, and other matters relating to the overall operations and purposes of Advisory Committees established by the Board.

ARTICLE VIII OFFICERS OF THE BOARD OF DIRECTORS

8.1 Chair.

a. The Board shall elect one of its Directors as Chair at an organizational meeting. In the event of a vacancy in the office of Chair, the Board may elect a new Chair.

b. The Chair shall be the principal officer of the Board, and shall preside at all meetings of the Board. The Chair shall appoint all members of the Ad Hoc Committees, as well as the chair of the Ad Hoc Committees and all Committees other than the Member and Provider Advisory Committees. In addition, the Chair shall perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time.

8.2 Vice Chair.

The Board shall elect one of its Directors as Vice Chair at an organizational meeting. The Vice Chair shall perform the duties of the Chair if the Chair is absent from the meeting or is otherwise unable to act. If both the Chair and Vice Chair are absent from the meeting, or are unable to act, the Directors present at the meeting shall select one of the Directors present to act as temporary Chair, who, while so acting, shall have all of the authority of the Chair.

8.3 Tenure.

Each officer described above in this Article VIII shall serve a one (1) year term, commencing on the first day of the month after the organizational meeting at which he or she is elected to the position. Each officer shall hold office until the end of the one (1) year term, or until a successor is elected, unless he or she shall sooner resign or be removed from office.

8.4 Vacancies, Removal and Resignation.

a. A vacancy in any office for any cause whatsoever shall be filled by Resolution of the Board at any regular or special meeting of the Board.

b. An officer described above may be removed from office by the affirmative vote of four Directors, not counting the affected Director. In addition, an officer described above will automatically be removed from office when their successor is selected and is appointed as a Director.

c. Any officer may resign effective on giving written notice to the Clerk, unless the notice specifies a later time for their resignation to become effective. Upon receipt of such notice, the Clerk shall notify the Chair thereof and shall enter the notice in the proceedings of the Board.

8.5 Other Officers.

The Board may designate such other officers of the Board as the Board may from time to time determine that CalOPTIMA requires and may elect one of its Directors to discharge the duties of any such office.

ARTICLE IX OTHER OFFICERS

9.1 Chief Executive Officer.

a. The Board shall select and employ a Chief Executive Officer, who shall report to the Board and who shall be the Board's direct executive representative in the development and management of the affairs of CalOPTIMA. The Chief Executive Officer shall serve at the pleasure of the Board, subject to the provisions of any contract of employment between CalOPTIMA and the Chief Executive Officer.

b. The Chief Executive Officer shall have such duties and responsibilities as the Board may from time to time reasonably direct. Without limiting the generality of the foregoing, the Chief Executive Officer shall be responsible for:

(1) Implementing the policies, procedures and practices of CalOPTIMA as adopted by the Board.

(2) Acting as the duly authorized representative of CalOPTIMA in all matters in which the Board has not formally designated some other person to act.

(3) Managing and directing the operations of CalOPTIMA, including responsibility for sound personnel, financial, accounting, legal and statistical information practices, such as preparation of CalOPTIMA budgets and forecasts, maintenance of proper financial and other statistical records, collection of data required by governmental and accrediting agencies, and special studies and reports required for efficient operation of CalOPTIMA problems.

(4) Providing leadership by promoting morale and resolving conflicts and problems

- (5) Implementing community relations activities, including, public appearances, responsive communication with the media.
- (6) Developing and maintaining positive ongoing relations with local, State and federal government officials and agencies.
- (7) Assisting the Board in planning services and facilities and informing the Board of governmental legislation and regulations and requirements of official agencies and accrediting bodies, which affect the planning and operation of the facilities, services and programs sponsored by CalOPTIMA, and maintaining appropriate liaison with government and accrediting agencies and implementing actions necessary for compliance.
- (8) Employing and discharging (subject to the pleasure of the Board, any contract of employment, and CalOPTIMA personnel employment policies), such subordinate officers and employees as are necessary for the purpose of carrying on the normal functions of CalOPTIMA.
- (9) Administrating all contracts to which CalOPTIMA is a party.
- (10) Providing the Board, Committees, and Ad Hoc Committees with adequate staff support.
- (11) Sending periodic reports to the Board on the overall activities of CalOPTIMA and CalOPTIMA's finances and financial status, as well as pertinent federal, state and local developments that effect CalOPTIMA's operations.
- (12) Maintaining insurance or self-insurance to cover the physical properties and activities of CalOPTIMA.
- (13) Developing, amending, promulgating and implementing personnel policies for CalOPTIMA.

9.2 Chief Financial Officer.

a. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business or financial transactions of CalOPTIMA, shall prepare or cause to be prepared financial statements as law or these Bylaws require. The books of account shall at all times be open to inspection by any Director.

b. The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of CalOPTIMA with depositories designated by the Board. The Chief Financial Officer shall disburse the funds of CalOPTIMA as ordered or authorized by the Board, shall render to the Chair and Directors, whenever they request it, an account of all transactions and of the financial condition of CalOPTIMA, and shall have other powers and perform other

duties as prescribed by the Board and/or the Chief Executive Officer.

9.3 Clerk.

a. The Clerk shall have the following duties:

- (1) Keeping a book of the minutes of all meetings of the Board at the principal office of CalOPTIMA or other place ordered by the Board, and of its Committees.
- (2) Giving or causing to be given appropriate notices in accordance with these Bylaws or as required by law.
- (3) Attesting to the Chair's, Vice-Chair's, Chief Executive Officer's, or other authorized signatory's signature on documents executed on behalf of CalOPTIMA.
- (4) Acting as custodian of CalOPTIMA's records and reports and of CalOPTIMA's seal, if one is adopted.
- (5) Causing a statement meeting the requirements of Government Code section 53051 to be filed with the Secretary of State and the County Clerk to list CalOPTIMA on the "Roster of Public Agencies"; and causing an amended statement to be filed with the Secretary of State and County Clerk within ten (10) days of any change in the facts set forth in the original or a subsequently amended statement.
- (6) Providing a copy of the Brown Act to each Director, and to each person appointed to serve as a Director who has not assumed the duties of office.
- (7) Having such other duties as may be prescribed by Resolution of the Board or these Bylaws.

9.4 Subordinate Officers.

The Board may empower the Chief Executive Officer to select and employ such other non-Board officers as CalOPTIMA may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board or Chief Executive Officer may from time to time determine.

ARTICLE X
EXECUTION OF INSTRUMENTS

10.1 Contracts and Instruments.

a. The Board may authorize any officer or officers, agent or agents, employee or employees to enter into any contract or execute any instrument in the name of and on behalf of the Board, and this authority may be general or confined to specific instances; and, unless so

authorized or ratified by the Board, no officer, agent, or employee shall have any power or authority to bind CalOPTIMA by any contract or engagement or to render it liable for any purpose or for any amount.

b. Notwithstanding the foregoing Section 9. 1(a), the Chief Executive Officer is hereby authorized to enter into any contract or execute any instrument in the name of and on behalf of CalOPTIMA pursuant to policies established by the Board.

c. The Clerk shall have the authority to attest to the signatures of those individuals authorized to enter into contracts or execute instruments in the name of and on behalf of CalOPTIMA and to certify the incumbency of those signatures.

10.2 Checks, Drafts, Evidences of Indebtedness

All checks, drafts or other orders for payment of money, notes or other evidences issued in the name of or on behalf of CalOPTIMA or payable to the order of CalOPTIMA, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by Resolution of the Board.

ARTICLE XI CLAIMS AND JUDICIAL REMEDIES

11.1 Claims

CalOPTIMA is subject to Division 3.6 of Title 1 of the California Government Code, pertaining to claims against public entities. The Chief Executive Officer or designee is authorized to perform those functions of the Board specified in Part 3 of that Division, including the allowance, compromise or settlement of any claims if the amount to be paid from CalOPTIMA's treasury does not exceed \$50,000.00 per individual claim, or \$300,000 total per lawsuit, demand, or arbitration matter. ~~action~~ Any allowance, compromise or settlement of any claim in which the amount to be paid form CalOPTIMA's treasury exceeds \$10,000 per individual claim shall be approved personally by the Chief Executive Officer, rather than their designee.

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11.2 Judicial Review

Section 1094.6 of the Code of Civil Procedure shall govern the rights of any person aggrieved by any decision of the Board or CalOPTIMA.

11.3 Claims Procedure

Notwithstanding any exceptions contained in Section 905 of the Government Code, no action based on a claim shall be brought against CalOPTIMA unless presented to CalOPTIMA within the time limitations and in the manner prescribed by Section 910 through 915.2 of the Government Code. Such claims shall further be subject to Section 945.4 of the Government Code.

ARTICLE XII
CONFLICTS OF INTEREST

12.1 Conflict of Interest Code.

The Board shall by Resolution adopt and, from time to time may amend, a Conflict of Interest Code for CalOPTIMA as required by applicable statutes and regulations.

12.2 No Disqualifying Interest in Contracts.

A Director shall not be deemed to be interested in a contract entered into by CalOPTIMA within the meaning of Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code if all of the following requirements set forth in Welfare and Institutions Code section 14087.57 apply:

- a. The Director was appointed to represent the interests of physicians, health care practitioners, hospitals, pharmacies or other health care organizations.
- b. The contract authorizes the Director or the organization the member represents to provide services to Medi-Cal beneficiaries under CalOPTIMA's program.
- c. The contract contains substantially the same terms and conditions as contracts entered into with other individuals and organizations that the Director was appointed to represent.
- d. The Director does not influence or attempt to influence the Board or another Director to enter into the contract in which the member is interested.
- e. Director discloses the interest to the Board and abstains from voting on the contract.
- f. The Board notes the Director's disclosure and abstention in its official records and authorizes the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the interested Director.

ARTICLE XIII
MISCELLANEOUS

13.1 Purchase, Hiring, and Personnel.

The Board shall by Resolution adopt and, from time to time may amend, procedures, practices and policies for purchasing and acquiring the use of equipment and supplies, acquiring, constructing and leasing real property and improvements, hiring employees, managing its personnel and for all other matters, in the determination of the Board, as are necessary and

appropriate for the proper conduct of CalOPTIMA' s activities and affairs and the furtherance of its authorized purposes. Copies of all such procedures, practices and policies shall be maintained with the minutes of proceedings of the Board.

13.2 Insurance.

CalOPTIMA shall procure and maintain property, casualty, indemnity and workers' compensation insurance, including without limitation directors' and officers' liability and professional liability coverage, in such amounts and with such carriers as the Board shall from time to time determine shall be prudent in the conduct of its activities; provided that the Board is authorized to arrange the provision of self-insurance or participate in consortia or similar associations to obtain coverage in lieu of commercial coverage.

13.3 Indemnification and Defense.

a. With respect to any civil claim or action against a Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, for an injury arising out of an act or omission occurring within the scope of such person's duties, CalOPTIMA shall indemnify, hold harmless and defend such persons to the full extent permitted or required under applicable sections of the California Tort Claims Act. (Gov. Code§ 810 et seq.; see, e.g. Gov. Code§§ 825, 825.2, 825.4, 825.6, 995.4, 995.6 and 995.8.)

b. Nothing herein shall be construed to require CalOPTIMA to indemnify and hold harmless any Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, if CalOPTIMA has elected to conduct the defense of such person(s) pursuant to an agreement reserving CalOPTIMA's rights not to pay a judgment, compromise or settlement until it is established that the injury arose out of an act or omission occurring within the scope of their duties with CalOPTIMA.

13.4 Bonds.

All Directors, as well as all officers, employees and agents or representatives of CalOPTIMA designated by the Board, shall obtain fidelity bonds as required by law and as the Board shall determine is prudent in the conduct of its activities and the activities of such officers, employees, and other designated agents or representatives of CalOPTIMA.

13.5 Public Records.

a. All documents and records of CalOPTIMA, not exempt from disclosure by applicable law, shall be public records under the California Public Records Act (Gov. Code § 6250 et seq.)

b. Any authorized representative of the County shall have the absolute right to inspect and copy all books, records and documents of every kind of CalOPTIMA to determine compliance with the provisions of Section 4-11-7 of the Ordinance, provided such inspection is conducted at a reasonable time following reasonable notice.

13.6 Submission of Bylaws to Board of Supervisors.

The Clerk shall deliver a certified copy of these Bylaws, and any amendments thereto, to the Board of Supervisors.

13.7 Conflict Between Bylaws and Ordinance.

In the event of a conflict between these Bylaws and the Ordinance, the applicable provisions of the Ordinance shall govern.

ARTICLE XIV
AMENDMENT

These Bylaws may be amended or repealed by the affirmative vote of at least two- thirds (2/3) of the authorized number of Directors at any Board meeting. Such amendments or repeal shall be effective immediately, except as otherwise indicated by the Board. The Clerk shall deliver a certified copy of any amendment or repeal of these Bylaws to the Board of Supervisors promptly following the Board meeting at which such amendment or repeal was adopted.

CERTIFICATE OF CLERK

I, the undersigned, do hereby certify:

That I am the duly appointed, qualified and acting Clerk of the Board of Directors for Orange Prevention and Treatment Integrated Medical Assistance ("CalOPTIMA"), a special commission of the County of Orange created pursuant to Section 14087.54 of the Welfare and Institutions Code, and Ordinance No. 3896 of the County of Orange, and

That the foregoing Bylaws attached hereto, comprising 26 pages, including this page, constitute a true, complete and correct copy of the current Bylaws of CalOPTIMA, as duly adopted by the Board of Directors of CalOPTIMA at a regular meeting, duly called and held on the _____ day of _____, at _____, California.

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken August 4, 2022 Regular Meeting of the CalOptima Board of Directors

Report Item

15. Approve Amendments to CalOptima Bylaws

Contacts

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

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

Recommended Action

Approve amendments to CalOptima bylaws (Bylaws), effective August 4, 2022.

Background

CalOptima's Bylaws were formally adopted by the CalOptima Board of Directors (Board) on December 6, 1994. The Bylaws set forth the Board's purpose and provided direction to its proceedings. They also provided for the establishment of Board Committees and advisory committees.

Discussion

The Bylaws have served the Board and CalOptima staff for nearly 28 years and have not been amended since initial adoption. To modernize the Bylaws and to be consistent with similar public agency health plans, staff recommends the following amendments:

- **Add section 4.8: Prohibition on CalOptima Employment**
A Director who is also a member of the Board of Supervisors may not be employed by CalOptima for a period of one year after the Director's term expires, or after the Director resigns or is removed from the Board.
- **Amend section 11.1: Claims**
CalOPTIMA is subject to Division 3.6 of Title 1 of the California Government Code, pertaining to claims against public entities. The Chief Executive Officer or designee is authorized to perform those functions of the Board specified in Part 3 of that Division, including the allowance, compromise, or settlement of any claims if the amount to be paid from CalOPTIMA's treasury does not exceed \$50,000 per individual claim, or \$300,000 total per lawsuit, demand, or arbitration matter. Any allowance, compromise or settlement of any claim in which the amount to be paid from CalOPTIMA's treasury exceeds \$10,000 per individual claim shall be approved personally by the Chief Executive Officer, rather than ~~his or her~~their designee.

In addition to the material changes above, staff recommends adding a definition for the term "resolution" and non-substantive grammatical edits.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

The recommended amendments to the Bylaws modernize the Bylaws to serve the Board and the CalOptima staff into the future.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Amended Bylaws](#)

/s/ Michael Hunn
Authorized Signature

07/28/2022
Date

BYLAWS
OF
ORANGE COUNTY HEALTH AUTHORITY
ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL
ASSISTANCE

ARTICLE I
DEFINITIONS

1.1 "Ad Hoc Committee" means a committee or work group composed solely of Directors which are less than a quorum of the Board, which does not have continuing subject matter jurisdiction, and does not have a meeting schedule fixed by charter, ordinance, Resolution or other formal action of the Board.

1.2 "Board" means the Board of Directors of CalOPTIMA.

1.3 "Board of Supervisors" means the Board of Supervisors of the County of Orange.

1.4 "Brown Act" means the Ralph M. Brown Act (Gov. Code § 54950 et. seq.).

1.5 "Bylaws" means the bylaws of CalOPTIMA.

1.6 "Chair" means the Chairperson of the Board of Directors.

1.7 "Chief Executive Officer" means the non-Board officer designated in Section 9.1 of these Bylaws.

1.8 "Committee" shall include both committees and subcommittees of the Board, unless otherwise specified. "Committee" shall not include "Ad Hoc Committees." The Advisory Committees specified in Section 4-11-15 of the Ordinance are Committees.

1.9 "County" means the County of Orange.

1.10 "Director" means a member of the Board of Directors of CalOPTIMA.

1.11 "CalOPTIMA" means the Orange County Health Authority, doing business as Orange Prevention and Treatment Integrated Medical Assistance.

1.12 "Ordinance" means Ordinance No. 3896 of the County of Orange, adding Division 11 to Title 4 of the codified ordinances of the County of Orange.

1.13 “Resolution” means any action taken by the Board which requires a vote and is thereafter evidenced in the Board meeting minutes.

ARTICLE II ORGANIZATION, POWERS AND PURPOSES

2.1 Authority.

a. These Bylaws are adopted by CalOPTIMA to establish rules for its proceedings pursuant to the authority of Section 4-11-13 of the Ordinance. CalOPTIMA is a local public agency and political subdivision of the State of California created by the Ordinance, pursuant to authority for such creation conferred by Welfare and Institutions Code section 14087.54.

b. CalOPTIMA is an entity separate and distinct from the County. Any obligations of CalOPTIMA, statutory, contractual or otherwise, shall be the obligations solely of CalOPTIMA and shall not be the obligations of the County or of the State of California unless expressly provided for in a contract between CalOPTIMA and the County or State of California.

2.2 Purposes.

The purposes of CalOPTIMA are as set forth in the Ordinance.

2.3 Powers.

a. CalOPTIMA shall have and enjoy all rights, powers, duties, privileges and immunities vested in the County pursuant to Article 2.8 (commencing with Section 14087.5) of Chapter 7, Part 3 of Division 9 of the Welfare and Institutions Code, and shall have and enjoy such other rights, powers, duties, privileges and immunities as provided in applicable law or which are necessary and proper to carry out the purposes of CalOPTIMA.

b. Without limiting the generality of Section 2.3(a), CalOPTIMA shall have the right to:

- (1) Acquire, possess and dispose of real or personal property, as may be necessary for the performance of its functions.
- (2) Contract for services to meet its obligations.
- (3) Employ personnel.
- (4) To sue and be sued.
- (5) To adopt a seal and file such seal with the office of the County Clerk and Secretary of State.

- (6) Borrow such funds as may be necessary and proper.
- (7) Other powers as may be specified in the Ordinance and by other provisions of law.

ARTICLE III OFFICES

3.1 Principal Office.

The principal office for the transaction of business of CalOPTIMA shall be fixed and located at a location within the County designated by the Board.

ARTICLE IV BOARD OF DIRECTORS

4.1 Powers.

The Board of Directors is the governing body of CalOPTIMA. Except as otherwise provided by the Ordinance or these Bylaws, the powers of CalOPTIMA shall be exercised, its property controlled and its business and affairs conducted by or under the direction of the Board. The Board may delegate the management of CalOPTIMA's activities to any person(s) or Committees, however composed, provided that all the activities and affairs of CalOPTIMA shall be managed and all powers shall be exercised under the ultimate direction of the Board. No assignment, referral or delegation of authority by the Board shall preclude the Board from exercising full authority over the conduct of CalOPTIMA's activities, and the Board may rescind such assignment, referral or delegation at any time.

4.2 Number and Qualifications of Directors.

The number and qualifications of Directors are as set forth in the Ordinance.

4.3 Term of Office.

a. The Board of Supervisors shall establish the term of office for the Director who is also a member of the Board of Supervisors, which term shall not exceed four years or other length of time established by amendment to Section 4-11-12 of the Ordinance.

b. The term of office for the Directors who are not also members of the Board of Supervisors shall be four (4) years; provided, however, that the terms of the original Directors shall be staggered to provide that one-half of those original Directors shall serve a term of three (3) years and the other half shall serve a full term of four (4) years to ensure continuity of policy. The initial appointment terms for such Directors shall be drawn by lots.

c. Directors may serve for a maximum of two (2) terms.

d. An orientation shall be provided which familiarizes each new Director with their duties and responsibilities.

e. In accordance with the Brown Act, any person appointed to serve as a Director who has not yet assumed the duties of their office shall conform their conduct to the requirements of Article 5 below.

4.4 Attendance and Participation.

a. Directors must attend the regular and special meetings of the Board and of Committees to which they are appointed and shall contribute their time and special abilities as may be required for the benefit of CalOPTIMA. If a Director is unable to attend a meeting, he or she shall so inform the Clerk giving the reason therefor, and the Clerk shall in turn inform the Chair who may rule in their sole and absolute discretion that the absence shall be excused. Alternatively, the Chair may recommend to the Board that the absence be deemed unexcused, and the Board shall make the final determination as to whether the absence shall be excused.

b. Failure of a Director to attend a regular or special meeting of the Board, or of Committees to which he or she is appointed, without first notifying the Clerk of an inability to attend the meeting shall, except in cases of emergency or extreme hardship (as determined by the Chair in their sole absolute discretion), be treated as an unexcused absence.

4.5 Vacancies.

With the exception of the Director appointed by the Board of Supervisors who is also a County Supervisor, appointments to the Board are based on the Director's representation of a particular group, such as health care providers or other organizations. A seat on the Board shall become vacant if a Director no longer is a member of, no longer represents, the group that qualified the Director for an appointment to the Board, or otherwise is no longer eligible under applicable law to serve as a Director. Vacancies shall be filled by the Board of Supervisors for the remainder of the unexpired term in accordance with the Ordinance.

4.6 Resignation and Removal.

a. Any Director may be removed from office by a majority vote of the Board of Supervisors favoring such removal.

b. Any Director may resign effective upon giving written notice to the Chair, the Clerk of the Board, and the Clerk of the Board of Supervisors, unless the notice specifies a later time for the effectiveness of such resignation.

c. If a Director has unexcused absences from three consecutive regular meetings or from three of any five consecutive meetings of the Board, the Board may pass a Resolution which recommends that the Board of Supervisors immediately remove such Director from the Board and appoint a successor to fill the remainder of the unexpired term.

4.7 Expenses.

Board members shall be reimbursed for their reasonable traveling, incidental and other expenses, when traveling outside the County, and incurred in the performance of official business of CalOPTIMA, in accordance with a policy as approved by the Board.

4.8 Prohibition on CalOptima Employment

A Director who is also a member of the Board of Supervisors may not be employed by CalOptima for a period of one year after the Director's term expires, or after the Director resigns or is removed from the Board.

ARTICLE V
BOARD MEETINGS

5.1 Board Meeting.

a. A meeting of the Board is any congregation of a majority of the Directors at the same time and place to hear, discuss or deliberate upon any item that is within the subject matter jurisdiction of the Board.

b. A meeting of the Board is also the use of direct communication, personal intermediaries or technological devices that are employed by a majority of the Directors to develop a collective concurrence as to action to be made on an item by the Directors.

c. A meeting of the Board shall not be construed to exist when any of the following occur:

(1) A Director makes individual contact with any person not a Director.

(2) The attendance of a majority of the Directors at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies with similar functions or interests as CalOPTIMA, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOPTIMA's subject matter jurisdiction.

(3) The attendance of a majority of the Directors at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than CalOPTIMA, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOPTIMA's subject matter jurisdiction.

(4) The attendance of a majority of the Directors at an open and noticed meeting of the legislative body of another local public agency, provided that a majority of the Directors do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within CalOPTIMA's subject matter jurisdiction.

(5) The attendance of a majority of the Directors at a purely social or ceremonial occasion, provided that a majority of the Directors do not discuss among themselves business of a specific nature that is within CalOPTIMA's subject matter jurisdiction.

5.2 Regular Meetings.

a. Regular meetings of the Board shall be held at a location as may be designated by Board action from time to time by the Board.

b. The Board shall conduct an annual organizational meeting at a regular meeting to be designated in advance by the Board. At the annual organizational meeting, the Board shall:

(1) Adopt a schedule stating the dates, times and places of the Board's regular meetings for the following year. A tentative proposed schedule for the Board's regular meetings shall have been distributed at the regular Board meeting preceding the organizational meeting.

(2) Organize itself by the election of one of its Directors as Chair and one as Vice Chair, and by the election of such other officers as the Board may deem appropriate.

5.2 Notice and Meeting: Agendas.

a. The Chief Executive Officer shall prepare, or cause to be prepared, an agenda for every regular and special meeting of the Board, which shall set forth the time and location of the meeting, and a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of the item generally need not exceed twenty (20) words.

b. At least 72 hours before a regular meeting, the Chief Executive Officer shall cause to be posted the agenda for the meeting in a location that is freely accessible to members of the public.

c. Action may be taken by the Board only on items appearing on the posted agenda. "Action taken" means a collective decision, collective commitment or promise made by a majority of the Directors to make a positive or negative decision, or an actual vote by a majority of the Directors upon a motion, proposal, Resolution or order. No action shall be taken on any item not appearing on the posted agenda, unless one of the following conditions exists:

(1) The Board has determined, by a majority vote, that an emergency situation exists. An emergency situation, for purposes of these Bylaws, means either: (a) a work stoppage

or other activity which severely impairs public health, safety, or both, or (b) a crippling disaster which severely impairs public health, safety, or both.

(2) Upon a determination by a two-thirds vote of the Board, or, if less than two-thirds of the Directors are present, a unanimous vote of those Directors present, that there is a need to take immediate action and that the need for action came to the attention of the Board subsequent to the agenda being posted.

(3) The item was posted, as required above, for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which the action is being taken.

(4) The Board may briefly respond to statements made or questions posed by the public at the meeting. In addition, on its own initiative, or in response to questions posed by the public, the Board may ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to the Board at a subsequent meeting. Furthermore, a Director or the Board itself may take action to place a matter of business on a future agenda.

d. Except as specified in Sections 5.3(d)(1) and 5.5(b) below, the Clerk shall give mailed notice of every regular meeting, and any special meeting which is called, at least one week prior to the date set for the meeting, to any person who has filed a written request for such notice with the Board.

(1) The Board may give such notice as it deems practical of special meetings called less than seven (7) days prior to the date set for the meeting, or in the case of an emergency meeting, telephonic notice in accordance with Section 5.5(b).

(2) Any request for notice shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed. Renewal requests for notice shall be filed within ninety (90) days after January 1 of each year. The Board may establish by Resolution a reasonable annual charge for sending such notice based on the estimated cost of providing such service.

5.4 Members of the Public.

a. Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by section 5.3.

b. The Chair may adopt reasonable regulations to insure that the intent of this section is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. If further public discussion and comment is needed on a particular issue, the Board may vote to allot further time in the same meeting, or allot time in the agenda of the following meeting.

c. Members of the public shall not be required, as a condition of attendance at a Board meeting, to register their name or provide other information. If an attendance list, register or other similar document is posted or circulated at the meeting, it shall state clearly that the signing, registering or completion of the document is voluntary and that all persons may attend the meeting regardless of whether a person does so.

d. The Board shall not prohibit public criticism of the policies, procedures, programs or services of CalOPTIMA or the acts or omissions of the Board or its officers, employees and/or consultants.

5.5 Special Meetings.

a. A special meeting may be called at any time by the Chair, or by four Directors, by delivering personally or by mail written notice to each Director and to each local newspaper of general circulation, radio or television station requesting notice in writing.

(1) Such notice must be delivered personally or by mail at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at special meetings.

(2) The call and notice shall also be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. Notice shall be required pursuant to this section 5.5 regardless of whether any action is taken at the special meeting.

(3) Such written notice may be dispensed with as to any Director who, at or prior to the time the meeting convenes, files with the Clerk a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any Director who is actually present at the meeting at the time it convenes.

b. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement, or both requirements. For purposes of this section, "emergency situation" shall have the same meaning as in Section 5.3(c)(1).

(1) In the event the notice and/or posting requirements are dispensed with due to an emergency situation, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified by the Chair, or their designee, one hour prior to the emergency meeting, by telephone. All telephone numbers provided in the most recent request of such newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the Board, or its designee, shall notify those newspapers, radio stations or television stations

of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(2) Notwithstanding Section 5.8(b) of these Bylaws, the Board shall not meet in closed session during a meeting called as an emergency meeting. With the exception of the 24-hour notice and posting requirements, all special meeting requirements prescribed in this section shall be applicable to a meeting called due to an emergency situation.

(3) The minutes of a meeting called due to an emergency situation, a list of persons who the Chair, or his designee, notified or attempted to notify, a copy of the roll call vote, and any actions taken at the meeting shall be posted for a minimum of ten days in a public place as soon after the meeting as possible.

5.6 Quorum and Action at Board Meeting.

a. A majority of the Directors shall constitute a quorum for the transaction of business. Except as otherwise provided by law or these Bylaws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. No act of the Board shall be valid unless at least a majority of those Directors constituting a quorum concur therein. Any act of the Board shall be accomplished by a roll call vote when such a vote is requested by any Director in attendance. The Board shall not take action by secret ballot, whether preliminary or final.

b. The Board shall adopt a form of agenda for its regular and special meetings which may include consent, individual action, public, and board comments sections.

c. Items on the meeting agenda shall be considered in order by the Board unless the Chair shall announce a change in the order of consideration.

d. Unless an agenda item specifies a particular source for a report, the Chief Executive Officer, Board staff and consultants shall report first on the item. The item shall then be open to public comment upon recognition of the speaker by the Chair.

e. A Director shall disqualify himself or herself from voting on any matter before the Board, and shall take further appropriate action to remove himself or herself from Board consideration of any such matter, when required pursuant to the provisions of Article XII of these Bylaws or applicable law.

5.7 Adjournment and Continuance.

a. The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If no Directors are present at a meeting, the Clerk may declare the meeting adjourned to a stated time and place and shall cause written notice to be given in the same manner as provided in section 5.5 of these Bylaws for special meetings, unless such notice

is waived as provided for special meetings.

b. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

c. The Board may continue any hearing being held or noticed or ordered to be held at any meeting to a subsequent meeting by order or notice of continuance provided in the same manner as set forth above for the adjournment of meetings; provided, that if the meeting is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

5.8 Public Meetings.

a. Meetings of the Board shall be open to the public, except as otherwise provided herein.

b. The Board may hold closed sessions during a meeting for the following purposes:

(1) To consider the appointment, employment, evaluation of performance or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session. As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of their right to have the complaint or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the Board against the employee based on the specific complaints or charges in the closed session shall be null and void. The Board may exclude from that public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the Board. The term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any Director or other independent contractor. During the closed session, the Board shall not discuss or act on an employee's proposed compensation except for a reduction of compensation that results from the imposition of discipline.

(2) To meet with its designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees and for represented employees, any other matter within the statutorily-provided scope of representation. "Employee" shall have the same meaning for this closed session as described in section 5.8(b)(1) above. During the closed session, the Board may include discussions with CalOPTIMA's designated representatives of CalOPTIMA's available funds and funding priorities, but only as these discussions relate

to providing instructions to the designated representatives.

(3) To meet with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for CalOPTIMA, or to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease. However, prior to the closed session, the Board shall hold an open and public session in which it identifies the real property or real properties which the negotiations may concern and the person or persons with whom its negotiator may negotiate. For the purposes of this section, the negotiator may be a Director, and "lease" includes renewal or renegotiation of a lease.

(4) Based on advice of its legal counsel, to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of CalOPTIMA in the litigation. Prior to holding a closed session pursuant to this section, the Board shall state on the agenda or publicly announce the subdivision of Government Code section 54956.9 that authorizes the closed session. If the session is closed because of litigation to which CalOPTIMA is a party has been formally initiated, the Board shall state the title of or otherwise specifically identify the litigation to be discussed, unless the Board states that to do so would jeopardize CalOPTIMA's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage. For purposes of this section, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator. For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

- (a) Litigation to which CalOPTIMA is a party has been formally initiated.
- (b) (i) A point has been reached where, in the opinion of the Board on the advice of its legal counsel, based on existing facts and circumstances, there is significant exposure to litigation against CalOPTIMA, or

(ii) based on existing facts and circumstances, the Board is meeting only to decide whether a closed session is authorized under subparagraph (b)(1) above.
- (c) Based on existing facts and circumstances, the Board has decided to initiate or is deciding whether to initiate litigation.

(5) Any other closed session authorized pursuant to applicable state or federal law or regulation.

c. Prior to holding any closed session, the Board must disclose, in an open meeting, the item or items to be discussed in the closed session. The Board may use the sample closed session agenda descriptions contained in the Brown Act (Gov. Code § 54954.5). The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the

agenda. In the closed session, only those matters covered in the statement can be considered by the Board.

d. After any closed session, the Board shall reconvene into open session prior to adjournment and shall make any disclosures required by the Brown Act concerning final actions.

5.9 Disrupted Meetings.

In the event that any meeting is interrupted by a group or groups of persons rendering the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who were willfully interrupting the meeting, the Board may order the meeting room closed and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. The Board may establish a procedure for readmitting an individual or individuals not responsible for willfully disrupting the orderly conduct of the meeting.

5.10 Minutes.

The Clerk or designee shall prepare minutes of each meeting of the Board. Except as otherwise provided in the Brown Act for minutes of closed sessions, the minutes shall be an accurate summary of the Board's consideration of the matters before it and an accurate record of each action of the Board. Except for minutes of closed sessions, at a subsequent meeting, the Clerk shall submit the minutes to the Board for approval by a majority vote of the Directors in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk or designee to the Chief Executive Officer.

ARTICLE VI BOARD COMMITTEES

6.1 Establishment: Appointment of Committee Members.

a. All Committees shall be established by these Bylaws or by Board action, and shall be established for any purpose as the Board deems necessary or beneficial in accomplishing the purposes of CalOPTIMA.

b. Committees shall be subject to the requirements of the Brown Act.

c. The Chair may designate alternate members of any Committee to stand in for any absent Director at any meeting of the Committee. The chair of each Committee shall be appointed by the Chair of the Board, except that the Chair of each of the Advisory Committees shall be elected by the Board

d. All Committees shall be advisory only to the Board unless otherwise specifically authorized to act by the Board.

6.2 Ad Hoc Committees.

- a. Ad Hoc Committees may be appointed by the Chair for special tasks as circumstances warrant, and shall be composed solely of Directors, and upon completion of the task for which appointed, such Ad Hoc Committee shall stand discharged. Some of the functions that may be the topic of Ad Hoc Committees include, but are not limited to, the review of new projects, the review of special Bylaw changes or the review of the Bylaws periodically, meeting with other public agencies or health facilities on a specific topic, and the evaluation of the Board.
- b. The Chair shall make assignments to Ad Hoc Committees to assure that each Director shall have equal participation on Ad Hoc Committees throughout the year.
- c. Ad Hoc Committees shall always be advisory in nature.

6.3 Advisors.

A chair of a Committee or an Ad Hoc Committee may invite individuals with expertise in a pertinent area to meet with and assist the Committee or Ad Hoc Committee. Such advisors shall not vote or be counted in determining the existence of a quorum and may be excluded from any Committee session not otherwise open to the public.

6.4 Meetings and Notice.

- a. Regular meetings of Committees shall be held at such times and places as are determined by the Board. Special meetings of Committees may be held at any time and place as may be designated by the Chair or the chair of the Committee, or by a majority of the voting members of the Committee.
- b. Regular and special meetings of a Committee shall be noticed in accordance with sections 5.3 and 5.5, respectively, of these Bylaws.
- c. Meetings of Ad Hoc Committees shall be noticed as directed by the chair of the Ad Hoc Committee.

6.5 Quorum.

A majority of the members of a Committee or Ad Hoc Committee shall constitute a quorum for the transaction of business at any meeting of such Committee or Ad Hoc Committee. Each Committee and Ad Hoc Committee shall keep minutes of its proceedings and shall report periodically to the Board.

6.6 Manner of Acting.

The act of a majority of the members of a Committee or Ad Hoc Committee present at a meeting at which a quorum is present shall be the act of the Committee or Ad Hoc Committee so meeting. Regular and special meetings of Committees shall be conducted in accordance with

applicable provisions of Article V of these Bylaws. Ad Hoc Committee action may be taken without a meeting by a writing setting forth the action so taken signed by each member of the Ad Hoc Committee entitled to vote.

6.7 Tenure.

Each member of a Committee or Ad Hoc Committee shall hold office until a successor is appointed. Any member of an Ad Hoc Committee may be removed at any time by the Chair. The Board may remove any member of a Committee. A Director shall cease to hold membership in an Ad Hoc Committee upon ceasing to be a Director.

6.8 Minutes.

The Clerk or designee shall prepare minutes of each meeting of every Committee. The minutes shall accurately summarize the consideration of all matters, and shall accurately record all action taken. At a subsequent meeting, the Clerk shall submit the minutes to the Committee for approval by a majority vote of the members in attendance at the meeting covered by the minutes. When approved, copies of the minutes shall be forwarded by the Clerk to the Board and Chief Executive Officer.

ARTICLE VII
ADVISORY COMMITTEES

7.1 Establishment.

a. The Board may establish and appoint Advisory Committees for any purpose that will be necessary and beneficial in accomplishing the work of CalOPTIMA, in a number and with qualifications as set forth in the Resolution of the Board establishing the Advisory Committee or the policy governing such Advisory Committee.

b. The following Advisory Committees are hereby established and appointed:

1. Provider Advisory Committee.
2. Member Advisory Committee.

7.2 Purpose.

Advisory Committees of CalOPTIMA shall be solely advisory in nature. As directed by the Board they are:

- (1) Intended to provide advice and recommendations to the Board on issues concerning the CalOPTIMA program.
- (2) To engage in study and research on issues assigned to them by the Board.

(3) To assist the Board in obtaining public opinion on issues related to the CalOPTIMA program.

(4) To facilitate community outreach for CalOPTIMA and the Board.

7.3 Policy

The Board shall by Resolution adopt and, from time to time may amend, a policy setting forth member qualifications, requirements for meetings (including compliance with the Brown Act), items of procedure, and other matters relating to the overall operations and purposes of Advisory Committees established by the Board.

ARTICLE VIII OFFICERS OF THE BOARD OF DIRECTORS

8.1 Chair.

a. The Board shall elect one of its Directors as Chair at an organizational meeting. In the event of a vacancy in the office of Chair, the Board may elect a new Chair.

b. The Chair shall be the principal officer of the Board, and shall preside at all meetings of the Board. The Chair shall appoint all members of the Ad Hoc Committees, as well as the chair of the Ad Hoc Committees and all Committees other than the Member and Provider Advisory Committees. In addition, the Chair shall perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time.

8.2 Vice Chair.

The Board shall elect one of its Directors as Vice Chair at an organizational meeting. The Vice Chair shall perform the duties of the Chair if the Chair is absent from the meeting or is otherwise unable to act. If both the Chair and Vice Chair are absent from the meeting, or are unable to act, the Directors present at the meeting shall select one of the Directors present to act as temporary Chair, who, while so acting, shall have all of the authority of the Chair.

8.3 Tenure.

Each officer described above in this Article VIII shall serve a one (1) year term, commencing on the first day of the month after the organizational meeting at which he or she is elected to the position. Each officer shall hold office until the end of the one (1) year term, or until a successor is elected, unless he or she shall sooner resign or be removed from office.

8.4 Vacancies, Removal and Resignation.

a. A vacancy in any office for any cause whatsoever shall be filled by Resolution of the Board at any regular or special meeting of the Board.

b. An officer described above may be removed from office by the affirmative vote of four Directors, not counting the affected Director. In addition, an officer described above will automatically be removed from office when their successor is selected and is appointed as a Director.

c. Any officer may resign effective on giving written notice to the Clerk, unless the notice specifies a later time for their resignation to become effective. Upon receipt of such notice, the Clerk shall notify the Chair thereof and shall enter the notice in the proceedings of the Board.

8.5 Other Officers.

The Board may designate such other officers of the Board as the Board may from time to time determine that CalOPTIMA requires and may elect one of its Directors to discharge the duties of any such office.

ARTICLE IX OTHER OFFICERS

9.1 Chief Executive Officer.

a. The Board shall select and employ a Chief Executive Officer, who shall report to the Board and who shall be the Board's direct executive representative in the development and management of the affairs of CalOPTIMA. The Chief Executive Officer shall serve at the pleasure of the Board, subject to the provisions of any contract of employment between CalOPTIMA and the Chief Executive Officer.

b. The Chief Executive Officer shall have such duties and responsibilities as the Board may from time to time reasonably direct. Without limiting the generality of the foregoing, the Chief Executive Officer shall be responsible for:

(1) Implementing the policies, procedures and practices of CalOPTIMA as adopted by the Board.

(2) Acting as the duly authorized representative of CalOPTIMA in all matters in which the Board has not formally designated some other person to act.

(3) Managing and directing the operations of CalOPTIMA, including responsibility for sound personnel, financial, accounting, legal and statistical information practices, such as preparation of CalOPTIMA budgets and forecasts, maintenance of proper financial and other statistical records, collection of data required by governmental and accrediting agencies, and special studies and reports required for efficient operation of CalOPTIMA problems.

(4) Providing leadership by promoting morale and resolving conflicts and problems

- (5) Implementing community relations activities, including, public appearances, responsive communication with the media.
- (6) Developing and maintaining positive ongoing relations with local, State and federal government officials and agencies.
- (7) Assisting the Board in planning services and facilities and informing the Board of governmental legislation and regulations and requirements of official agencies and accrediting bodies, which affect the planning and operation of the facilities, services and programs sponsored by CalOPTIMA, and maintaining appropriate liaison with government and accrediting agencies and implementing actions necessary for compliance.
- (8) Employing and discharging (subject to the pleasure of the Board, any contract of employment, and CalOPTIMA personnel employment policies), such subordinate officers and employees as are necessary for the purpose of carrying on the normal functions of CalOPTIMA.
- (9) Administrating all contracts to which CalOPTIMA is a party.
- (10) Providing the Board, Committees, and Ad Hoc Committees with adequate staff support.
- (11) Sending periodic reports to the Board on the overall activities of CalOPTIMA and CalOPTIMA's finances and financial status, as well as pertinent federal, state and local developments that effect CalOPTIMA's operations.
- (12) Maintaining insurance or self-insurance to cover the physical properties and activities of CalOPTIMA.
- (13) Developing, amending, promulgating and implementing personnel policies for CalOPTIMA.

9.2 Chief Financial Officer.

a. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business or financial transactions of CalOPTIMA, shall prepare or cause to be prepared financial statements as law or these Bylaws require. The books of account shall at all times be open to inspection by any Director.

b. The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of CalOPTIMA with depositories designated by the Board. The Chief Financial Officer shall disburse the funds of CalOPTIMA as ordered or authorized by the Board, shall render to the Chair and Directors, whenever they request it, an account of all transactions and of the financial condition of CalOPTIMA, and shall have other powers and perform other

duties as prescribed by the Board and/or the Chief Executive Officer.

9.3 Clerk.

a. The Clerk shall have the following duties:

- (1) Keeping a book of the minutes of all meetings of the Board at the principal office of CalOPTIMA or other place ordered by the Board, and of its Committees.
- (2) Giving or causing to be given appropriate notices in accordance with these Bylaws or as required by law.
- (3) Attesting to the Chair's, Vice-Chair's, Chief Executive Officer's, or other authorized signatory's signature on documents executed on behalf of CalOPTIMA.
- (4) Acting as custodian of CalOPTIMA's records and reports and of CalOPTIMA's seal, if one is adopted.
- (5) Causing a statement meeting the requirements of Government Code section 53051 to be filed with the Secretary of State and the County Clerk to list CalOPTIMA on the "Roster of Public Agencies"; and causing an amended statement to be filed with the Secretary of State and County Clerk within ten (10) days of any change in the facts set forth in the original or a subsequently amended statement.
- (6) Providing a copy of the Brown Act to each Director, and to each person appointed to serve as a Director who has not assumed the duties of office.
- (7) Having such other duties as may be prescribed by Resolution of the Board or these Bylaws.

9.4 Subordinate Officers.

The Board may empower the Chief Executive Officer to select and employ such other non-Board officers as CalOPTIMA may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board or Chief Executive Officer may from time to time determine.

ARTICLE X
EXECUTION OF INSTRUMENTS

10.1 Contracts and Instruments.

a. The Board may authorize any officer or officers, agent or agents, employee or employees to enter into any contract or execute any instrument in the name of and on behalf of the Board, and this authority may be general or confined to specific instances; and, unless so

authorized or ratified by the Board, no officer, agent, or employee shall have any power or authority to bind CalOPTIMA by any contract or engagement or to render it liable for any purpose or for any amount.

b. Notwithstanding the foregoing Section 9. 1(a), the Chief Executive Officer is hereby authorized to enter into any contract or execute any instrument in the name of and on behalf of CalOPTIMA pursuant to policies established by the Board.

c. The Clerk shall have the authority to attest to the signatures of those individuals authorized to enter into contracts or execute instruments in the name of and on behalf of CalOPTIMA and to certify the incumbency of those signatures.

10.2 Checks, Drafts, Evidences of Indebtedness

All checks, drafts or other orders for payment of money, notes or other evidences issued in the name of or on behalf of CalOPTIMA or payable to the order of CalOPTIMA, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by Resolution of the Board.

ARTICLE XI CLAIMS AND JUDICIAL REMEDIES

11.1 Claims

CalOPTIMA is subject to Division 3.6 of Title 1 of the California Government Code, pertaining to claims against public entities. The Chief Executive Officer or designee is authorized to perform those functions of the Board specified in Part 3 of that Division, including the allowance, compromise or settlement of any claims if the amount to be paid from CalOPTIMA's treasury does not exceed \$50,000.00 per individual claim, or \$300,000 total per lawsuit, demand, or arbitration matter. ~~action~~ Any allowance, compromise or settlement of any claim in which the amount to be paid form CalOPTIMA's treasury exceeds \$10,000 per individual claim shall be approved personally by the Chief Executive Officer, rather than their designee.

Rev.
08/04/2022

11.2 Judicial Review

Section 1094.6 of the Code of Civil Procedure shall govern the rights of any person aggrieved by any decision of the Board or CalOPTIMA.

11.3 Claims Procedure

Notwithstanding any exceptions contained in Section 905 of the Government Code, no action based on a claim shall be brought against CalOPTIMA unless presented to CalOPTIMA within the time limitations and in the manner prescribed by Section 910 through 915.2 of the Government Code. Such claims shall further be subject to Section 945.4 of the Government Code.

ARTICLE XII
CONFLICTS OF INTEREST

12.1 Conflict of Interest Code.

The Board shall by Resolution adopt and, from time to time may amend, a Conflict of Interest Code for CalOPTIMA as required by applicable statutes and regulations.

12.2 No Disqualifying Interest in Contracts.

A Director shall not be deemed to be interested in a contract entered into by CalOPTIMA within the meaning of Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code if all of the following requirements set forth in Welfare and Institutions Code section 14087.57 apply:

- a. The Director was appointed to represent the interests of physicians, health care practitioners, hospitals, pharmacies or other health care organizations.
- b. The contract authorizes the Director or the organization the member represents to provide services to Medi-Cal beneficiaries under CalOPTIMA's program.
- c. The contract contains substantially the same terms and conditions as contracts entered into with other individuals and organizations that the Director was appointed to represent.
- d. The Director does not influence or attempt to influence the Board or another Director to enter into the contract in which the member is interested.
- e. Director discloses the interest to the Board and abstains from voting on the contract.
- f. The Board notes the Director's disclosure and abstention in its official records and authorizes the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the interested Director.

ARTICLE XIII
MISCELLANEOUS

13.1 Purchase, Hiring, and Personnel.

The Board shall by Resolution adopt and, from time to time may amend, procedures, practices and policies for purchasing and acquiring the use of equipment and supplies, acquiring, constructing and leasing real property and improvements, hiring employees, managing its personnel and for all other matters, in the determination of the Board, as are necessary and

appropriate for the proper conduct of CalOPTIMA' s activities and affairs and the furtherance of its authorized purposes. Copies of all such procedures, practices and policies shall be maintained with the minutes of proceedings of the Board.

13.2 Insurance.

CalOPTIMA shall procure and maintain property, casualty, indemnity and workers' compensation insurance, including without limitation directors' and officers' liability and professional liability coverage, in such amounts and with such carriers as the Board shall from time to time determine shall be prudent in the conduct of its activities; provided that the Board is authorized to arrange the provision of self-insurance or participate in consortia or similar associations to obtain coverage in lieu of commercial coverage.

13.3 Indemnification and Defense.

a. With respect to any civil claim or action against a Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, for an injury arising out of an act or omission occurring within the scope of such person's duties, CalOPTIMA shall indemnify, hold harmless and defend such persons to the full extent permitted or required under applicable sections of the California Tort Claims Act. (Gov. Code§ 810 et seq.; see, e.g. Gov. Code§§ 825, 825.2, 825.4, 825.6, 995.4, 995.6 and 995.8.)

b. Nothing herein shall be construed to require CalOPTIMA to indemnify and hold harmless any Director, member of an Advisory Committee or Committee, officer, employee, or a person who formerly occupied such position, if CalOPTIMA has elected to conduct the defense of such person(s) pursuant to an agreement reserving CalOPTIMA's rights not to pay a judgment, compromise or settlement until it is established that the injury arose out of an act or omission occurring within the scope of their duties with CalOPTIMA.

13.4 Bonds.

All Directors, as well as all officers, employees and agents or representatives of CalOPTIMA designated by the Board, shall obtain fidelity bonds as required by law and as the Board shall determine is prudent in the conduct of its activities and the activities of such officers, employees, and other designated agents or representatives of CalOPTIMA.

13.5 Public Records.

a. All documents and records of CalOPTIMA, not exempt from disclosure by applicable law, shall be public records under the California Public Records Act (Gov. Code § 6250 et seq.)

b. Any authorized representative of the County shall have the absolute right to inspect and copy all books, records and documents of every kind of CalOPTIMA to determine compliance with the provisions of Section 4-11-7 of the Ordinance, provided such inspection is conducted at a reasonable time following reasonable notice.

13.6 Submission of Bylaws to Board of Supervisors.

The Clerk shall deliver a certified copy of these Bylaws, and any amendments thereto, to the Board of Supervisors.

13.7 Conflict Between Bylaws and Ordinance.

In the event of a conflict between these Bylaws and the Ordinance, the applicable provisions of the Ordinance shall govern.

ARTICLE XIV
AMENDMENT

These Bylaws may be amended or repealed by the affirmative vote of at least two-thirds (2/3) of the authorized number of Directors at any Board meeting. Such amendments or repeal shall be effective immediately, except as otherwise indicated by the Board. The Clerk shall deliver a certified copy of any amendment or repeal of these Bylaws to the Board of Supervisors promptly following the Board meeting at which such amendment or repeal was adopted.

CERTIFICATE OF CLERK

I, the undersigned, do hereby certify:

That I am the duly appointed, qualified and acting Clerk of the Board of Directors for Orange Prevention and Treatment Integrated Medical Assistance ("CalOPTIMA"), a special commission of the County of Orange created pursuant to Section 14087.54 of the Welfare and Institutions Code, and Ordinance No. 3896 of the County of Orange, and

That the foregoing Bylaws attached hereto, comprising 26 pages, including this page, constitute a true, complete and correct copy of the current Bylaws of CalOPTIMA, as duly adopted by the Board of Directors of CalOPTIMA at a regular meeting, duly called and held on the _____ day of _____, at _____, California.

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

9. Approve Modifications to CalOptima Health Statutory and Board-Designated Reserve Funds Policy

Contact

Nancy Huang, Chief Financial Officer, (657) 235-6935

Recommended Action

Approve modifications to CalOptima Health Policy GA.3001: Statutory and Board-Designated Reserve Funds, effective June 1, 2024.

Background

CalOptima Health regularly reviews its policies and procedures to ensure they are current and align with federal and state health care program requirements, contractual obligations, laws, and CalOptima Health operations. Policy GA.3001 was last revised on September 7, 2023, to provide clarity on the minimum reserve level and the Board's review of assets and reserve funds.

Considering the State's future budget challenges, dynamic nature of Medi-Cal managed care, and new internal and external programs that include, but are not limited to, community reinvestments, the State's Medi-Cal Transformation program, and Board-approved initiatives, staff is recommending modifications to Policy GA.3001 to ensure reserve funds can maintain CalOptima Health's healthcare delivery system and protect the plan's long-term financial viability.

Discussion

Staff is recommending the following policy changes:

- Update the range for the Board-designated Reserve Fund: Revise the existing range of no less than 1.4 months to no more than 2.0 months consolidated monthly revenue to a new range of no less than ~~2.0~~ 2.5 months to no more than 3.0 months of consolidated monthly revenue. This range will provide an adequate and prudent reserve to ensure healthcare delivery and continuation of Board-approved initiatives in the event of unforeseen emergencies or funding delays from the State. The proposed range will bring CalOptima Health's reserve level into alignment with most of the other local Medi-Cal managed care plans. Staff will monitor compliance levels using the existing Tier 1 investment portfolio to meet the reserve fund requirements. Rev.
5/2/2024
- Creation of a Statutory Reserve Fund: Management recommends establishing a separate reserve fund to ensure compliance with Tangible Net Equity (TNE) requirements set forth in CalOptima Health's contract with the Department of Health Care Services and under Section 1300.76 in Title 28 of the California Code of Regulations. This distinct reserve fund will provide adequate assurance that CalOptima Health retains, at minimum, enough reserves to maintain operations as a Medi-Cal managed care plan in California. Several other public plans have similarly created a

separate reserve fund to address the minimum required TNE. CalOptima Health’s goal is to maintain the fund level between 100% and 110% of the minimum required TNE to account for small market valuation changes. Staff will monitor compliance levels using the existing Tier 2 investment portfolio.

- Removal of the policy language to subtract working capital deficits from reserves, as it does not conform with current operations.
- The policy includes other revisions that are non-substantive, including formatting, spelling, punctuation, capitalization, minor clarifying language, grammatical changes, removal of redundancies, and reorganization to improve overall flow.

Fiscal Impact

The recommended action is operational in nature and has no additional fiscal impact beyond what was incorporated in the proposed CalOptima Health Fiscal Year 2023-24 Operating Budget.

Rationale for Recommendation

Updates to this policy will promote fiscal prudence, sound stewardship of public funds, and improve CalOptima Health’s short-term and long-term financial viability.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. CalOptima Health Policy GA.3001: Statutory and Board-Designated Reserve Funds
2. CalOptima Health Reserve Level Analysis

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date



Policy: GA.3001
 Title: **Statutory and Board-Designated Reserve Funds**
 Department: Finance
 Section: Not Applicable

CEO Approval: /s/

Effective Date: 11/01/1996
 Revised Date: 06/01/2024

Applicable to: Medi-Cal
 OneCare
 PACE
 Administrative

FOR 2024 BOD REVIEW ONLY

1 **I. PURPOSE**

2
 3 This policy establishes CalOptima Health’s policy and procedure for the creation, maintenance, and
 4 utilization of reserve funds to meet statutory requirements and for the benefit of CalOptima Health’s
 5 long-term financial viability.
 6

7 **II. POLICY**

8
 9 A. CalOptima Health’s goal is to maintain The Statutory and Board-designated reserve funds of no less
 10 than one point four (1.4) months’ consolidated capitation revenues and no more than two (2.0)
 11 months’ consolidated capitation revenues. Additional goals Reserve Funds are created for the
 12 creation of purposes of keeping CalOptima Health reserve levels in compliance with State
 13 requirements, maintaining CalOptima Health’s healthcare delivery system during short-term crises,
 14 and protecting CalOptima Health’s long-term financial viability.
 15

16 B. Statutory Reserve. As required by CalOptima Health’s Contract with the Department of Health Care
 17 Services (DHCS), CalOptima Health shall, at all times, maintain in the Statutory Reserve Fund the
 18 minimum required Tangible Net Equity (TNE).

19
 20 1. The minimum required TNE shall be calculated in accordance with Title 28 California Code of
 21 Regulations, Section 1300.76.

22
 23 2. The goal of this reserve is to maintain the fund level between 100% and 110% of the minimum
 24 required TNE.

25
 26 C. Board-designated reserve funds shall be approved Reserve: As established by the CalOptima Health
 27 Board of Directors (Board), as deemed necessary by management and the goal of this reserve is to
 28 maintain the Board--designated Reserve Fund level at no less than two (2.0) two and a half (2.5)
 29 and a half (2.50) months’ consolidated capitation revenues and no more than three (3.0) months’
 30 consolidated capitation revenues.

31
 32 1. This is a minimum threshold and not a mandate to draw reserves down to this level.
 33

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 5/2/2024

1 1.2. The Board shall have discretion on the appropriate reserve level above the minimum threshold,
2 taking into account current and future economic conditions.

3
4 A. Creation of Board-Designated Reserve Funds

5
6 1. Existing Reserves

7
8 a. ~~Working capital deficits shall be subtracted from reserves.~~

9
10 2. Creation of New Reserves

11 One

12 a. ~~Management shall transfer, from time to time, funds into Board-designated reserve funds no
13 greater than the net available for reserves for any given Fiscal Year, plus additional funds if
14 deemed appropriate.~~

15
16 b. ~~On a Fiscal Year-to-date basis, the net available for reserves is equal to the excess of
17 capitation revenues, investment income, and other income over the combined medical and
18 administrative costs for the same fiscal period. This amount shall be available for increases
19 to the Board-designated reserve funds.~~

20
21 2.3. For purposes of this policy, one (1) month's consolidated capitation revenues is calculated
22 based on the average consolidated capitation revenue, excluding special pass-through payments,
23 such as Quality Assurance Fees (QAF), the Managed Care Organization (MCO) tax, and
24 Intergovernmental transfers Transfers (IGT) or prior year rate adjustments implemented in the
25 current year during the most recent twelve (12) month period for which all capitation payments
26 have been received by CalOptima Health, and for which internally-prepared financial
27 statements are available.

28
29 D. Creation of the Statutory Reserve and Board-Designated Reserve Funds

30
31 1. CalOptima Health shall establish separate and distinct accounts for each reserve fund.

32
33 a. CalOptima Health shall utilize the Tier 1 investment portfolio to ensure adequate reserves in
34 compliance with the Board-designated Reserve Fund level between ~~two (2.0) two and a half~~ two and a half
35 (2.5) and a half (2.50) and three (3.0) times of monthly consolidated capitation revenues.

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36
37 b. CalOptima Health shall utilize the Tier 2 investment portfolio to ensure adequate reserves in
38 compliance with the Statutory Reserve Fund level between 100% and 110% of the
39 minimum required TNE.

40
41 2. Management shall transfer, from time to time, funds into the Statutory Reserve or the Board-
42 designated Reserve Funds no greater than the net available for reserves for any given Fiscal
43 Year, plus additional funds, if deemed appropriate.

44
45 a. On a Fiscal Year-to-date basis, the net available for reserves is equal to the excess of
46 capitation revenues, investment income, and other income over the combined medical and
47 administrative costs for the same fiscal period.

48
49 e.b. CalOptima Health's Fiscal Year begins on July 1 of each year and ends on June 30 of the
50 following year.

51
52 B. Purpose Review and Utilization of Existing Reserves

1 C.E. 1. ~~the Board-designated reserve funds are created for the purposes of maintaining~~
2 CalOptima Health reserve levels in compliance with State requirements, maintaining CalOptima
3 Health's healthcare delivery system during short term crises, and protecting CalOptima Health's
4 long term financial viability. Reserve Fund

5
6 1. The Board shall review levels of total assets and the Board-designated Reserve Fund
7 Fund, at ~~the~~ minimum, on an annual basis, including, but not limited to, during the development
8 of the strategic plan and the preparation of the annual operating budget. As part of this review,
9 the Board shall assess resources to be used for the purposes of expanding access to care,
10 improving member benefits, and/or augmenting provider reimbursement, in accordance with
11 Title 4, Division 11 of the Codified Ordinances of the County of Orange, California.

12
13 2. Utilization of ~~existing reserves~~ the Board-designated Reserve Fund during a delay in capitation
14 revenues from the State.

15
16 a. In the event of a delay in CalOptima Health's receipt of capitation revenues from the State
17 and provided the Board-designated Reserve Funds level is within the range as
18 set forth in Section II.A.C. of this policy ~~(Range)~~. CalOptima Health staff, Management is
19 authorized to use ~~the~~ Board-designated Reserve Funds to provide up to ~~two (2)~~ three
20 (3.0) months of continuous payments to Providers and vendors without the approval of the
21 Board, ~~provided that the reserve level remains within the range.~~

22
23 ~~b. If the delay in CalOptima Health's receipt of capitation revenues from the State exceeds~~
24 ~~two (2.0) months, or the amount of Board-designated reserve funds falls below the range set~~
25 ~~forth in Section III.A., CalOptima Health staff may propose actions to the Board to ensure~~
26 ~~financial stability for CalOptima Health and its Providers and vendors.~~

27
28 ~~e.b. In the event the amount of cash reserves approaches the minimum level required by the~~
29 ~~State~~ In the event the Board-designated Reserve Fund approaches zero, CalOptima Health
30 may elect, with approval of the Board, to cease payments to Providers and vendors until
31 such time as the State restores capitation ~~revenue~~ revenues to CalOptima Health.

32
33 3. Except as authorized in Section II.C.3E.2.a. of this policy, any withdrawals from the Board-
34 designated Reserve Fund shall be approved by the Board through the annual
35 Budget process, or through a separate Board action ~~approved by the Board~~ at a regular or
36 special meeting of the Board. The Budget is CalOptima Health's Board-approved annual
37 operating Budget that incorporates net assets available for reserves.

38
39 4. The Board, through approval of a Board Action Request, may specifically designate all or a
40 portion of the Board-designated Reserve Fund for one (1) or more Special
41 Purposes at any time.

42
43 a. A Special Purpose is a specifically designated use, as determined solely by the Board, that
44 best addresses a programmatic or financial need facing CalOptima Health. ~~The Board may~~
45 ~~also remove or modify any or all such specific designations previously imposed through~~
46 ~~approval of a subsequent Board Action Request.~~

47
48 ~~b. CalOptima Health management~~ The Board may remove or modify any or all such specific
49 designations previously imposed through a subsequent Board action.

50
51 4.5. Management shall notify the Board of all uses ~~offrom the~~ Board-designated Reserve
52 Fund, regardless of prior approval requirements as set forth in this policy.

1 5-6. On an annual basis, the Board may review this policy concurrently with the approval of the
2 annual operating budget.
3

4 III. PROCEDURE

5 A. ~~Transfers~~Calculation and transfers to or from ~~Board-Designated~~the Statutory Reserve ~~Funds~~Fund

6
7
8 1. The Statutory Reserve shall be calculated monthly in accordance with Title 28, California Code
9 of Regulations (CCR), Section 1300.76.

10
11 2. Prior to the end of each month-end close, CalOptima Health's Chief Executive Officer (CEO),
12 Chief Financial Officer (CFO), ~~Chief Executive Officer (CEO),~~ or designee, shall instruct the
13 Controller, or ~~his or her~~ designee, to transfer a specified dollar amount into or from CalOptima
14 Health's ~~the~~ Statutory Reserve Fund (from or to CalOptima Health's operating funds) to ensure
15 compliance with 100% to 110% the minimum required TNE.

16 B. Transfers to or from the Board-designated ~~reserve funds~~Reserve Fund

17
18 1. Prior to the end of each month-end close, CalOptima Health's CEO, CFO, or designee, shall
19 instruct the Controller or designee, to transfer a specified dollar amount into or from the Board-
20 designated Reserve Fund (from or to CalOptima Health's operating funds). ~~Said~~

21
22 ~~1.2.~~ The transfer shall be consistent with either the Board's Board-approved Budget or a
23 subsequently approved subsequent Board ~~Action Request~~action.

24 B.C. Financial Reporting with Respect to ~~on the~~ Statutory Reserve and the Board-

25 Designated~~designated~~ Reserve Funds

26
27 1. When~~While~~ reporting each month's financial results, the CFO, or ~~his or her~~ designee, shall
28 routinely update the Board as to the status of the Statutory Reserve and the Board-designated
29 reserve funds. ~~Reserve Funds~~

30
31 ~~1.2.~~ The status report shall be rendered on a quarterly basis, or more frequently, as directed by the
32 Board.

33 D. Utilization of the Board-designated Reserve Fund for Special Purposes

34
35 1. In accordance with Section II.C.5E.4. of this policy, CalOptima Health
36 management~~Management~~ shall, upon its own initiative or at the request of the Board, prepare
37 and submit a Board Action Request to specifically designate, for one (1) or more Special
38 Purposes, all or a portion of the Board-designated ~~reserve funds~~Reserve Fund. If the Board
39 approves such Board Action Request, management~~Management~~ shall describe the specific
40 designations of such funds on subsequent CalOptima Health balance sheets.

41
42 ~~1.2.~~ The subsequent removal or modification of a previously Board-approved specific designation of
43 Board-designated ~~reserve~~Reserve funds shall follow the same process as that utilized for
44 creating the original designation. If the Board subsequently approves the removal or
45 modification of a specific designation, management~~Management~~ shall appropriately adjust
46 future CalOptima Health balance sheets to properly account for such removal or modification.

47
48 C. In accordance with all applicable statutory and regulatory requirements, CalOptima Health shall, at
49 all times, maintain a Board-designated reserve funds level no less than the minimum tangible net
50 equity requirements established by the State.

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IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- [A. CalOptima Health Contract with the Department of Health Care Services \(DHCS\) for Medi-Cal](#)
- [B. Title 28, California Code of Regulations \(CCR\), Section 1300.76](#)

VI. REGULATORY AGENCY APPROVAL(S)

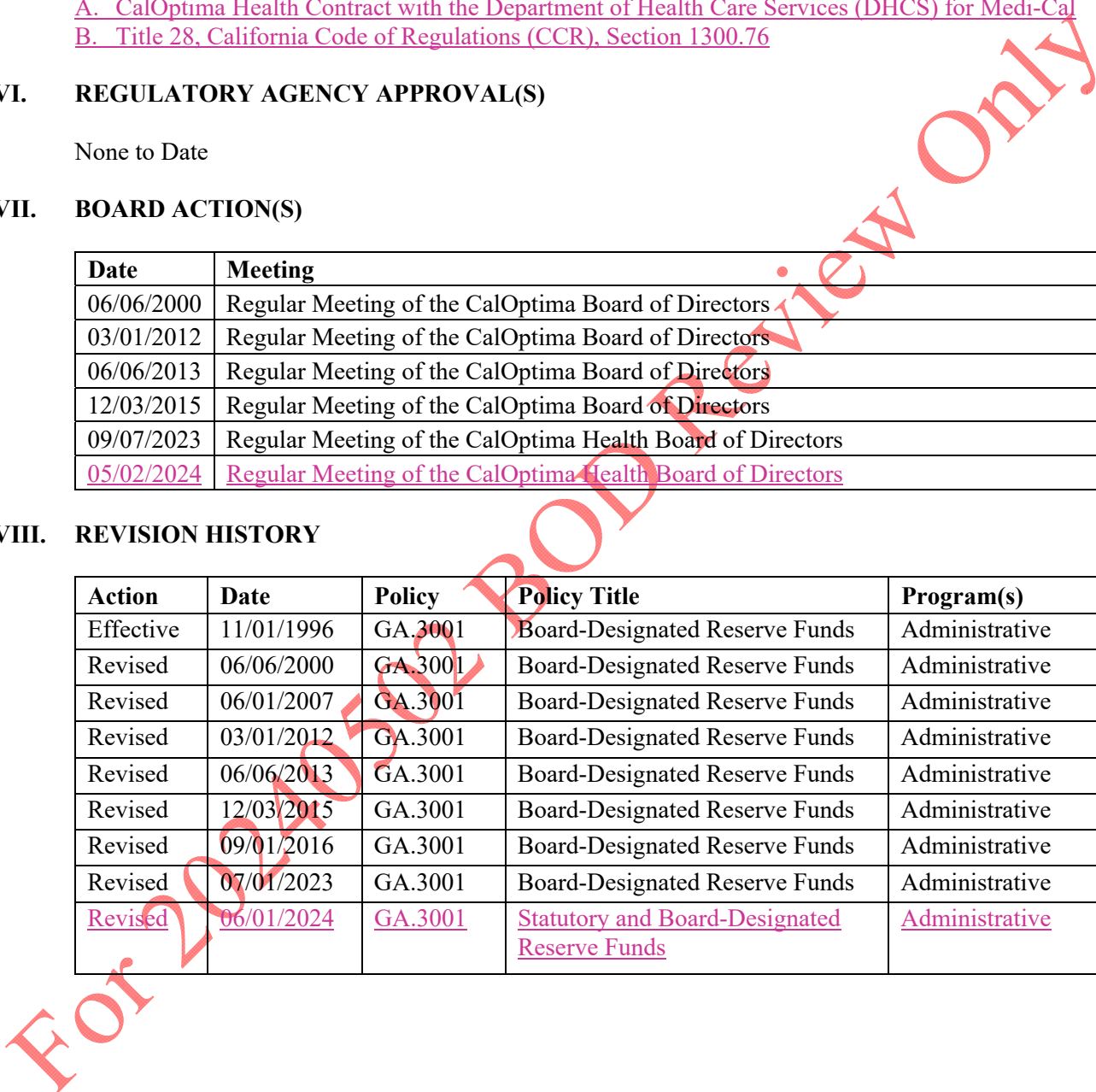
None to Date

VII. BOARD ACTION(S)

Date	Meeting
06/06/2000	Regular Meeting of the CalOptima Board of Directors
03/01/2012	Regular Meeting of the CalOptima Board of Directors
06/06/2013	Regular Meeting of the CalOptima Board of Directors
12/03/2015	Regular Meeting of the CalOptima Board of Directors
09/07/2023	Regular Meeting of the CalOptima Health Board of Directors
05/02/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	11/01/1996	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	06/06/2000	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	06/01/2007	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	03/01/2012	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	06/06/2013	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	12/03/2015	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	09/01/2016	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	07/01/2023	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	06/01/2024	GA.3001	Statutory and Board-Designated Reserve Funds	Administrative



- 1 **IX. GLOSSARY**
- 2
- 3 Not Applicable
- 4

For 20240502 BOD Review Only



Policy: GA.3001
 Title: **Statutory and Board-Designated Reserve Funds**
 Department: Finance
 Section: Not Applicable

CEO Approval: /s/

Effective Date: 11/01/1996
 Revised Date: 06/01/2024

Applicable to: Medi-Cal
 OneCare
 PACE
 Administrative

For 2024-25 BOD Review Only

1 **I. PURPOSE**

2
 3 This policy establishes CalOptima Health’s policy and procedure for the creation, maintenance, and
 4 utilization of reserve funds to meet statutory requirements and for the benefit of CalOptima Health’s
 5 long-term financial viability.
 6

7 **II. POLICY**

8
 9 A. The Statutory and Board-designated Reserve Funds are created for the purposes of keeping
 10 CalOptima Health reserve levels in compliance with State requirements, maintaining CalOptima
 11 Health’s healthcare delivery system during short-term crises, and protecting CalOptima Health’s
 12 long-term financial viability.
 13

14 B. Statutory Reserve: As required by CalOptima Health’s Contract with the Department of Health Care
 15 Services (DHCS), CalOptima Health shall, at all times, maintain in the Statutory Reserve Fund the
 16 minimum required Tangible Net Equity (TNE).
 17

- 18 1. The minimum required TNE shall be calculated in accordance with Title 28 California Code of
 19 Regulations, Section 1300.76.
- 20 2. The goal of this reserve is to maintain the fund level between 100% and 110% of the minimum
 21 required TNE.
 22

23
 24 C. Board-designated Reserve: As established by the CalOptima Health Board of Directors (Board), the
 25 goal of this reserve is to maintain the Board-designated Reserve Fund level at no less than ~~two (2.0)~~
 26 two and a half (2.5) months’ consolidated capitation revenues and no more than three (3.0) months’
 27 consolidated capitation revenues.
 28

- 29 1. This is a minimum threshold and not a mandate to draw reserves down to this level.
- 30 2. The Board shall have discretion on the appropriate reserve level above the minimum threshold,
 31 taking into account current and future economic conditions.
 32
 33

Rev. 5/2/2024

- 1 3. One (1) month's consolidated capitation revenues is calculated based on the average
2 consolidated capitation revenue, excluding special pass-through payments, such as Quality
3 Assurance Fees (QAF), the Managed Care Organization (MCO) tax, and Intergovernmental
4 Transfers (IGT) or prior year rate adjustments implemented in the current year during the most
5 recent twelve (12) month period for which all capitation payments have been received by
6 CalOptima Health, and for which internally-prepared financial statements are available.
7

8 D. Creation of the Statutory Reserve and Board-Designated Reserve Funds
9

- 10 1. CalOptima Health shall establish separate and distinct accounts for each reserve fund.
11
12 a. CalOptima Health shall utilize the Tier 1 investment portfolio to ensure adequate reserves in
13 compliance with the Board-designated Reserve Fund level between ~~two (2.0)~~ two and a half
14 (2.5) and three (3.0) times of monthly consolidated capitation revenues. | *Rev.*
15
16 b. CalOptima Health shall utilize the Tier 2 investment portfolio to ensure adequate reserves in | *5/2/2024*
17 compliance with the Statutory Reserve Fund level between 100% and 110% of the
18 minimum required TNE.
19
20 2. Management shall transfer, from time to time, funds into the Statutory Reserve or the Board-
21 designated Reserve Funds no greater than the net available for reserves for any given Fiscal
22 Year, plus additional funds, if deemed appropriate.
23
24 a. On a Fiscal Year-to-date basis, the net available for reserves is equal to the excess of
25 capitation revenues, investment income, and other income over the combined medical and
26 administrative costs for the same fiscal period.
27
28 b. CalOptima Health's Fiscal Year begins on July 1 of each year and ends on June 30 of the
29 following year.
30

31 E. Review and Utilization of the Board-designated Reserve Fund
32

- 33 1. The Board shall review levels of total assets and the Board-designated Reserve Fund, at
34 minimum, on an annual basis, including, but not limited to, during the development of the
35 strategic plan and the preparation of the annual operating budget. As part of this review, the
36 Board shall assess resources to be used for the purposes of expanding access to care, improving
37 member benefits, and/or augmenting provider reimbursement, in accordance with Title 4,
38 Division 11 of the Codified Ordinances of the County of Orange, California.
39
40 2. Utilization of the Board-designated Reserve Fund during a delay in capitation revenues from the
41 State.
42
43 a. In the event of a delay in CalOptima Health's receipt of capitation revenues from the State
44 and provided the Board-designated Reserve Funds level is within the range as set forth in
45 Section II.C of this policy, Management is authorized to use Board-designated Reserve
46 funds to provide up to three (3.0) months of continuous payments to Providers and vendors
47 without the approval of the Board.
48
49 b. In the event the Board-designated Reserve Fund approaches zero, CalOptima Health may
50 elect, with approval of the Board, to cease payments to Providers and vendors until such
51 time as the State restores capitation revenues to CalOptima Health.
52

- 1 3. Except as authorized in Section II.E.2.a. of this policy, any withdrawals from the Board-
2 designated Reserve Fund shall be approved by the Board through the annual budget process, or
3 through a separate Board action at a regular or special meeting of the Board. The Budget is
4 CalOptima Health's Board-approved annual operating budget that incorporates net assets
5 available for reserves.
6
- 7 4. The Board, through approval of a Board Action Request, may specifically designate all or a
8 portion of the Board-designated Reserve Fund for one (1) or more Special Purposes at any time.
9
- 10 a. A Special Purpose is a specifically designated use, as determined solely by the Board, that
11 best addresses a programmatic or financial need facing CalOptima Health.
12
- 13 b. The Board may remove or modify any or all such specific designations previously imposed
14 through a subsequent Board action.
15
- 16 5. Management shall notify the Board of all uses from the Board-designated Reserve Fund,
17 regardless of prior approval requirements as set forth in this policy.
18
- 19 6. On an annual basis, the Board may review this policy concurrently with the approval of the
20 annual operating budget.
21

22 **III. PROCEDURE**

23 A. Calculation and transfers to or from the Statutory Reserve Fund

- 24 1. The Statutory Reserve shall be calculated monthly in accordance with Title 28, California Code
25 of Regulations (CCR), Section 1300.76.
26
- 27 2. Prior to the end of each month-end close, CalOptima Health's Chief Executive Officer (CEO),
28 Chief Financial Officer (CFO), or designee, shall instruct the Controller or designee, to transfer
29 a specified dollar amount into or from the Statutory Reserve Fund (from or to CalOptima
30 Health's operating funds) to ensure compliance with 100% to 110% the minimum required
31 TNE.
32

33 B. Transfers to or from the Board-designated Reserve Fund

- 34 1. Prior to the end of each month-end close, CalOptima Health's CEO, CFO, or designee, shall
35 instruct the Controller or designee, to transfer a specified dollar amount into or from the Board-
36 designated Reserve Fund (from or to CalOptima Health's operating funds).
37
- 38 2. The transfer shall be consistent with either the Board-approved Budget or a subsequent Board
39 action.
40

41 C. Financial Reporting on the Statutory Reserve and the Board-designated Reserve Funds

- 42 1. While reporting each month's financial results, the CFO or designee, shall routinely update the
43 Board as to the status of the Statutory Reserve and the Board-designated Reserve Funds.
44
- 45 2. The status report shall be rendered on a quarterly basis or more frequently, as directed by the
46 Board.
47

48 D. Utilization of the Board-designated Reserve Fund for Special Purposes

1. In accordance with Section II.E.4. of this policy, Management shall, upon its own initiative or at the request of the Board, prepare and submit a Board Action Request to specifically designate, for one (1) or more Special Purposes, all or a portion of the Board-designated Reserve Fund. If the Board approves such Board Action Request, Management shall describe the specific designations of such funds on subsequent CalOptima Health balance sheets.
2. The subsequent removal or modification of a previously Board-approved specific designation of Board-designated Reserve funds shall follow the same process as that utilized for creating the original designation. If the Board subsequently approves the removal or modification of a specific designation, Management shall appropriately adjust future CalOptima Health balance sheets to properly account for such removal or modification.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. Title 28, California Code of Regulations (CCR), Section 1300.76

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
06/06/2000	Regular Meeting of the CalOptima Board of Directors
03/01/2012	Regular Meeting of the CalOptima Board of Directors
06/06/2013	Regular Meeting of the CalOptima Board of Directors
12/03/2015	Regular Meeting of the CalOptima Board of Directors
09/07/2023	Regular Meeting of the CalOptima Health Board of Directors
05/02/2024	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	11/01/1996	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	06/06/2000	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	06/01/2007	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	03/01/2012	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	06/06/2013	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	12/03/2015	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	09/01/2016	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	07/01/2023	GA.3001	Board-Designated Reserve Funds	Administrative
Revised	06/01/2024	GA.3001	Statutory and Board-Designated Reserve Funds	Administrative

For 20240502 BOD Review Only

- 1 **IX. GLOSSARY**
- 2
- 3 Not Applicable
- 4

For 20240502 BOD Review Only

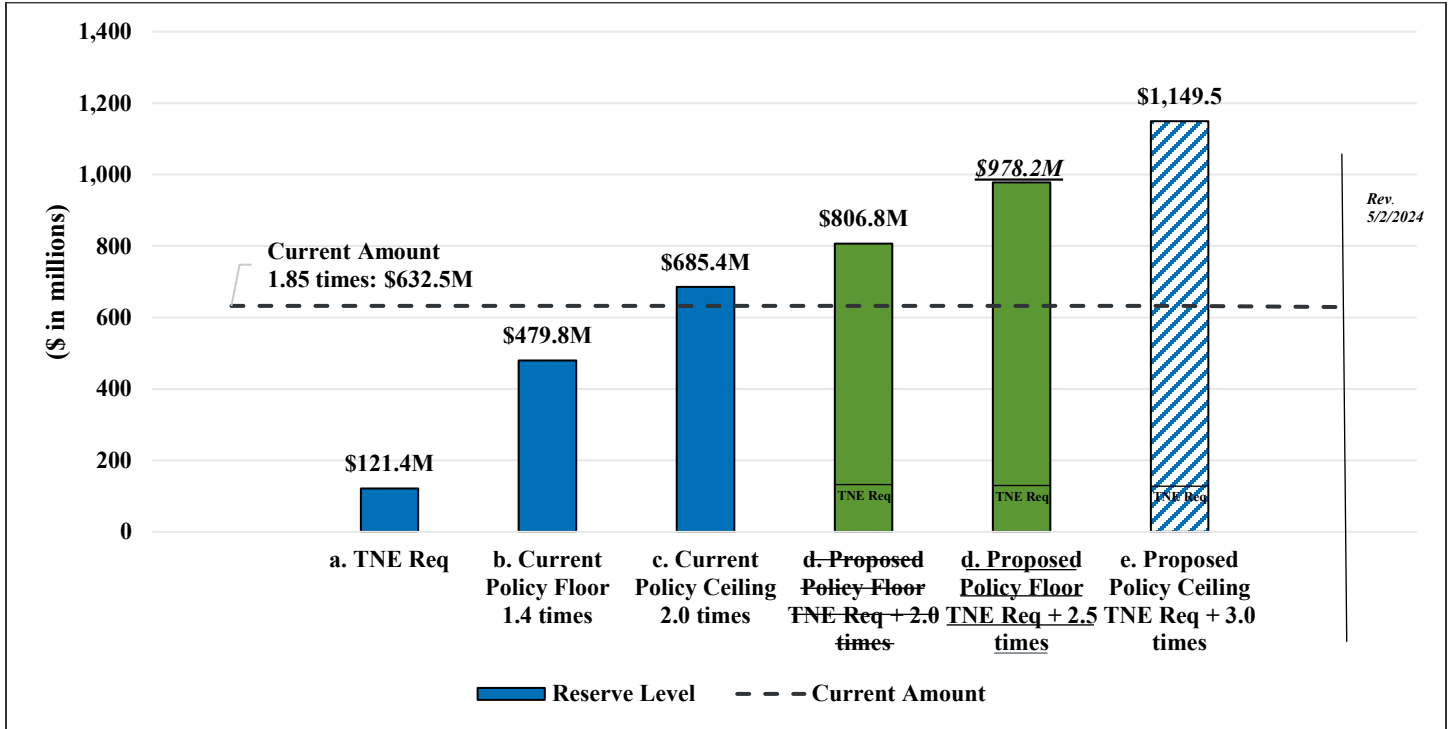
Reserve Level Analysis (as of March 31, 2024)

1. Comparison of Board Reserve Policies at Other Public Plans

Plan Name	Reserve Target Level
Community Health Group*	4.0 months of revenue
CenCal Health	3.0 months of revenue
Central California Alliance for Health	3.0 months of revenue
San Francisco Health Plan	3.0 months of revenue
Inland Empire Health Plan*	2.0 months of revenue
Health Plan of San Joaquin	6.0 months of operating expenses <u>and/or</u> 475% TNE
Santa Clara Family Health Plan	2.0 to 3.0 months of operating expenses <u>and</u> 500-750% TNE
Kern Health Systems	2.0 to 3.0 months of operating expenses <u>and</u> 500-600% TNE
Health Plan of San Mateo	2.0 months of operating expenses (minimum) <u>and</u> 1 month of operating expenses (contingency)
Partnership HealthPlan of California	2.0 months of operating expenses
CalOptima Health	1.4 to 2.0 months of revenue

* Reserve requirements as reported in the May 2023 State Auditor’s report
 Other data reported through a recent local plan survey.

2. Landscape Analysis



CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

10. Approve Contract for Real Estate Advisory and Brokerage Services

Contact

Nancy Huang, Chief Financial Officer, (657) 235-6935

Recommended Actions

Authorize the Chief Executive Officer to execute an agreement with CBRE, Inc. for real estate advisory and brokerage services for a three-year term with two one-year extension options, each exercisable at CalOptima Health's sole discretion.

Background

Upon completion of a formal request for proposals (RFP), CalOptima Health contracted with Newmark Knight Frank for real estate related services effective March 6, 2020. This contract expired on February 28, 2024. Staff issued an RFP for real estate advisory and brokerage services on February 1, 2024.

Discussion

Staff received a total of 8 proposals. The responses were reviewed and scored by an evaluation team consisting of staff from the Finance Department, Executive Office, and Enterprise Project Management Office. All RFP responders were provided with a copy of the scope of work as part of the standard formal procurement process.

The evaluation team scored each proposal based on the criteria in the below table and completed two rounds of interviews.

Evaluation Criteria	Possible Points	Weight Factor
Knowledge of Orange County, CA real estate market	5	20%
Experience of the firm and of the individuals in providing similar services to public and private entities	5	20%
Work on projects of similar size and complexity	5	20%
Overall organization and completeness of the proposal	5	20%
Price	5	20%

After ranking the 8 proposals, the evaluation team conducted virtual interviews with the top four ranked firms. Based on the results of the virtual interview rankings, the evaluation team conducted in-person interviews with the top two ranked firms. The following table provides the final scores of the in-person interviews:

Vendor	Score
CBRE, Inc.	12.00
Strategic Medical Properties	11.60

The evaluation team selected CBRE, Inc. The vendor presented a strong team dynamic with a superior proposal that displayed knowledge of the Orange County, California, real estate market and had experience providing similar services to public and private entities. Staff recommends the Board authorize the contract with CBRE, Inc. for real estate advisory and brokerage services for an initial three-year term effective upon contract execution through May 31, 2027, with two one-year extensions, each exercisable at CalOptima Health's sole discretion.

Fiscal Impact

The estimated annual fiscal impact for real estate advisory services is \$100,000. The CalOptima Health Fiscal Year (FY) 2023-24 Operating Budget includes sufficient funding to support the contract through June 30, 2024. Management will include operating expenses related to this contract in the FY 2024-25 and future operating budgets.

Rationale for Recommendation

Management believes the vendor, CBRE, Inc. will meet the goal of ensuring that CalOptima Health has appropriate space for our business needs and program implementation.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. Entities Covered by this Recommended Action
2. Contract with CBRE, Inc.

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
CBRE, Inc	2706 Media Center Drive, Lockbox 740935, Location Code 2142	Los Angeles	CA	90065-1733

CONTRACT NO. 24-10862 (“**Contract**”)
BETWEEN
ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY, dba
ORANGE PREVENTION & TREATMENT INTEGRATED MEDICAL ASSISTANCE, dba
CALOPTIMA HEALTH (“**CalOptima**”)
And
CBRE, INC
 (“**CONTRACTOR**”)

This Contract is made and entered into as of the last date signed (“**Effective Date**”), by and between the Orange County Health Authority, a public agency dba CalOptima Health (“**CalOptima**”) and CBRE, Inc, hereinafter referred to as “**CONTRACTOR**.” CalOptima and CONTRACTOR may be referred to herein collectively as the “**Parties**” or each individually as a “**Party**.”

RECITALS

- A. CalOptima desires to retain a contractor to provide real estate advisory and brokerage services, as described in the Scope of Work in Exhibit A;
- B. CONTRACTOR provides such services;
- C. CONTRACTOR represents and warrants that it has the requisite personnel and experience and is capable of performing such services;
- D. CONTRACTOR desires to perform these services for CalOptima; and
- E. CalOptima and CONTRACTOR desire to enter into this Contract on the terms and conditions set forth herein below.

NOW, THEREFORE, in consideration of their mutual and respective promises, and subject to the terms and conditions hereinafter set forth, the Parties agree as follows:

- 1. Documents Constituting Contract. “**Contract Documents**” include the following documents in the order of descending precedence: (i) this Contract, inclusive of all its exhibits and addenda; (ii) CalOptima’s Request for Proposal 24-040R (“**RFP**”, inclusive of any CalOptima revisions and addenda prior to the Effective Date; (iii) CONTRACTOR’s proposal dated 02/23/2024 (“**Proposal**”). Any new terms and conditions attached to CONTRACTOR’s best and final offer, Proposal, invoices, or request for payment shall not be incorporated into the Contract Documents or be binding upon CalOptima unless expressly accepted by CalOptima in writing. All Contract Documents are incorporated into this Contract by this reference. Any changes to the Contract or the Contract Documents shall not be binding upon CalOptima except when specifically confirmed in writing by an authorized representative of CalOptima in accordance with Section 10, of this Contract. In the event of any conflict of provisions among the Contract and/or Contract Documents, the provisions shall prevail in the above-referenced descending order of precedence.
- 2. Scope of Work.
 - 2.1 CONTRACTOR shall perform the work in accordance with (i) this Contract, including the Scope of Work in Exhibit A, (ii) the Contract Documents, (iii) the applicable standards and requirements of the Centers for Medicare and Medicaid Services (“**CMS**”), the California Department of Health Care Services (“**DHCS**”), and the California Department of Managed Health Care (“**DMHC**”), and (iv) all applicable laws.

3. Insurance.

- 3.1 At CONTRACTOR's sole expense and prior to undertaking performance of services under this Contract and at all times during performance hereunder, CONTRACTOR shall maintain insurance policies and amounts set forth in Exhibit A, which shall be full-coverage insurance not subject to self-insurance provisions, in accordance with applicable laws and industry standards. CONTRACTOR shall not of its own initiative cause such insurance to be canceled or materially changed during the Term.
- 3.2 Within five (5) days of the Effective Date and prior to commencing performance of any services or its receipt of any compensation under the Contract, CONTRACTOR shall furnish to CalOptima with additional insured endorsements broker-issued Certificate(s) of Insurance showing the required insurance coverages for CONTRACTOR. CONTRACTOR's Certificates of Insurance shall additionally comply with the following:
- 3.2.1 CalOptima's officers, officials, directors, employees, agents, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of CONTRACTOR, including materials, parts, or equipment furnished in connection with such work or operations. This provision applies to CONTRACTOR's General Liability and Auto Liability policies, as applicable, and must be on ISO form CG 20 10 or equivalent.
- 3.2.2 For any claims related to this Contract, the CONTRACTOR's insurance coverage shall be primary insurance with respect to CalOptima, its officers, officials, directors, employees, agents, and volunteers. This provision applies to the CONTRACTOR's General Liability, Auto Liability and Workers' Compensation and Employers' Liability policies, as applicable.
- 3.2.3 CONTRACTOR's insurance carrier agrees to waive all rights of subrogation against CalOptima and its elected or appointed officers, officials, directors, agents, and employees for losses paid under the terms of any policy which arise from work performed by the CONTRACTOR for CalOptima. This provision applies to the CONTRACTOR's General Liability, Auto Liability and Workers' Compensation and Employers Liability policies.
- 3.2.4 Insurance is to be placed with insurers with a current A.M. Best rating of no less than A-VII, unless otherwise acceptable to CalOptima.
- 3.2.5 CONTRACTOR shall furnish CalOptima with original certificates and amendatory endorsements affecting coverage required by this Section 3.2 and Exhibit A. CalOptima reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications, at any time.
- 3.2.6 Any deductibles, or self-insured retentions must be declared to and approved by CalOptima. CalOptima may require the CONTRACTOR to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention or deductible.
- 3.2.7 All deductibles and retentions that the aforementioned policies contain are the responsibility of the CONTRACTOR and in no way shall CalOptima be responsible for payment of the deductibles/retentions.

- 3.2.8 If CONTRACTOR maintains higher limits than the minimums required in this Contract, CalOptima requires and shall be entitled to coverage for the higher limits maintained by CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CalOptima.
- 3.2.9 Require the insurance carrier to provide thirty (30) days' prior written notice of cancellation to CalOptima.
- 3.3 If CONTRACTOR fails or refuses to maintain or produce proof of the insurance required by this Section 3 and Exhibit A, CalOptima may terminate this Contract upon written notice to CONTRACTOR. Such termination shall not affect CONTRACTOR'S right to be paid for its time and materials expended prior to notification of termination. CONTRACTOR waives the right to receive compensation and agrees to indemnify CalOptima for any work performed prior to approval of insurance by CalOptima
- 3.4 The requirement for carrying the required insurance shall not derogate from the provisions for indemnification of CalOptima.
- 3.5 CONTRACTOR shall require each of its subcontractors who perform services related to this Contract, if any, to maintain insurance coverage that meets all of the requirements set forth in this Contract.
- 3.6 “**Occurrence**” means any event or related exposure to conditions that result in bodily injury or property damage.
4. Indemnification.
- 4.1 To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify, and hold harmless CalOptima and its respective officers, directors, agents, volunteers, consultants and employees (individually and collectively referred to as “**Indemnified Parties**”) against any and all claims, losses, demands, damages, costs, expenses, or liability arising out CONTRACTOR's, or its officers, employees, subcontractors, agents, or representatives', breach of this Contract, negligence, recklessness, or intentional conduct, except to the extent any such loss was caused by the gross negligence, recklessness, or intentional misconduct of CalOptima. CONTRACTOR shall defend the Indemnified Parties in any claim or action based upon any such alleged acts or omissions at its sole expense, which shall include all costs and fees, including attorneys' fees, cost of investigation, defense, and settlement or awards. CalOptima may make all reasonable decisions with respect to its representation in any legal proceeding. CONTRACTOR's duty to defend herein is wholly independent of and separate from the duty to indemnify and such duty to defend shall exist regardless of any ultimate liability of CONTRACTOR, save and except claims arising through the sole negligence or sole willful misconduct of CalOptima.
- 4.2 CONTRACTOR's obligation to indemnify hereunder is in addition to any liability CONTRACTOR may have to CalOptima for a breach by CONTRACTOR of any of the provisions of this Contract. Under no circumstances shall the insurance requirements and limits set forth in this Contract be construed to limit CONTRACTOR's indemnification and duty to defend obligation or other liability hereunder
- 4.3 CONTRACTOR's indemnification and duty to defend obligations shall survive the expiration or earlier termination of this Contract until such time as any action against the Indemnified Parties for such a matter indemnified hereunder is fully and finally barred by the applicable statute of limitations, including those set forth under the California Government Claims Act (Cal. Gov. Code §900 *et seq.*).

- 4.4 In the event of any conflict between this Section 4 and the indemnification provisions set forth elsewhere in the Contract, including any business associate agreement (“BAA”) between the Parties, the indemnification provision(s) in the BAA or elsewhere in the Contract shall be interpreted to relate only to matters within the scope of the BAA or those other Contract provisions.
- 4.5 The terms of this Section 4 shall survive the termination of this Contract.
5. Independent Contractor. CalOptima and CONTRACTOR agree that CONTRACTOR, which shall include for purposes of this Section 5 all subcontractors, agents, and employees of the CONTRACTOR, in performance of this Contract, shall act in an independent capacity, and not as officers or employees of CalOptima. CONTRACTOR’s relationship with CalOptima in the performance of this Contract is that of an independent contractor and nothing in this Contract shall be construed as creating a partnership, joint venture, or agency. CONTRACTOR’s personnel performing services under this Contract shall be at all times under CONTRACTOR’s exclusive direction and control and shall be employees of CONTRACTOR and not employees of CalOptima. CONTRACTOR shall pay all wages, salaries and other amounts due its employees, agents, and/or subcontractors in connection with this Contract and shall be responsible for all reports and obligations respecting them, such as social security, state and federal income tax withholding, other payroll taxes, unemployment compensation, workers’ compensation, and similar matters. CONTRACTOR shall file all required returns related to such taxes, contributions, and payroll deductions.
6. Personnel.
- 6.1 CONTRACTOR Staffing. CONTRACTOR shall ensure that only fully qualified CONTRACTOR personnel are assigned to perform the services under the Contract, and such CONTRACTOR personnel shall perform services diligently and in a timely manner, according to the applicable professional and technical standards.
- 6.2 CONTRACTOR Personnel Restrictions. When on CalOptima’s premises, CONTRACTOR personnel shall comply with CalOptima policies and procedures, including CalOptima’s identification requirements (e.g., name badges).
- 6.3 Any CalOptima property damaged by CONTRACTOR, its subcontractor(s), or by the personnel of either, will be subject to repair or replacement by CONTRACTOR at no cost to CalOptima.
7. Compensation.
- 7.1 CalOptima agrees to pay, and CONTRACTOR agrees to accept as full compensation for the faithful performance of this Contract, the rates, charges, and other payment terms identified in Exhibit B.
- 7.2 CalOptima will not reimburse CONTRACTOR any expenses incurred in connection with its performance of the services, unless such reimbursement is specifically authorized in Exhibit B. Each expense reimbursement request, when authorized in Exhibit B must include receipts or other suitable documentation.
- 7.3 CONTRACTOR’s requests for payments and reimbursements must comply with the requirements set forth in Exhibit B. CalOptima will not make payment for work that fails to meet the standards of performance set forth in the Contract, including in Exhibit A. **CALOPTIMA SHALL NOT PAY ANY FEES, EXPENSES, OR COSTS WHATSOEVER INCURRED BY CONTRACTOR IN RENDERING ADDITIONAL SERVICES NOT AUTHORIZED IN WRITING BY CALOPTIMA UNDER THIS CONTRACT.**

- 7.4 In no event shall the total compensation payable to CONTRACTOR for the services performed under this Contract exceed the maximum cumulative payment obligation, as set forth in Exhibit B, without the express prior written authorization of CalOptima. **CONTRACTOR ACKNOWLEDGES AND AGREES THAT CALOPTIMA SHALL NOT BE LIABLE FOR ANY FEES, EXPENSES OR COMPENSATION IN EXCESS OF THE MAXIMUM CUMULATIVE PAYMENT OBLIGATION.**
- 7.5 The maximum cumulative payment obligation includes all applicable federal, state, and local taxes and duties, except sales tax, which is shown separately, if applicable. CONTRACTOR is responsible for submitting any withholding exemption forms (e.g., W-9) to CalOptima. Such forms and information should be furnished to CalOptima before payment is made. If taxes are required to be withheld on any amounts otherwise to be paid by CalOptima to CONTRACTOR due to CONTRACTOR'S failure to timely submit such forms, CalOptima will deduct such taxes from the amount otherwise owed and pay them to the appropriate taxing authority and shall have no liability for or any obligation to refund any payments withheld.

8. Confidential Material.

- 8.1 During the Term, either Party may have access to confidential material or information (“**Confidential Information**”) belonging to the other Party or the other Party’s customers, vendors, or partners. Confidential Information includes the disclosing Party’s computer programs and codes, business plans, customer/member lists and information, financial records, partnership arrangements, projections, methodologies, data, reports, agreements, intellectual property, trade secrets, licensing plans, and other proprietary information, or other information, materials, records, writings or data that is marked confidential or that due to its character and nature, a reasonable person under like circumstances would treat as confidential. CalOptima’s Confidential Information also includes all user information, patient information, and clinical data that comes into CalOptima’s possession, custody or control. Confidential Information will be used only for the purposes of this Contract and related internal administrative purposes. Each Party agrees to protect the other’s Confidential Information at all times and in the same manner as each protects the confidentiality of its own confidential materials, but in no event with less than a reasonable standard of care.
- 8.2 For the purposes of Section 8.1, Confidential Information does not include information which: (i) is already known to the other Party at the time of disclosure; (ii) is or becomes publicly known through no wrongful act or failure of the receiving Party; (iii) is independently developed without use or benefit of the other Party’s Confidential Information or proprietary information; (iv) is lawfully received from a third party that is not under and does not thereby breach an obligation of confidentiality; or (v) is a public record, not exempt from disclosure, pursuant to California Public Records Act, Government Code Section 6250 *et seq.*, applicable provisions of California Welfare and Institutions Code, or other state or federal laws, regardless of whether such information is marked as confidential or proprietary.
- 8.3 Disclosure of the Confidential Information will be restricted to the receiving Party’s employees, consultants, suppliers, or agents, who are bound by confidentiality obligations no less stringent than those in this Section 8, on a “need to know” basis in connection with the services performed under this Contract. The receiving Party may disclose Confidential Information pursuant to legal, judicial, or administrative proceeding or otherwise as required by law; provided, however, that the receiving Party gives reasonable prior notice, if not prohibited by applicable law, to the disclosing Party and assists the disclosing Party, at the disclosing Party’s expense, to obtain protective or other appropriate confidentiality orders, and further provided that a required disclosure of Confidential Information or proprietary information to an agency or court does not relieve the receiving Party of its confidentiality obligations with respect to the other Party.
- 8.4 CONTRACTOR shall establish and maintain environmental, safety, and facility procedures, data security procedures and other safeguards against the unauthorized access, destruction, loss, or

alteration of CalOptima's Confidential Information in the possession, custody, or control of CONTRACTOR. Those security procedures and other safeguards shall be no less rigorous than those maintained by CONTRACTOR for its own information of a similar nature.

- 8.5 Upon written request of the disclosing Party, the receiving Party shall promptly return to the disclosing Party or destroy all documents, notes, and other tangible materials representing the disclosing Party's Confidential Information and all copies thereof. This obligation to return materials or copies thereof does not extend to automatically generated computer backup or archival copies generated in the ordinary course of the receiving Party's information systems procedures, provided that the receiving Party shall make no further use of such copies.
- 8.6 If a breach of the obligations under this Section 8 occurs, the injured Party may be entitled to such injunctive relief and any and all other remedies available at law or in equity. This Section 8 in no way limits the liability or damages that may be assessed against a Party if another Party breaches any of the provisions of this Section 8.
- 8.7 This Contract does not require or permit CONTRACTOR to create, receive, maintain, use, or transmit protected health information ("PHI"). As such, no BAA is required for this Contract; provided, however, that if CONTRACTOR or its employees, agents, or subcontractors access or receive, whether intentionally or unintentionally, PHI regarding CalOptima members during the Term, CONTRACTOR and its employees, agents, and subcontractors shall immediately notify CalOptima, protect such PHI from any additional disclosure, not use or disclose that PHI in any way that would violate a federal or state privacy or security law, its implementing regulations, or any other state or federal law, and execute a BAA with CalOptima, as necessary and requested by CalOptima.
9. California Public Records Act. As a local public agency, CalOptima is subject to the California Public Records Act (California Government Code Sections 6250 *et seq.*) (the "PRA"). CONTRACTOR hereby acknowledges that any materials, documents, data, or similar items are subject to disclosure upon public request, unless exempt from disclosure under the provisions of the PRA. CalOptima may be required to reveal certain information pursuant to the PRA believed to be proprietary or confidential by CONTRACTOR. If CONTRACTOR discloses information that it believes to be proprietary or confidential to CalOptima, it shall mark such information as "Confidential," "Proprietary," or "Restricted" or other similar marking. Unless CONTRACTOR marks its materials as "Confidential," "Proprietary," or "Restricted," and also notifies CalOptima in writing that CONTRACTOR has so marked each piece of material, then CalOptima will not be responsible to take any actions to protect any CONTRACTOR's materials under the PRA that are not so marked. If CalOptima receives a request under the PRA that potentially encompasses CONTRACTOR materials that have been properly marked, CalOptima will provide CONTRACTOR with notice thereof to allow CONTRACTOR to take actions it deems appropriate to prevent disclosure of the marked material. Within five (5) days from receipt of CalOptima's notice, CONTRACTOR shall notify CalOptima if it intends to object to production of CONTRACTOR's information; otherwise CalOptima will respond to the PRA request according to the requirements of the PRA. CONTRACTOR agrees to defend, indemnify, and hold harmless CalOptima, its officers, agents, employees, members, subsidiaries, joint venture partners, and predecessors and successors in interest from and against any claim, action, proceeding, liability, loss, damage, cost, or expense, including attorneys' fees, and any costs awarded to the person or entity that sought CONTRACTOR's marked material, arising out of or related to CalOptima's failure to produce or provide the CONTRACTOR-marked material (collectively referred to for purposes of this Section 9 as "**Public Records Act Claim(s)**"). CONTRACTOR shall pay to CalOptima any expenses or charges relating to or arising from any such Public Record Act Claim(s) as they are incurred by CalOptima.
10. Modifications. CalOptima may modify the Contract upon written notice to CONTRACTOR at any time should such modification be required by CMS, DHCS, the DMHC, or applicable law or regulation ("**Regulatory Amendment**"). Any other modifications of the Contract that are not Regulatory Amendments shall be executed only by a written amendment to the Contract, signed by CalOptima and CONTRACTOR. Execution of amendments shall be contingent upon CONTRACTOR's notification to

CalOptima, and CalOptima's approval, of any increase or decrease in the price of this Contract or in the time required for CONTRACTOR's performance.

11. Assignments.

11.1 CONTRACTOR may not assign, transfer, or delegate any interest herein, either in whole or in part, without the prior written consent of CalOptima, which consent may be withheld in its sole discretion. If CalOptima provides such prior written consent, CONTRACTOR acknowledges and agrees that such assignment, transfer, or delegation may additionally be subject to the prior written approval of DHCS. Any assignment, transfer, or delegation made without CalOptima's express written consent shall be void.

11.2 For purposes of this Section 11, an assignment is: (1) the change of more than fifty percent (50%) of the ownership or equity interest in CONTRACTOR (whether in a single transaction or in a series of transactions); (2) the change of more than fifty percent (50%) of the directors or trustees of CONTRACTOR (whether in a single transaction or in a series of transactions); (3) the merger, reorganization, or consolidation of CONTRACTOR with another entity with respect to which CONTRACTOR is not the surviving entity; and/or (4) a change in the management of CONTRACTOR from management by persons appointed, elected or otherwise selected by the governing body of CONTRACTOR (e.g., the Board of Directors) to a third-party management person, company, group, team or other entity.

12. Subcontracts. CONTRACTOR may not subcontract or delegate its obligations or the performance of services under this Contract without CalOptima's prior written consent, which CalOptima may exercise in its sole discretion. CalOptima-approved subcontractors are listed in Addendum 1 to Exhibit A.

13. Term. This Contract shall commence on the Effective Date and shall continue in full force and effect through 05/31/2027 ("**Initial Term**"), unless earlier terminated as provided in this Contract. At the end of the Initial Term, CalOptima may, at its option, extend this Contract for up to two additional consecutive one year terms ("**Extended Terms**"), provided that if CalOptima does not exercise its option to extend at the end of the Initial Term, or any Extended Term, the remaining option(s) shall automatically lapse. The Initial Term together with any Extended Terms constitute the "**Term**" of this Contract.

14. Termination.

14.1 Termination without Cause. CalOptima may terminate this Contract at any time, in whole or in part, for its convenience and without cause, by giving CONTRACTOR thirty (30) days' prior written notice. Upon termination, CalOptima shall pay CONTRACTOR all fees and other charges due and payable for services satisfactorily performed and accepted by CalOptima as of the termination date. Thereafter, CONTRACTOR shall have no further claims against CalOptima under this Contract.

14.2 Termination for Unavailability of Funds. In recognition that CalOptima is a governmental entity and its operations and budgets are determined on an annual basis, CalOptima shall have the right to terminate this Contract as follows:

14.2.1 CalOptima may terminate this Contract if it does not receive funding from the State of California or the federal government, as applicable, for any fiscal year.

14.2.2 In the event of termination under Section 14.2.1, CalOptima agrees to promptly pay CONTRACTOR all fees and other charges due and payable for services satisfactorily performed and accepted by CalOptima as of the termination date. CONTRACTOR shall not be entitled to payment for any other items, including lost or anticipated profit on work not performed, administrative costs, attorneys' fees, or consultants' fees.

- 14.3 Termination for Default. CalOptima may immediately terminate this Contract upon notice to CONTRACTOR for (i) CONTRACTOR's bankruptcy, (ii) if a federal or state proceeding for the relief of debtors is undertaken by or against CONTRACTOR; or (iii) if CONTRACTOR makes an assignment, as defined in Section 11, for the benefit of creditors ("**Termination for Default**").
- 14.4 Termination for Breach. Either Party may at its option, terminate this Contract by notice to the other Party if the other Party breaches one of its obligations under this Contract and fails to cure that breach or default within thirty (30) days after receiving notice identifying that breach, provided that the non-breaching party may terminate the Contract immediately upon written notice if the non-breaching Party reasonably determines that cure of the default within thirty (30) days is impossible. The rights described in this Section 14.4 to terminate this Contract shall be in addition to any other remedy available to the non-breaching Party, whether under this Contract or in law or equity, on account of that breach.
- 14.5 Notwithstanding the foregoing, CalOptima may terminate this Contract immediately upon CONTRACTOR's breach of Section 3 (Insurance) or Section 8 (Confidential Material).
- 14.6 Effect of Termination. Upon expiration or receipt of a termination notice under this Section 14:
- 14.6.1 CONTRACTOR shall promptly discontinue all services (unless CalOptima's notice directs otherwise) and deliver or otherwise make available to CALOPTIMA all documents, reports, software programs, and any other products, data and such other materials, equipment, and information, including Confidential Information, or equipment provided by CalOptima, as may have been accumulated by CONTRACTOR in performing this Contract, whether completed or in process. If CONTRACTOR personnel were granted access to CalOptima's premises and issued a badge or access card, such badge or access card shall be returned prior to departure.
- 14.6.2 CalOptima may take over the services and may award another party a contract to complete the services under this Contract.
- 14.6.3 In the event of termination under Sections 14.3, 14.4, or 14.5, either Party shall be liable for any and all reasonable costs incurred by the non-breaching Party as a result of such a termination.

15. Dispute Resolution

- 15.1 Meet and Confer. If either Party has a dispute arising under or related to this Contract, the Parties shall informally meet and confer to try and resolve the dispute. The Parties shall meet and confer within thirty (30) days of a written request submitted by either Party in an effort to settle any dispute. At each meet-and-confer meeting, each Party shall be represented by persons with final authority to settle the dispute. If either Party fails to meet within the thirty (30)-day period, that Party shall be deemed to have waived the meet-and-confer requirement, and at the other Party's option, the dispute may proceed immediately to arbitration under Section 15.2.
- 15.2 Subject to the California Government Claims Act (Cal. Gov. Code §900 *et seq.*) governing claims against public entities, either Party may submit the dispute for resolution exclusively through confidential, binding arbitration, instead of through trial by court or jury, in Orange County, California. The Parties may agree in writing prior to commencing the arbitration on the dispute resolution rules and arbitration service that will be used to resolve the dispute. If the Parties cannot reach such an agreement, the arbitration will be conducted by Judicial Arbitration and Mediation Services ("**JAMS**") in accordance with the commercial dispute rules then in effect for JAMS; provided, however, that this Contract shall control in instances where it conflicts with JAMS's (or the applicable arbitration service's) rules. The arbitration shall be conducted on an expedited basis by a single arbitrator. The Parties prefer that the arbitrator be a retired judge of the California

Superior, Appellate, or Supreme Court or of a United States court sitting in California. If no such retired judge is available, the arbitrator may be an attorney with at least fifteen (15) years of experience, including at least five (5) years in managed health care. If the Parties are unable to agree on the arbitrator within thirty (30) days of the date that the arbitration service accepts the arbitration, the arbitrator shall be selected by the arbitration service from a list of four potential arbitrators (all of whom shall be on arbitration services' panel of arbitrators) submitted by the Parties, two from each side; provided, however, that nothing stated in this section shall prevent a Party from disqualifying an arbitrator based on a conflict of interest. In making decisions about discovery and case management, it is the Parties' express agreement and intent that the arbitrator at all times promote efficiency without denying either Party the ability to present relevant evidence. In reaching and issuing decisions, the arbitrator shall have no jurisdiction to make errors of law and/or legal reasoning. The Parties shall share the costs of arbitration equally, and each Party shall bear its own attorneys' fees and costs.

- 15.3 Exclusive Remedy. With the exception of any dispute that under applicable laws may not be settled through arbitration, arbitration under Section 15.2 is the exclusive method to resolve a dispute between the Parties arising out of or relating to this Contract that is not resolved through the meet-and-confer processes.
- 15.4 Waiver. By agreeing to binding arbitration as set forth in Section 15.2, the Parties acknowledge that they are waiving certain substantial rights and protections which otherwise may be available if a dispute between them was determined by litigation in a court, including the right to a jury trial, attorneys' fees, and certain rights of appeal.

16. General Provisions.

- 16.1 Non-Exclusive Relationship. This is a non-exclusive relationship between CalOptima and CONTRACTOR. CalOptima shall have the right to have any of the services that are the subject of this Contract performed by CalOptima personnel or enter into contractual arrangements with one or more contractors who can provide CalOptima with similar or like services.
- 16.2 Compliance with Applicable Law and Policies. CONTRACTOR warrants that, in the performance of this Contract, it shall, at its own expense, observe and comply with all applicable federal, state, and local laws, and CalOptima vendor policies relating to services under the Contract that are in effect when this Contract is signed or that come into effect during the Term and are available to CONTRACTOR on CalOptima's website.
- 16.3 Names and Marks. Neither Party shall use the name, logo or other proprietary mark of the other Party in any press release, advertising, promotional, marketing or similar publicly disseminated material without obtaining the other Party's express written approval of the material and consent to such use.
- 16.4 Time is of the Essence. Time is of the essence in performance of this Contract.
- 16.5 Choice of Law. This Contract shall be governed by and construed in accordance with all laws of the State of California. If any Party institutes legal proceedings to enforce or interpret this Contract, venue and jurisdiction shall be in the County of Orange, California.
- 16.6 Force Majeure. When satisfactory evidence of a cause beyond a Party's control is presented to the other Party, and nonperformance is unforeseeable, beyond the control, and not due to the fault of the Party not performing, a Party shall be excused from performing its obligations under this Contract during the time and to the extent that it is prevented from performing by such cause, including any incidence of fire, flood, acts of God, commandeering of material, products, plants or facilities by the federal, state or local governments, or a material act or omission by the other Party. A Party invoking this clause shall provide the other Party with prompt written notice of any

delay or failure to perform that occurs by reason of force majeure. If the force majeure event continues for a period of fifteen days, the Party unaffected by the force majeure event may terminate this Contract upon notice to the other Party.

- 16.7 Notices. All notices required or permitted under this Contract shall be in writing and shall be sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service which delivers to the noticed destination and provides proof of delivery to the sender. All notices shall be effective when first received at the following addresses set forth below. Any notice not related to termination of this Contract may be submitted electronically to the address set forth below. Any Party whose address changes shall notify the other Party in writing.

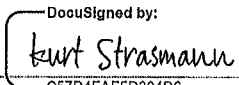
To CONTRACTOR:	To CalOptima Health:
CBRE, Inc	CalOptima Health
4301 La Jolla Village Drive, Suite 3000	505 City Parkway West
San Diego, CA 92122	Orange, CA 92868
Attention: Kurt Strasmann	Attention: Maria Kim
Email: kurt.strasmann@cbre.com	Email: maria.kim@caloptima.org

- 16.8 Notice of Labor Disputes. Whenever CONTRACTOR has knowledge that any actual or potential labor dispute may delay this Contract, CONTRACTOR shall immediately notify and submit all relevant information to CalOptima.
- 16.9 No Liability of County of Orange. As required under Ordinance No. 3896 of the County of Orange, State of California, as amended, the Parties agree that the obligations of CalOptima under this Contract are solely the obligations of CalOptima, and the County of Orange, State of California, shall have no obligation or liability related to this Contract. [County of Orange Ordinance No 3896, codified in Orange County Municipal Code Section 4-11-7(a)]
- 16.10 Entire Agreement. This Contract, including all exhibits, addenda, and Contract Documents, contains the entire agreement between CONTRACTOR and CalOptima with respect to the subject matter of this Contract, and it supersedes all prior written or oral and all or contemporaneous oral agreements, representations, understandings, discussions, negotiations, and commitments between CONTRACTOR and CalOptima, whether express or implied, with respect to the subject matter of this Contract.
- 16.11 Waiver. Any failure of a Party to insist upon strict compliance with any provision of this Contract shall not be deemed a waiver of such provision or any other provision of this Contract. To be effective, a waiver must be in a writing that is signed and dated by the Parties. A waiver by either of the Parties of a breach of any of the covenants, conditions, or agreements to be performed by the other Party shall not be construed to be a waiver of any succeeding breach of the Contract or of any other covenant or condition of the Contract. Any information delivered, exchanged, or otherwise provided hereunder shall be delivered, exchanged, or otherwise provided in a manner that does not constitute a waiver of immunity or privilege under applicable law.
- 16.12 Survival. The following provisions of this Contract shall survive termination or expiration of this Contract: Sections 4 (Indemnification), 5 (Independent Contractor), 8 (Confidential Material), 9 (California Public Records Act), 14.6 (Effect of Termination), 15 (Dispute Resolution), 16.3 (Names and Marks), 16.5 (Choice of Law), 16.9 (No Liability of County of Orange), this Section 16.12, 16.14 (Interpretation), 16.15 (Third-Party Beneficiaries), 16.16 (Successors and Assigns) and any other Contract provisions that by their nature are intended to survive termination or expiration of this Contract.
- 16.13 Severability. If any section, subsection or provision of this Contract, or the application of such section, subsection or provision, is held invalid or unenforceable by any court of competent

jurisdiction, the remainder of this Contract, other than that to which it is held invalid, shall remain in effect.

- 16.14 Interpretation. The terms of this Contract are the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including California Civil Code Section 1654) that ambiguities are to be construed against the drafting party shall not be employed in the interpretation of this Contract.
- 16.15 Third Party Beneficiaries. There are no intended third-party beneficiaries of this Contract. Nothing in this Contract shall be construed as conferring any rights on any other persons.
- 16.16 Successors and Assigns. Except as otherwise expressly provided in this Contract, this Contract will be binding on, and will inure to the benefit of, the successors and permitted assigns of the Parties. Nothing in this Contract is intended to confer upon any party other than the Parties or their respective successors and permitted assigns any rights or obligations under or by reason of this Contract, except as expressly provided in this Contract.
- 16.17 Without Limitation. Any reference in the Contract to “include(s)” or “including” means inclusion without limitation, unless otherwise distinguished within the text.
- 16.18 Authority to Execute. The persons executing this Contract on behalf of the Parties warrant that they are duly authorized to execute this Contract and that by executing this Contract the Parties are formally bound.
- 16.19 Counterparts. This Contract may be executed and delivered in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.
- 16.20 Recitals and Exhibits. The recitals, exhibits, and addenda attached to this Contract are made a part of the Contract by this reference.

IN WITNESS WHEREOF, these Parties have, by their duly authorized representatives, executed this Contract No. 24-10862 on the day and year last shown below.

CBRE, Inc	CalOptima Health
By: 	By:
Print Name: <small>C67D4FAE5D304D8</small> Kurt Strasmann	Print Name:
Title: Executive Managing Director	Title:
Date: 4/15/2024	Date:

By:	By:
Print Name:	Print Name:
Title:	Title:
Date:	Date:

EXHIBIT A
Scope of Work

1. Description of Work

1.1. CONTRACTOR will provide professional and strategic real estate advisory services, as well as brokerage transaction services.

1.2. Advisory services may include, but not be limited to the following:

1.2.1. Assist with development of real estate strategy, undertake validation modelling.

1.2.2. Assist with aligning the real estate portfolio with organizational goals.

1.2.3. Share and present real-time Orange County market information and competitive analysis for growth and potential target acquisitions.

1.2.4. Identify preferred locations and asset types for core and potential new services expansion.

1.2.5. Target and profile on-market and off-market properties for evaluation and potential acquisition.

1.2.6. Support potential affiliations, joint-venture and cojoined development structuring, modelling and value analysis.

1.2.7. Produce model financial pro forma statements and present recommendations for opportunities and transactions.

1.2.8. Model investment potential for strategic portfolio growth and organizational space banking.

1.2.9. Make occasional formal presentations to the CalOptima Health Board of Directors.

1.3. Brokerage – transaction services required will include services associated with the real estate broker, including:

1.3.1. Securing leads and referrals.

1.3.2. Assisting with negotiating prices, terms, ect.

1.3.3. Presenting to CalOptima Health’s Board of Directors on different options.

1.4. CalOptima’s responsibilities will include:

1.4.1. Designating a single point of contact (SPOC) for the contracting services.

1.4.2. CalOptima Health will be available to tour properties and review all proposals.

2. Standard of Performance; Warranties.

2.1 CONTRACTOR agrees to perform all work under this Contract with the requisite skill and diligence consistent with professional standards for the industry and type of work performed under this Contract, and pursuant to the governing rules and regulations of the industry.

2.2 If CONTRACTOR may subcontract for services under this Contract, then CONTRACTOR represents and warrants that any individual or entity acting as a subcontractor to this Contract has the appropriate skill and

expertise to perform the subcontracted work and will comply with all applicable provisions of this Contract.

2.3 CONTRACTOR expressly warrants that all material and work will conform to applicable specifications, drawings, description and samples, including CalOptima's designs, drawings, and specifications, and will be merchantable, of good workmanship and material, and free from defect. CONTRACTOR further warrants that all material covered by this Contract, if any, which is the product of CONTRACTOR will be new and unused unless otherwise specified and shall be fit and sufficient for the purpose intended by CalOptima, as disclosed to CONTRACTOR. CONTRACTOR shall promptly make whatever adjustments or corrections that may be necessary to cure any defects, including repairs of any damage resulting from such defects. CalOptima shall give notice to CONTRACTOR of any observed defects. If CONTRACTOR fails to adjust, repair, correct, or perform other work made necessary by such defects, CalOptima may make such adjustments, repairs, and/or corrections and charge CONTRACTOR the costs incurred.

2.4 CONTRACTOR's warranties, together with its service guarantees, must run to CalOptima and its customers or users of the material and services, and must not be deemed exclusive. CalOptima's inspection, approval, acceptance, use of and payment for all or any part of the material and services must in no way affect its warranty rights whether or not a breach of warranty had become evident in time.

2.5 CONTRACTOR's obligations under this Section 2 are in addition to CONTRACTOR's other express or implied warranties and other obligations under this Contract or state law, and in no way diminish any other rights that CalOptima may have against CONTRACTOR for faulty materials, equipment or work. CalOptima rejects any disclaimer by CONTRACTOR of any warranty, standard, implied or express, unless specifically agreed to in writing by both Parties.

2.6 Any CalOptima property damaged by CONTRACTOR, its subcontractor(s), or by the personnel of either, will be subject to repair or replacement by CONTRACTOR at no cost to CalOptima.

3. Record Ownership and Retention.

3.1 The originals of all letters, documents, reports, and any other products and data prepared or generated for the purposes of this Contract shall be delivered to and become the property of CalOptima at no cost to CalOptima and in a form accessible for CalOptima's use. Copies may be made for CONTRACTOR's records but shall not be furnished to others without written authorization from CalOptima. Such deliverables shall become the sole property of CalOptima and all rights in copyright therein shall be retained by CalOptima. CalOptima's ownership of these documents includes use of, reproduction or reuse of, and all incidental rights. CONTRACTOR shall provide all deliverables within a reasonable amount of time upon CalOptima's request, but in no event shall such time exceed thirty (30) calendar days unless otherwise specified by CalOptima.

3.2 CONTRACTOR hereby assigns to CalOptima all of its rights in all materials prepared by or on behalf of CalOptima under this Contract ("**Works**"), and this Contract shall be deemed a transfer to CalOptima of the sole and exclusive copyright of any copyrightable subject matter CONTRACTOR created in these Works. CONTRACTOR agrees to cause its agents and employees to execute any documents necessary to secure or perfect CalOptima's legal rights and worldwide ownership in such materials, including documents relating to patent, trademark and copyright applications. Upon CalOptima's request, CONTRACTOR will return or transfer all property and materials, including the Works, in CONTRACTOR's possession or control belonging to CalOptima.

4. Required Insurance

4.1. Commercial General Liability, including contractual liability and coverage for independent contractors on an occurrence basis on an ISO form GC 00 01 or equivalent covering bodily injury and property damage with the following minimum liability limits:

- 4.1.1. Per occurrence: \$1,000,000
- 4.1.2. Personal Advertising Injury: \$1,000,000
- 4.1.3. Products Completed Operations: \$2,000,000
- 4.1.4. General Aggregate: \$2,000,000
- 4.2. If Contractor or subcontractors are on CalOptima's premises or transporting CalOptima members or employees, Commercial Automobile Liability covering any auto, whether owned, lease, hired, or rented, on an ISO form CA 0001 or equivalent in the amount of \$1,000,000 combined single limit for bodily injury or property damage.
- 4.3. Worker's Compensation and Employer's Liability Policy written in accordance with applicable laws and providing coverage for all of CONTRACTOR's employees:
 - 4.3.1. The policy must provide statutory coverage for Worker's Compensation.
 - 4.3.2. The policy must also provide coverage for \$1,000,000 Employers' Liability for each employee, each accident, and in the general aggregate.
- 4.4. Professional Liability insurance covering the CONTRACTOR's professional errors and omissions with \$1,000,000 per occurrence and \$2,000,000 general aggregate.
- 4.5. Commercial crime policy covering employee theft and dishonesty, forgery and alteration, money orders and counterfeit currency, credit card fraud, wire transfer fraud, and them of client property with \$1,000,000 limits per occurrence.
- 4.6. **"Occurrence"** means any event or related exposure to conditions that result in bodily injury or property damage.

EXHIBIT B

Payment

1. For CONTRACTOR's full and complete performance of its obligations under this Contract, CalOptima shall pay CONTRACTOR for fees and expenses in accordance with the provisions of this Exhibit B and subject to the maximum cumulative payment obligations specified below.
2. CONTRACTOR shall invoice CalOptima on a monthly basis for actual labor hours expended. The hourly rates, as defined below, are acknowledged to include CONTRACTOR's base labor rates, overhead and profit. Work completed shall be documented in a monthly progress report prepared by CONTRACTOR, which report shall accompany each invoice submitted by CONTRACTOR. CONTRACTOR shall also furnish such other information as may be requested by CalOptima to substantiate the validity of an invoice. At its sole discretion, CalOptima may decline to make full payment for any work and direct costs until such time as CONTRACTOR has documented, to CalOptima's satisfaction, that CONTRACTOR has fully completed all work required under this Contract and CONTRACTOR's performance is accepted by CalOptima. CalOptima's payment in full for any work shall not constitute CalOptima's final acceptance of CONTRACTOR's work under this Contract.
3. CONTRACTOR shall submit to CalOptima, to the attention of Accounts Payable, accountspayable@caloptima.org, an invoice at the conclusion of every month for the Services performed during the prior thirty (30) days. Each invoice shall cite Contract No.24-10862; specify the number of hours worked; the specific dates the hours were worked; the description of work performed; the time period covered by the invoice and the amount of payment requested; and be accompanied by a progress report. CalOptima shall remit payment within thirty (30) days of receipt and approval of each invoice.
4. CONTRACTOR's fees for the goods and/or services provided under Exhibit A, Scope of Work, will be billed at the rates set forth in Exhibit B-1. These fees are fixed for the duration of the Contract. CONTRACTOR agrees to extend these fees to CalOptima for a period of one (1) year after Contract termination. CalOptima shall not pay CONTRACTOR for time spent traveling.

EXHIBIT B-1
Payment Schedule

1. Commission

- 1.1. Should CalOptima engage CONTRACTOR to negotiate on its behalf and CalOptima completes a transaction for the purchase of any real property, CalOptima expects, and will request that CONTRACTOR shall be paid a market brokerage commission consistent with what Sellers (or Buyers) pay in Orange County, California. These market brokerage commissions are paid by the seller of the building, pursuant to a commission split agreement between the Contractor and seller's broker.

CONTRACTOR shall warrant that brokerage commissions paid by parties as stated above is the only compensation (direct or indirect) that will be received by the CONTRACTOR from transactions under this Contract. In the event that no transaction occurs as a result of this engagement, CONTRACTOR shall not be entitled to commission compensation or commission reimbursement.

Reimbursement for specialty and subcontractor work, products, and services (appraisals, valuations, assessments) will be reimbursed at cost, provided that CalOptima Health approves the services in advance via a Purchase Order.

- 1.2. Should CalOptima engage CONTRACTOR to negotiate on its behalf and should CalOptima complete a transaction for the lease of any real property or building, CalOptima expects and will request that CONTRACTOR be paid a market brokerage commission paid by the owner/landlord of the real property or building. CONTRACTOR shall execute a separate agreement between Contractor and owner/landlord.

CONTRACTOR shall warrant that brokerage commissions paid by parties as stated above is the only compensation (direct or indirect) that will be received by the CONTRACTOR from transactions under this Contract. In the event that no transaction occurs as a result of this engagement, CONTRACTOR shall not be entitled to compensation or reimbursement.

Reimbursement for specialty and subcontractor work, products, and services (appraisals, valuations, assessments) will be reimbursed at cost, provided that CalOptima Health approves the services in advance via a Purchase Order.

2. Fee Share

- 2.1. CONTRACTOR shall provide CalOptima with a 20% fee share of any commission after the commission total has been received by CONTRACTOR within 30 days of CONTRACTOR receiving payment from the landlord/seller. CalOptima shall have sole discretion of how to manage funds.

3. Real Estate Advisory/Consultation Services

- 3.1. All work related to advisory and consultation services will be approved via a Purchase Order. No work will begin without a Purchase Order.
- 3.2. Mileage, travel, meals etc. related to all aspects of the advisory/consultation services are included in the base hourly fees provided below. Reimbursement for specialty and subcontractor work, products, and services (analytics, valuations, assessments) will be reimbursed at cost, provided that CalOptima Health approves the services in advance via a Purchase Order.

Position	Hourly Rate
Management Executive Oversight	\$425 .00
Executive Oversight - Public Sector	\$425 .00
Project Manager - Public Sector	\$325 .00
Deputy Project Manager - Public Sector	\$275 .00
Marketing/Design Support	\$200 .00
Senior Associate	\$225 .00
First Vice President -	\$325 .00
Vice Chairman	\$425 .00
Senior Vice President -	\$325 .00
Financial Consultant	\$250 .00
Valuation and Appraisal	\$250 .00
Portfolio Optimization	\$250 .00
Research	\$200 .00

EXHIBIT C
Regulatory Requirements

CalOptima is a public agency and is licensed by the DMHC. In addition, CalOptima arranges for the provision of Medi-Cal services to Medi-Cal beneficiaries under a contract with DHCS (“**DHCS Contract**”) and Medicare Advantage (“**MA**”) services to Medicare beneficiaries under a contract CMS (“**CMS Contract**”). This Exhibit C sets forth the statutory, regulatory, and contractual requirements that CalOptima must incorporate into the Contract as a public agency and DMHC-licensed health care service plan with MA and Medi-Cal products.

1. Medi-Cal Requirements.

- 1.1. Compliance with Medi-Cal Standards. CONTRACTOR agrees that the Contract shall be governed by and construed in accordance with all laws and applicable regulations governing the DHCS Contract, including 42 C.F.R. § 438.230; Health & Safety Code § 1340 *et seq.* (unless otherwise excluded under the DHCS Contract); 28 C.F.R. § 1300.43 *et seq.*; Welfare & Institutions Code § 14000 *et seq.*; and 22 C.C.R. §§ 53800 *et seq.*, 22 C.C.R. §§ 53900 *et seq.* CONTRACTOR and Subcontractors shall comply with all applicable requirements of the Medi-Cal program pertaining to its reporting requirements and other obligations under this Contract, including Medicaid and Medi-Cal laws and regulations, sub-regulatory guidance, DHCS all plan letters, and the DHCS Contract and comply with all monitoring of the DHCS Contract and any other monitoring requests by DHCS. CalOptima or DHCS may revoke any activity under this Contract, including terminating this Contract, if CONTRACTOR and/or its Subcontractors do not perform that activity in compliance with the requirements in this Exhibit C. [DHCS Contract, Exhibit A, Attachment III, § 3.1.5, subsections B.7-B.8, B.11, B.28; 42 C.F.R. § 438.230]
- 1.2. Disclosure of Officers, Owners, Stockholders and Creditors. Pursuant to Exhibit A, Attachment III, § 1.3.5 of the DHCS Contract and 42 C.F.R. Section 455.104, upon the Effective Date, on an annual basis, and within thirty (30) days of any changes, CONTRACTOR shall identify the names of the following persons by listing them on Exhibit D of this Contract and submitting the form to CalOptima:
 - 1.2.1. All officers and owners who own greater than five percent (5%) of the CONTRACTOR;
 - 1.2.2. All stockholders owning greater than five percent (5%) of any stock issued by CONTRACTOR; and
 - 1.2.3. All creditors of CONTRACTOR’s business if such interest is over five percent (5%).
- 1.3. Compliance with Employment and Labor Laws. Each Party shall, at its own expense, comply with all applicable laws in performing their respective obligations under the Contract, including, but not limited to, the National Labor Relations Act, the Americans With Disabilities Act, all applicable employment discrimination laws, overtime laws, tax laws, immigration laws, workers’ compensation laws, occupational safety and health laws, and unemployment insurance laws and any regulations related thereto. CONTRACTOR acknowledges and agrees that:
 - 1.3.1. CONTRACTOR and its subcontractors will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. CONTRACTOR and its subcontractors will take affirmative action to ensure that qualified applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age, or status as a disabled veteran or veteran of the Vietnam era. Such action shall include the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. CONTRACTOR and its subcontractors agree to post in conspicuous places, available to employees and applicants for employment, notices provided by the federal government or DHCS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973, and the affirmative action clause required by the Vietnam Era Veterans’ Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state CONTRACTOR and its

subcontractors' obligation to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin, physical or mental handicap, disability, age, or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees. [DHCS Contract, Exhibit D(f), Provision 1.a.]

- 1.3.2. CONTRACTOR and its subcontractors will, in all solicitations or advancements for employees placed by or on behalf of CONTRACTOR and its subcontractors, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical or mental handicap, disability, age, or status as a disabled veteran or veteran of the Vietnam era. [DHCS Contract, Exhibit D(f), Provision 1.b.]
- 1.3.3. CONTRACTOR and its subcontractors will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the federal government or the State of California, advising the labor union or workers' representative of CONTRACTOR and its subcontractors' commitments under this Section 1.3 and shall post copies of the notice in conspicuous places available to employees and applicants for employment. [DHCS Contract, Exhibit D(f), Provision 1.c.]
- 1.3.4. CONTRACTOR and its subcontractors will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212), and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity", and as supplemented by regulation at 41 C.F.R. part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor", and of the rules, regulations, and relevant orders of the Secretary of Labor. [DHCS Contract, Exhibit D(f), Provision 1.d.]
- 1.3.5. CONTRACTOR and its subcontractors will furnish all information and reports required by Federal Executive Order No. 11246, as amended, including by Executive Order 11375, "Amending Executive Order No. 11246, Relating to Equal Employment Opportunity", and as supplemented by regulation at 41 C.F.R. part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor", and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders. [DHCS Contract, Exhibit D(f), Provision 1.e.]
- 1.3.6. If CONTRACTOR and its subcontractors' do not comply with the requirements of this Section 1.3 or with any federal rules, regulations, or orders referenced herein, this Contract may be cancelled, terminated, or suspended in whole or in part, and CONTRACTOR and its subcontractors may be declared ineligible for further federal and state contracts, in accordance with procedures authorized in Federal Executive Order No. 11246, as amended, and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246, as amended, including by Executive Order 11375, "Amending Executive Order No. 11246 Relating to Equal Employment Opportunity", and as supplemented by regulation at 41 C.F.R. part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor", or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law. [DHCS Contract, Exhibit D(f), Provision 1.f.]
- 1.3.7. CONTRACTOR and its subcontractors will include the provisions of this Section 1.3 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor, issued pursuant to Federal Executive Order No. 11246, as amended, including by Executive Order 11375, "Amending Executive Order No. 11246 Relating to Equal Employment Opportunity", and as supplemented by regulation at 41 C.F.R. part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor", or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment

Assistance Act, so that such provisions will be binding upon each subcontractor. CONTRACTOR and its subcontractors will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that if CONTRACTOR and its subcontractors become involved in, or are threatened with litigation by a subcontractor as a result of such direction by DHCS, CONTRACTOR and its subcontractors may request in writing to DHCS, which, in turn, may request the United States to enter into such litigation to protect the interests of the State of California and of the United States. [DHCS Contract, Exhibit D(f), Provision 1.g.]

1.4. Debarment and Suspension Certification.

- 1.4.1. By signing this Contract, the CONTRACTOR agrees to comply with any and all applicable federal suspension and debarment regulations, including, as applicable, 7 C.F.R. 3017, 45 C.F.R. 76, 40 C.F.R. 32, or 34 C.F.R. 85. [DHCS Contract, Exhibit D(f), Provision 20.a.]
- 1.4.2. By signing this Contract, the CONTRACTOR certifies to the best of its knowledge and belief, that it and its principals:
 - 1.4.2.1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any state or federal department or agency; [DHCS Contract, Exhibit D(f), Provision 20.b.(1)]
 - 1.4.2.2. Have not within a three (3)-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state anti-trust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; [DHCS Contract, Exhibit D(f), Provision 20.b.(2)]
 - 1.4.2.3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in Section 1.4.2.2 of this Exhibit C; [DHCS Contract, Exhibit D(f), Provision 20.b.(3)]
 - 1.4.2.4. Have not within a three (3)-year period preceding the Effective Date of this Contract had one or more public transactions (federal, state or local) terminated for cause or default; [DHCS Contract, Exhibit D(f), Provisions 20.b.(4)(5)]
 - 1.4.2.5. Have not and shall not knowingly enter into any lower-tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 C.F.R. 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State of California; and [DHCS Contract, Exhibit D(f), Provision 20.b.(6)]
 - 1.4.2.6. Will include a clause entitled, "Debarment and Suspension Certification" that sets forth the provisions herein in all lower-tier covered transactions and in all solicitations for lower-tier covered transactions. [DHCS Contract, Exhibit D(f), Provision 20.b.(7)]
- 1.4.3. If the CONTRACTOR is unable to certify any of the statements in this certification, the CONTRACTOR shall submit an explanation to CalOptima. [DHCS Contract, Exhibit D(f), Provision 20.c.]

1.4.4. The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549. [DHCS Contract, Exhibit D(f), Provision 20.d.]

1.4.5. If the CONTRACTOR knowingly violates this certification, in addition to other remedies available to the federal government, CONTRACTOR shall promptly notify CalOptima in writing, and CalOptima may terminate this Contract for cause. [DHCS Contract, Exhibit D(f), Provision 20.e.]

1.5. Lobbying Restrictions and Disclosure Certification.

1.5.1. *Certification and Disclosure Requirements.*

1.5.1.1. If Contract is subject to 31 U.S.C. § 1352 and exceeds \$100,000 at any tier, CONTRACTOR and its subcontractors, as applicable, shall file a certification (in the form set forth in Exhibit E, consisting of one page, entitled “Certification Regarding Lobbying”) that CONTRACTOR and its subcontractors, as applicable, have not made, and will not make, any payment prohibited by Section 1.5.2 below. [DHCS Contract, Exhibit D(f), Provision 37.a.(1); 31 U.S.C. § 1352]

1.5.1.2. CONTRACTOR and its subcontractors, as applicable, shall file a disclosure (in the form set forth in Exhibit E, entitled “Certification Regarding Lobbying”) if CONTRACTOR and its subcontractors, as applicable, have made or agreed to make any payment using non-appropriated funds (to include profits from any covered federal action) in connection with the Contract or a subcontract thereunder that would be prohibited under Section 1.5.2 below if paid for with appropriated funds. [DHCS Contract, Exhibit D(f), Provision 37.a.(2)]

1.5.1.3. CONTRACTOR and its subcontractors, as applicable, shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by CONTRACTOR and its subcontractors, as applicable, under this Section 1.5.1. An event that materially affects the accuracy of the information reported includes: [DHCS Contract, Exhibit D(f), Provision 37.a.(3)]

1.5.1.3.1. A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action; [DHCS Contract, Exhibit D(f), Provision 37.a.(3)(a)]

1.5.1.3.2. A change in the person(s) or individual(s) influencing or attempting to influence a covered federal action; or [DHCS Contract, Exhibit D(f), Provision 37.a.(3)(b)]

1.5.1.3.3. A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action. [DHCS Contract, Exhibit D(f), Provision 37.a.(3)(c)]

1.5.1.3.4. As applicable and required by this Section 1.5, CONTRACTOR’s subcontractors shall file a certification and a disclosure form, if required, to the next tier above. [DHCS Contract, Exhibit D(f), Provision 37.a.(4)]

1.5.1.3.5. All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by CONTRACTOR. CONTRACTOR shall forward all disclosure forms to CalOptima. [DHCS Contract, Exhibit D(f), Provision 37.a.(5)]

1.5.2. *Prohibition.* 31 U.S.C. § 1352 provides in part that no appropriated funds may be expended by the recipient of a federal contract, grant, loan, or cooperative agreement to pay any person for

influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement. [DHCS Contract, Exhibit D(f), Provision 37.b.]

1.6. Verification of CalOptima Costs by Government. Until the expiration of ten (10) years after the later of furnishing of any service pursuant to this Contract or completion of any audit, or longer as required by applicable regulations, CONTRACTOR will timely gather, preserve, and provide, upon written request of CalOptima, the Secretary of Health and Human Services Office of Inspector General, the Comptroller General of the United States, the U.S. Department of Justice, DHCS, the DMHC, the Bureau of Medical Fraud, or any of their duly authorized representatives, copies of this Contract and any financial statements, books, documents, records, patient care documentation, and other records or data of CONTRACTOR that pertain to any aspect of services performed, reconciliation of benefit liabilities, and determination of amounts payable under this Contract, or as are otherwise necessary to certify the nature and extent of costs incurred by CalOptima for such services. CONTRACTOR and Subcontractors must maintain all books and records in accordance with good business practices and generally accepted accounting principles. This provision shall also apply to any agreement with a CONTRACTOR Subcontractor or an organization related to a CONTRACTOR Subcontractor by control or common ownership. CONTRACTOR further agrees that regulating entities have the right to inspect, evaluate and audit any pertinent information and to facilitate the review of the items referenced herein, to make available its premises, physical facilities and equipment, records and any additional relevant information that regulating entities may require. CONTRACTOR further agrees and acknowledges that this provision will be included in any and all agreements with Subcontractors. [DHCS Contract, Exhibit A, Attachment III, § 3.1.5, subsections B.12-B.15]

1.7. Confidentiality of Member Information.

1.7.1. If CONTRACTOR and its employees, agents, or subcontractors access or receive, whether intentionally or unintentionally, personally identifying information during the Term, CONTRACTOR and its employees, agents, and subcontractors shall protect from unauthorized disclosure, the names and other identifying information concerning persons either receiving services pursuant to this Contract, or persons whose names or identifying information become available or are disclosed to CONTRACTOR, its employees, agents, or subcontractors as a result of services performed under this Contract, except for statistical information not identifying any such person. CONTRACTOR and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the express terms of and CONTRACTOR's obligations under this Contract. CONTRACTOR and its employees, agents, or subcontractors shall promptly transmit to CalOptima all requests for disclosure of such identifying information, except requests for medical records in accordance with applicable law, not emanating from the CalOptima member. CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Contract or authorized by the CalOptima member, any such identifying information to anyone other than DHCS or CalOptima without prior written authorization from CalOptima specifying that the information is releasable under Title 42 C.F.R. Section 431.300 *et seq.*, Section 14100.2, Welfare and Institutions Code, and regulations adopted there under. For purposes of this Section 1.7, identity shall include name, identifying number, symbol, or other identifying detail assigned to the individual, such as finger or voice print or a photograph. [DHCS Contract, Exhibit D(f), Provision 14; Exhibit E, § 1.1.23]

1.7.2. Names of persons receiving public social services are confidential and are to be protected from unauthorized disclosure in accordance with Title 42 C.F.R. Section 431.300 *et seq.*, Section 14100.2, Welfare and Institutions Code, and regulations adopted thereunder. For the purpose of this Contract, all information, records, data, and data elements collected and maintained for the operation of the Contract and pertaining to CalOptima members shall be protected by CONTRACTOR from unauthorized disclosure. CONTRACTOR may release Medical Records in accordance with

applicable law pertaining to the release of this type of information. CONTRACTOR is not required to report requests for Medical Records made in accordance with applicable law. With respect to any identifiable information concerning a CalOptima member under this Contract that is obtained by CONTRACTOR or its subcontractors, CONTRACTOR will, at the termination of this Contract, return all such information to CalOptima or maintain such information according to written procedures sent to the CONTRACTOR by CalOptima for this purpose. [DHCS Contract, Exhibit D(f), Provision 14; Exhibit E, § 1.1.23]

- 1.8. Member Hold Harmless. To the extent CONTRACTOR provides services or supplies to CalOptima members, CONTRACTOR hereby agrees that in no event, including nonpayment by CalOptima, the insolvency of CalOptima, or breach of the Contract, shall CONTRACTOR bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against CalOptima members, persons acting on their behalf, or DHCS. CONTRACTOR further agrees that this hold harmless provision shall survive the termination of the Contract regardless of the cause giving rise to the termination, shall be construed to be for the benefit of CalOptima members, and that this provision supersedes any oral or written contrary agreement now existing or hereafter entered into between CalOptima or CONTRACTOR and a CalOptima member or persons acting on their behalf that relates to liability for payment for services under the Contract. [DHCS Contract, Exhibit A, Attachment III, § 3.1.5, subsections A.13 and B.18; CMS Medicare Managed Care Manual Chapter 11, Section 100.4]
- 1.9. Member Grievances. CONTRACTOR shall cooperate with CalOptima's member grievances and appeals procedures as necessary for CalOptima to carry out its legal obligations. [DHCS Contract, Exhibit A, Attachment III § 4.6; 28 C.C.R. §§ 1300.68, 1300.68.01; 22 C.C.R. § 53858; 43 C.F.R. § 438.402-424]
- 1.10. Air and Water Pollution Requirements. If this Contract or any subcontract thereunder is in excess of one hundred thousand dollars (\$100,000), CONTRACTOR agrees to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 USC § 7401 *et seq.*), as amended, and the Federal Water Pollution Control Act (33 USC § 1251 *et seq.*), as amended. [DHCS Contract, Exhibit D(f), Provision 12]
- 1.11. Effective Dates. This Contract and its amendments will become effective only as set forth in the DHCS Contract, which requires filing and approval by DHCS of template contracts and amendments. [DHCS Contract, Exhibit A, Attachment III, §§ 3.1.2, 3.1.5, subsection B.4]
- 1.12. Prospective Requirements. CalOptima will inform CONTRACTOR of prospective requirements added by the State, federal law, or DHCS to the DHCS Contract that would impact CONTRACTOR's obligations before the requirement becomes effective. CONTRACTOR agrees to comply with the new requirements within thirty (30) calendar days of the effective date, unless otherwise instructed by DHCS. CONTRACTOR will ensure Subcontractors are (i) informed of prospective requirements that would impact their obligations before the requirements become effective and (ii) agree to comply with new requirements within thirty (30) calendar days of the effective date, unless otherwise instructed by DHCS. [DHCS Contract, Exhibit A, Attachment III, § 3.1.5, subsections B.22 and B.23]
- 1.13. DHCS Beneficiary. CONTRACTOR expressly agrees and acknowledges that (i) DHCS is a direct beneficiary of the Contract and any Subcontractor agreement with respect to the obligations and functions undertaken under the Contract, and (ii) DHCS may directly enforce any and all provisions of the Contract or Subcontractor agreement. [DHCS Contract, Exhibit A, Attachment III, § 3.1.5, subsection B.29]
- 1.14. Termination. CONTRACTOR shall notify DHCS if this Contract or an agreement with a Subcontractor is amended or terminated for any reason. [DHCS Contract, Exhibit A, Attachment III, § 3.1.5, subsection B.17; APL 19-001, Attachment A, Requirement 13]
- 1.15. Cultural Competency. CONTRACTOR and Subcontractors must ensure that cultural competency, sensitivity, health equity, and diversity training is provided for CONTRACTOR's and Subcontractor's staff at key points of contact with CalOptima members, if applicable. [DHCS Contract, Exhibit A, Attachment III, § 3.1.5, subsection B.24]

- 1.16. Interpreter Services. CONTRACTOR and Subcontractors, to the extent they communicate with CalOptima members, will provide interpreter services for members and comply with language assistance standards developed pursuant to Health and Safety Code § 1367.04 [DHCS Contract, Exhibit A, Attachment III, § 3.1.5, subsection B.25]
- 1.17. Fraud Reporting. CONTRACTOR and Subcontractors must notify CalOptima within ten (10) business days of any suspected fraud, waste, or abuse, and CalOptima may share such information with DHCS in accordance with Exhibit A, Attachment III, Section 1.3.2 (D), Fraud and Abuse Reporting, of the DHCS Contract. [DHCS Contract, Exhibit A, Attachment III, § 3.1.5, subsection B.26]
- 1.18. Overpayment Reporting. CONTRACTOR and all Subcontractors must report directly to CalOptima, or through CONTRACTOR or Subcontractor, as applicable, when it has received an overpayment; return the overpayment to CalOptima within sixty (60) calendar days after the date the overpayment was identified; and notify CalOptima in writing of the reason for the overpayment. [42 C.F.R. § 438.608(d)(2); DHCS Contract, Exhibit A, Attachment III, § 3.1.5, subsection B.27]

2. Medicare Requirements.

- 2.1. CONTRACTOR expressly warrants that CONTRACTOR and CONTRACTOR's subcontractors, if any, shall comply with all applicable Medicare laws, regulations, and CMS instructions. CONTRACTOR further agrees and acknowledges that this provision will be included in all agreements with CONTRACTOR's subcontractors.
- 2.2. For any medical records or other health and enrollment information CONTRACTOR maintains with respect to Medicare enrollees, CONTRACTOR shall establish procedures to:
 - 2.2.1. Abide by all federal and state laws regarding confidentiality and disclosure of medical records and other health and enrollment information. CONTRACTOR shall safeguard the privacy of any information that identifies a particular enrollee and shall have procedures that specify: (a) the purposes for which the information will be used within CONTRACTOR's organization; and (b) to whom and for what purposes CONTRACTOR will disclose the information.
 - 2.2.2. Ensure that the medical information is used and released only in accordance with applicable federal or state law, or pursuant to court orders or subpoenas.
 - 2.2.3. Maintain the records and information in an accurate and timely manner.
- 2.3. CONTRACTOR shall cooperate with CalOptima as necessary for CalOptima to comply with the reporting requirements provided in Title 42 of the Code of Federal Regulations, including Sections 422.516 and 422.310.
- 2.4. CONTRACTOR shall comply with the reporting requirements provided in 42 C.F.R. § 422.516, as well as the encounter data submission requirements in 42 C.F.R. § 422.257.
- 2.5. For all contracts in the amount of \$100,000 or more, CONTRACTOR and CONTRACTOR's subcontractors, if any, shall comply with 41 C.F.R. 60-300.5(a) and 41 C.F.R. 60-741.5(a) as follows:
 - 2.5.1. CONTRACTOR and its subcontractors shall abide by the requirements of 41 C.F.R. § 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans. [41 C.F.R. § 60-300.5(d)]
 - 2.5.2. CONTRACTOR and its subcontractors shall abide by the requirements of 41 C.F.R. § 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of

disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities. [41 C.F.R. § 60-741.5(d)]

2.6. In addition to the termination provisions of Section 14 of the Contract, CalOptima may terminate the Contract if CMS, DHCS, or CalOptima determines that CONTRACTOR has not satisfactorily performed its obligations under the Contract. Under such circumstances, CalOptima may pay CONTRACTOR its allowable costs incurred to the date of termination. Thereafter, CONTRACTOR shall have no further claims against CalOptima for matters pertaining to this Contract.

2.7. While CalOptima maintains ultimate responsibility for adhering to and complying with all terms and conditions of the CMS Contract, CONTRACTOR shall comply with all such applicable requirements in the CMS Contract, at the direction of CalOptima.

2.8. CONTRACTOR shall ensure that the persons it employs or contracts with for the provision of services pursuant to the Contract are in good standing and not on the preclusion list, defined in 42 C.F.R. § 422.2. CONTRACTOR shall promptly disclose to CalOptima any exclusion or other event that makes a CONTRACTOR employee or subcontractor ineligible to perform work related to federal health care programs. CONTRACTOR agrees to be bound by the provisions set forth at 2 C.F.R. Part 376. [42 C.F.R. § 422.752(a)(8)]

3. Offshore Performance.

3.1. Due to security and identity protection concerns, direct services under this Contract shall not be performed by offshore subcontractors, unless otherwise authorized in writing by CalOptima prior to the provision of those services.

3.2. CONTRACTOR shall complete, sign, and return Exhibit G, "Attestation Concerning the Use of Offshore Subcontractors" as of the Effective Date and shall submit an executed Offshore Subcontractor Attestation to CalOptima no less than annually thereafter. CONTRACTOR represents and warrants that it has disclosed in Exhibit G any and all such offshore subcontractors and that it has obtained CalOptima's written approval to use such offshore subcontractors prior to the Effective Date.

3.3. Any subcontract with an offshore entity under which the offshore entity will have access to any confidential CalOptima member or other protected health information must be approved in writing by CalOptima prior to execution of the subcontract. CONTRACTOR is required to submit future Offshore Contractor Attestations to CalOptima within thirty (30) calendar days after it has signed a contract with any subcontractor that may be using an offshore subcontractor to perform any related work.

3.4. Unless specifically stated otherwise in this Contract, the restrictions of this Section 3 do not apply to indirect or "overhead" services, or services that are incidental to the performance of the Contract.

3.5. The provisions of this Section 3 apply to work performed by subcontractors at all tiers.

4. Prohibited Interest.

4.1. CONTRACTOR shall comply with all applicable federal, state, and local laws and regulations pertaining to conflict-of-interest laws, including CalOptima's Conflict of Interest Code, the California Political Reform Act (California Government Code § 81000 *et seq.*) and California Government Code § 1090 *et seq.* (collectively, the "Conflict of Interest Laws").

4.2. CONTRACTOR covenants that, to the best of its knowledge during the Term, no director, officer, or employee of CalOptima during his or her tenure has any interest, direct or indirect, in this Contract or the proceeds thereof. [22 C.C.R. § 53600(d)]. CONTRACTOR further covenants that, for the Term, and consistent with the provisions of 22 C.C.R. § 53600(f), no state officer or state employee shall be employed

in a management or contractor position by CONTRACTOR within one (1) year after the state office or state employee has terminated state employment.

- 4.3. CONTRACTOR, and any person designated by CONTRACTOR to make or participate in making a governmental decision on behalf of CalOptima, is considered a “**Consultant**” pursuant to CalOptima’s Conflict of Interest Code and shall be required to file a statement of economic interests (Fair Political Practices Commission Form 700) with CalOptima annually. [2 C.C.R. Section 18734]
- 4.4. CONTRACTOR understands that if this Contract is made in violation of California Government Code § 1090 *et seq.*, the entire Contract is voidable, CONTRACTOR will not be entitled to any compensation for services performed pursuant to this Contract, and CONTRACTOR will be required to reimburse CalOptima any sums paid to CONTRACTOR. CONTRACTOR further understands that CONTRACTOR may be subject to criminal prosecution for a violation of California Government Code § 1090.
- 4.5. If CONTRACTOR becomes aware of any facts that might reasonably be expected to either create a conflict of interest under the Conflict of Interest Laws or violate the provisions of this Section 4, CONTRACTOR shall immediately make full written disclosure of such acts to CalOptima. Full written disclosure shall include identification of all persons, entities, and businesses implicated and a complete description of all relevant circumstances.
5. **State Auditor Audit Disclosure.** Pursuant to California Government Code § 8546.7, if this Contract is more than ten thousand dollars (\$10,000), it is subject to examination and audit of the California State Auditor, at the request of CalOptima or as part of any audit of CalOptima for a period of three (3) years after final payment under this Contract. In addition to and notwithstanding any other right of access or inspection that may be otherwise set forth in this Contract, CONTRACTOR agrees that during the Term and for a period of three (3) years after its termination, CalOptima shall have access to and the right to examine any directly pertinent books, documents, invoices, and records of CONTRACTOR relating to services provided under this Contract. Where another right of access or inspection in this Contract provides for a period of greater than three (3) years, nothing herein shall be construed to shorten that time period. [Gov’t Code § 8546.7]

EXHIBIT D
Medi-Cal Disclosure Form

Contractor Officer, Owner, Shareholder, and Creditor Information

Contractor's Business Name: CBRE, Inc.

Business Entity Type: A Delaware Corporation
(Sole Proprietorship, Partnership, LLC, California Corporation, etc.)

Business Address: 3501 Jamboree Rd. Ste. 100

City: Newport Beach State: CA Zip: 92660

Business Phone: 949-725-8500 Email: kurt.strasmann@cbre.com

President: _____ Contact Person: Kurt Strasmann

Person(s) Signing Contract & Title: Kurt Strasmann, Executive Managing Director

*Please provide names of owners, officers, stockholders, and creditors of Contractor's business if such interest is over 5%.

<u>Name</u>	<u>Officer Title or Ownership/Creditorship %</u>
_____	_____
_____	_____
_____	_____
_____	_____

BY SIGNING BELOW, THE UNDERSIGNED HEREBY CERTIFIES THAT THE ABOVE INFORMATION IS TRUE AND CORRECT TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF.

DocuSigned by:
Kurt Strasmann
Authorized Signature

4/15/2024
Date

Kurt Strasmann, Executive Managing Director
Name and Title

EXHIBIT E

**STATE OF CALIFORNIA
DEPARTMENT OF HEALTH CARE SERVICES
CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this federal contract, federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this federal contract, grant, or cooperative agreement.

(2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

CBRE, Inc.
Name of Contractor

Kurt Strasmann
Printed Name of Person Signing for Contractor

24-10862
Contract/Grant Number

DocuSigned by:
Kurt Strasmann
Signature of Person Signing for Contractor

4/15/2024
Date

Executive Managing Director
Title

After execution by or on behalf of Contractor, please return to:

Department of Health Care Services
Medi-Cal Managed Care Division
MS 4415, 1501 Capitol Avenue, Suite 71.4001
P.O. Box 997413
Sacramento, CA 95899-7413

CERTIFICATION REGARDING LOBBYING
 Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
 (See reverse for public burden disclosure)

Approved by OMB
0348-0046

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: Year ____ quarter ____ date of last report _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier ____, if known: Congressional District, if known:	5. If Reporting Entity in No. 4 Is Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency:	7. Federal Program Name/Description: CDFR Number, if applicable:	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ _____	
10. a. Name and Address of Lobbying Entity (If individual, last name, first name, MI): (attach Continuation Sheet(s) SF-LLLA, if necessary)	b. Name and Address of Lobbying Entity (If individual, last name, first name, MI): (attach Continuation Sheet(s) SF-LLLA, if necessary)	
11. Amount of Payment (check all that apply): \$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned	13. Type of Payment <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other, specify: _____	
12. Form of Payment (check all that apply): <input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind, specify: Nature _____ Value _____	14. Brief Description of Services Performed or to be Performed and Dates(s) of Service, including Officer(s), Employee(s), or Member(s) Contracted for Payment indicated in item 11: (Attach Continuation Sheet(s) SF-LLL-A, If necessary)	
15. Continuation Sheet(s) SF-LLL-A Attached: <input type="checkbox"/> Yes <input type="checkbox"/> No		
16. Information requested through this form is authorized by Title 31, U.S.C., Section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to Title 31, U.S.C., Section 1352. This information will be reported to the Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____	
	Print Name: _____	
	Title: _____	
	Telephone No.: _____	Date: _____
Federal Use Only		Authorized for Local Reproduction Standard Form-LLL

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime federal recipients at the initiation or receipt of a covered federal action, or a material change to a previous filing, pursuant to Title 31, U.S.C., Section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered federal action. Use the SF - LLL- A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered federal action.
2. Identify the status of the covered federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered federal action.
4. Enter the full name, address, city, state, and ZIP code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants, and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee," then enter the full name, address, city, state, and ZIP code of the prime federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation United States Coast Guard.
7. Enter the federal program name or description for the covered federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate federal identifying number available for the federal action identified in Item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract grant, or loan award number; the application/proposal control number assigned by the federal agency). Include prefixes, e.g., "RFP-DE-90401."
9. For a covered federal action where there has been an award or loan commitment by the federal agency, enter the federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
10. (a) Enter the full name, address, city, state, and ZIP code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered federal action.

(b) Enter the full names of the Individual(s) performing services and include full address if different from 10.(a). Enter last name, first name, and middle initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with federal officials. Identify the federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Office of Management and Budget, Paperwork Reduction Project, (0348-0046), Washington, DC 20503.

EXHIBIT F



Attestation Concerning the Use of Offshore Subcontractors

If Organization offshores any protected health information (PHI) it must notify CalOptima prior to entering into or amending any agreement with an Offshore Subcontractor, and Contractor must complete the Offshore Subcontracting Attestation.

Which CalOptima program(s) does this form pertain to? Select all that apply.	<input checked="" type="checkbox"/> OneCare Connect	<input checked="" type="checkbox"/> PACE
	<input checked="" type="checkbox"/> OneCare	<input checked="" type="checkbox"/> Medi-Cal
Please check one of the following:		
<input checked="" type="checkbox"/> Our Organization does not offshore any protected health information. Please skip to Part V below		
<input type="checkbox"/> Our Organization does offshore protected health information. Please complete Offshore Subcontractor Attestation (Part I through Part V) below		

Part I — Offshore Subcontractor Information	
Attestation	Response
Our Organization uses an offshore subcontractor or offshore staff to perform functions that support our contract with CalOptima	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Offshore Subcontractor name:	
Offshore Subcontractor country:	
Offshore Subcontractor address:	
Describe offshore subcontractor functions:	
Proposed or actual effective date for offshore subcontractor (MM/DD/Year):	

Part II — Precautions for Protected Health Information (PHI)	
Question	Response
1. Describe the PHI that will be provided to the offshore subcontractor	
2. Explain why providing PHI is necessary to accomplish the offshore subcontractor's objectives:	
3. Describe alternatives considered to avoid providing PHI, and why each alternative was rejected:	

Part III — Attestation of Safeguards to Protect Beneficiary Information in the Offshore Subcontract	
Attestation	Response
A. Offshore subcontracting arrangement has policies and procedures in place to ensure that Medicare beneficiary protected health information (PHI) and other personal information remains secure.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No*
B. Offshore subcontracting arrangement prohibits subcontractor's access to Medicare data not associated with CalOptima's contract with the offshore subcontractor.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No*
C. Offshore subcontracting arrangement has policies and procedures in place that allow for immediate termination of the subcontract upon discovery of a significant security breach.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No*
D. Offshore subcontracting arrangement includes all required Medicare Part C and D language (e.g., record retention requirements, compliance with all Medicare Part C and D requirements, etc.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No*

Part IV — Attestation of Audit Requirements to Ensure Protection of PHI	
Attestation	Response
A. Our Organization will conduct an annual audit of the offshore subcontractor/employee.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No*
B. Audit results will be used by our Organization to evaluate the continuation of its relationship with the offshore subcontractor/employee.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No*
C. Our Organization agrees to share offshore subcontractor's/employee's audit results with CalOptima or CMS upon request.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No*

*Explanation required for all "no" responses to Part III and Part IV above:

CBRE does not offshore protected health information

Part V — Organization Information	
By signing below, I hereby attest that the information contained herein is true, correct and complete.	
Printed name of authorized person: Kurt Strasmann	Title: Executive Managing Director
Email: kurt.strasman@cbre.com	Phone #: 949-725-8500
Signature: <i>Kurt Strasmann</i>	Date: 4/15/2024

C57D4FAF5D304D6...

Note: CalOptima's policies and procedures, CMS training module instructions for FWA, General Compliance, General HIPAA, CalOptima's Code of Conduct, CalOptima's Compliance Plan can be accessed at <https://www.caloptima.org/en/About/GeneralCompliance.aspx>

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

11. Approve Actions Related to CalOptima Health Policy GA.5002: Purchasing

Contact

Nancy Huang, Chief Financial Officer, (657) 235-6935

Recommended Action

Retire the current version of CalOptima Health Policy GA.5002: Purchasing and approve a new CalOptima Health Policy GA.5002, effective May 2, 2024.

Background

California Government Code section 54202 requires that every local agency adopt and implement policies and procedures, including procurement regulations governing purchases of supplies, equipment, and services by the local agency. All procurement of the local agency must be in accordance with the adopted policies and all provisions of governing law.

The CalOptima Health Board of Directors (Board) may delegate certain authority to staff to execute procurement decisions provided there are adequate safeguards to guide the use of the delegated authority and prevent abuse.

On September 10, 1996, the Board adopted CalOptima Health Policy GA.5002: Purchasing to provide guidance on procurement related to CalOptima Health's operations. This policy was last revised on September 1, 2022.

Discussion

Staff, with the assistance of outside general legal counsel, reviewed and revised the policy to ensure its provisions align with federal and state statutory and regulatory requirements. Staff seeks Board approval to retire the current version of the policy and recommends approval of the attached new version of the policy, effective May 2, 2024.

The main components of the policy remain unchanged, including existing thresholds and requirements. Staff is not requesting changes to or additional authority. The new policy version provides greater clarification on the types of procurement and improves the organization of the policy to better reflect current regulations and updated processes. The proposed changes from the current version include:

- Improvements and updates:
 - Updates and clarifies terminology, definitions, and references; and
 - Improvements to the logical flow and organization of the policy, including clarification and alignment with best practices.
- Notable changes: Changes to better align policy with existing legal requirements related to construction, and architectural and engineering services.

- New additions:
 - Provisions related to ethics;
 - Provisions on contract modifications and change orders;
 - Provisions on protests;
 - Clarification of different procurement processes; and
 - Public procurement methodologies, including two-step sealed bidding, cooperative and piggyback purchases, use of federal schedules.
- Other non-substantive changes (*i.e.*, formatting, spelling, punctuation, capitalization, minor clarifying language and/or grammatical changes).

Fiscal Impact

The recommended action to modify CalOptima Health Policy GA.5002 is operational in nature and has no additional fiscal impact beyond what was included in the CalOptima Health Fiscal Year 2023-24 Operating and Capital Budgets.

Rationale for Recommendation

Updates to the CalOptima Health purchasing policy are recommended to ensure compliance with the California Public Contract and Government Codes and the federal procurement regulations, and to enhance the efficiency and clarity of CalOptima Health's operations and governance.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Proposed CalOptima Health Policy GA.5002: Purchasing](#)

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date



Policy: GA.5002
 Title: **Purchasing**
 Department: Finance
 Section: Not Applicable

CEO Approval: /s/

Effective Date: 09/10/1996

Revised Date: 05/02/2024

Applicable to: Medi-Cal
 OneCare
 PACE
 Administrative

1
2 **I. PURPOSE**

3
4 These policies establish a process for the procurement of goods and services essential to the
5 operations of CalOptima Health. The intent of these policies is to ensure transparency and
6 integrity in procurement and to maximize the purchasing value of funds entrusted to CalOptima
7 Health. Accordingly, competitive procurement is the preferred method of procurement unless
8 competition is not feasible due to an emergency, restricted availability of goods or services, or
9 other circumstances that would justify waivers of competitive requirements.

10
11 **II. POLICIES**

12
13 **A. Ethics**

14
15 1. General Conduct

16
17 Each CalOptima Health employee, officer, Board of Directors (“Board”) member, and
18 agent of CalOptima Health (“Covered Person”) is subject to the Conflict of Interest Laws
19 of the State of California (“State”) and the CalOptima Health Code of Conduct. Any
20 Covered Person who violates these standards will be subject to the relevant penalties,
21 sanctions, and other disciplinary actions.

22
23 2. Gratuities, Kickbacks, and Contingency Fees

- 24
25 a. Except as allowed under CalOptima Health Policy AA.1204: Gifts, Honoraria, and
26 Travel Payments, no Covered Person may solicit or accept any personal gift or
27 anything of value from any person or entity to which a purchase order or contract is
28 under consideration for award, has been awarded, or may be awarded, or because of
29 any action taken or to be taken in the performance of the Covered Person’s duties.
30 Any Covered Person failing to adhere to the above will be subject to any disciplinary
31 proceeding deemed appropriate by CalOptima Health, including possible dismissal.
32
33 b. CalOptima Health employees must adhere to all provisions of CalOptima Health
34 Policies AA.1204: Gift, Honoraria, and Travel Payments, and AA.1216: Solicitation
35 and Receipt of Gifts to CalOptima Health.

1
2 3. Confidential Information
3

- 4 a. No Covered Person may use Confidential Information, or information regarding a
5 procurement that has not been made public or become subject to the California Public
6 Records Act, for their actual or anticipated personal gain, or the actual or anticipated
7 personal gain of any other person related to such CalOptima Health employee by
8 blood, marriage, or by common commercial or financial interest. A Covered Person
9 failing to adhere to this requirement will be subject to any disciplinary proceeding
10 deemed appropriate by CalOptima Health, up to and including dismissal.
11
12 b. No Covered Person may divulge Confidential Information to any vendor, consultant,
13 or contractor outside the scope of any agreement that may exist with the vendor,
14 consultant, or contractor.
15

16 4. Vendor Relations
17

- 18 a. A Covered Person may not meet with vendors, consultants, and/or contractors
19 regarding financial agreements unless a representative of the Vendor Management
20 Department (“Vendor Management”) is present at the meeting.
21
22 b. Outside of a procurement process, vendor demonstrations may be obtained to gather
23 information from potential suppliers of goods or services and to learn about available
24 options in the marketplace, provided that the vendor understands that no contract will
25 result from the demonstration and no advantage will be gained should a procurement
26 follow. Efforts should be made to obtain more than one demonstration. If
27 demonstrations are desired, the business owner must notify Vendor Management.
28
29 c. While a procurement is active and until a contract has been awarded or the
30 procurement has been terminated, no Covered Person may:
31
32 i. Communicate, discuss, or disclose any information regarding bids, proposals, the
33 identity of bidders or proposers, deliberations, or negotiations, to any other
34 person, including other CalOptima Health employees and supervisors not directly
35 involved in the solicitation, other than the communication defined in the
36 solicitation; or
37
38 ii. Communicate with Offerors regarding their offers or other offers outside of
39 evaluation committee meetings, unless the information has been made public or
40 relates only to general administrative requirements, such as due dates, website
41 access, or similar subjects.
42

43 d. Personal Conflict of Interest
44

45 No employee, officer, Board member, or agent of CalOptima Health may participate
46 in the selection, award, or administration of an agreement with a contractor, or in any
47 decision that may have a foreseeable impact on a contractor if a conflict of interest,
48 real or apparent, exists. Such a conflict arises when any one of the following has a
49 financial or other interest in the firm selected for award:
50

- 51 i. A CalOptima Health employee, officer, Board member, or agent;
52

- ii. CalOptima Health employee's, officer's, Board member's, or agent's spouse or dependent children;
- iii. The CalOptima Health employee's, officer's, Board member's, or agent's domestic or business partner;
- iv. An organization that employs or has made an offer of employment to any of the above.

e. Organizational Conflict of Interest

- i. Organizational conflicts of interest are circumstances that arise out of a party's business or financial interests, familial relationships, contractual relationships, organizational structure, or existing or past activities, including any prior interactions or work with CalOptima Health, that result or can result in:
 - a) A competitive advantage with respect to a CalOptima Health procurement;
 - b) Impairment or potential impairment of the party's ability to perform impartially or to render objective and impartial assistance or advice to CalOptima Health under existing or other potential contracts;
 - c) Unequal access to information or influence on requirements, such as unreleased budgets, scopes of work, selection criteria; or
 - d) The appearance or reality of impropriety or unfair competitive advantage with respect to any of CalOptima Health's procurements or contracts.
- ii. A party with an organizational conflict of interest, or with employees or team members who have a conflict of interest, may not be awarded a contract resulting from the procurement in which the organizational conflict of interest existed.
- iii. No person or entity may submit an offer in response to a CalOptima Health solicitation if the person or entity has:
 - a) Directly assisted in drafting or in preparing the specifications, requirements, or cost estimates for that procurement; or
 - b) Had access and exposure to information pertinent to that procurement that was unavailable to other Offerors and would provide a competitive advantage to its possessor.
- iv. General advice or information offered as part of CalOptima Health's general information-gathering and market research involving multiple entities at the beginning stages of developing a solicitation and prior to its release, and comments made subsequent to the release of the solicitation, will not create a conflict of interest, nor would contracts that are part of a single competitive procurement conducted in more than one stage.

B. Requisition Limits, Signatories and Authority

1. Vendor Management

Unless otherwise exempted or required by these policies or applicable law, the Chief Financial Officer (CFO), with the assistance of Vendor Management, is charged with responsibility for the following:

- a. Acquiring equipment, supplies and services for all CalOptima Health departments;
- b. Identifying qualified vendors and developing and promoting good vendor relationships;
- c. Educating and training employees and vendors on these policies and the purchasing process;
- d. Providing assistance to CalOptima Health departments in preparing specifications and analyzing offers; and
- e. Awarding contracts and ensuring vendor performance through contract administration.

2. Requisitions

- a. A requisition for the purchase of supplies, equipment, or services may only be approved by a properly authorized person. The Board has delegated requisition authority to the Chief Executive Officer (CEO). The CEO has further delegated that authority in the amounts provided below.
- b. Any person in a position of delegated authority may designate a person of the same level or higher, in writing, to act in their stead when that person is unavailable.
- c. Vendor Management has authority to question the quality, quantity, kind, and source of materials and services being requisitioned.

3. Requisition Approval Limits – Goods, Non-Medical Professional Services, Public Works

Employee Position	Approval Limit
Manager	\$ 1,000
Director	10,000
Executive Director or Officer	100,000
CEO or Chief Operating Officer (COO)	Over 100,000

4. Requisition Approval Limits – Capital Projects

Employee Position	Approval Limit
Manager	\$ 0
Director	0
Executive Director or Officer	100,000
CEO or COO	Over 100,000

5. Requisition Approval Limits – Information Technology

Employee Position	Approval Limit
Manager	\$ 10,000
Director	50,000
Executive Director or Officer	100,000
CEO or COO	Over 100,000

6. Approvals

Funding for all requisitions will be approved by the Board through:

- a. The annual operating or capital budget;
- b. Specific Board action; or
- c. A budget allocation change, in accordance with CalOptima Health Policy GA.5003: Budget and Operations Forecasting.

7. Signatures

- a. Budget submissions must meet the requirements outlined in CalOptima Health Policy GA.3202: CalOptima Health Signature Authority.
- b. Signature authorization for contracts, agreements, leases, and purchase orders is addressed in CalOptima Health Policy GA.3202: CalOptima Health Signature Authority. No CalOptima Health employees, officers, and agents may bind, or appear to bind, CalOptima Health in any way, financially, or otherwise, except as provided for in accordance with that policy.

C. Methods of Procurement

1. General Requirements

- a. All solicitations must contain:
 - i. A description of the scope and the general objectives of the procurement, including clear descriptions and information regarding the goods or services to be provided or problems to be solved;
 - ii. Instructions and requirements for the submission of questions, comments, and offers;
 - iii. Due dates and times for pre-submission materials, conferences, and submission of offers;
 - iv. Communication protocols between Offerors or potential Offerors and CalOptima Health staff during the solicitation and until CalOptima Health makes the contract award or terminates the solicitation;
 - v. The basis for the contract award;
 - vi. The basis on which CalOptima Health will make payment, setting out expected service levels, milestones, performance measures, deliverables, and any other factors that will be used.

- b. If factors such as discounts, transportation costs, and life cycle costs will be included when determining low price, those factors must be clearly stated in the solicitation.
- c. Vendor Management will make all Formal and Informal Procurements, and during a procurement, will be the exclusive point of contact with Offerors regarding the procurement.
- d. Vendor Management will be responsible for documenting the procurement and certifying that proper procedures and protocols were followed. Vendor Management may disqualify any firm or individual that violates these policies from participating in a procurement.

2. Informal Procurement

a. Micro Purchases

- i. Micro Purchases are those where the estimated cost is under \$50,000 and may be made without solicitation of bids.
- ii. CalOptima Health must annually self-certify its \$50,000 Micro Purchase limit by way of a CEO memorandum, which includes a justification for the \$50,000 limit.

b. Small Purchases

- i. Small Purchases are those where the estimated cost is between \$50,000 and \$250,000. They do not require formal advertising but require at least three competitive quotes. If it is not possible to obtain at least three quotes, documentation of the attempt to obtain the quotes must be kept in the procurement file.
- ii. If a contract will not be awarded solely on price, Vendor Management must approve the selection criteria before the solicitation is released and price must be a consideration in making the selection.
- iii. A purchase may not be split to avoid Formal Procurement. If the same goods or services are repeatedly needed by the same department, Vendor Management may require Formal Procurement.

3. Formal Procurement

a. General Requirements

- i. Unless otherwise provided by these policies or by applicable law, a Formal Procurement method must be used for purchases of goods, non-medical professional services, Public Works, Capital Projects, computer equipment, and telecommunications goods and services where the expected cost is estimated to be more than \$250,000.00.
- ii. Formal Procurement requires full and open competition in which all qualified entities are allowed to compete.

1 iii. All Formal Procurements must include major required terms and conditions,
2 including federal or State requirements, or a copy of a draft contract.

3
4 b. Competitive Bidding

5
6 i. Under this procurement method, Vendor Management issues a solicitation; all
7 interested parties are allowed to submit bids; and the contract is awarded to the
8 responsive, responsible bidder offering the lowest price for the requested goods
9 or services.

10
11 ii. For competitive bidding to be feasible, the following conditions must be present:

12
13 a) Adequate specifications and clear requirements of items or tasks are
14 available;

15
16 b) Award can be made principally on the basis of price;

17
18 c) There are entities willing to participate; and

19
20 d) Negotiations are not needed before selecting the low-price bidder for award.

21
22 iii. Tie Bids - In the case of tie bids, Vendor Management may choose to re-advertise
23 for bids or to select the winning bidder by drawing lots in the presence of at least
24 three witnesses.

25
26 iv. Competitive Bidding is required for Multipurpose Senior Services Program
27 contracts and for Public Works contracts that will use a traditional project
28 delivery method.

29
30 c. Requests for Proposals (“RFP”)

31
32 i. The RFP procedure is a competitive, best-value procurement. Unless prohibited
33 by federal or State law, an RFP may be used to acquire goods or services, other
34 than architectural and engineering services that must be acquired by
35 Qualification-Based Solicitations. RFPs are used when:

36
37 a) Independent judgment and specialized knowledge, expertise, or training on
38 the part of the provider is required; and

39
40 b) CalOptima Health can define its needs but is interested in varying approaches
41 to providing the requested goods or services and is seeking creative or
42 innovative approaches in which professional expertise and methods may
43 differ greatly; and

44
45 c) The goal is the best overall value rather than the lowest price.

46
47 ii. In addition to the requirements for all solicitations, an RFP must include all of the
48 following:

49
50 a) The specific factors and the relative importance of each factor that will be
51 used to evaluate proposals, including the relative significance of price, which
52 must be a factor in all RFPs; and

53

1 b) Whether one or several awards may be made, and if more than one award,
2 the basis for the awards.

3
4 iii. Proposal Evaluations

5
6 a) Vendor Management and the relevant department will select an evaluation
7 team for each RFP, consisting of CalOptima Health employees and, if
8 needed, outside subject matter experts (“SMEs”) engaged as voting or non-
9 voting members to explain complex proposal terms.

10
11 b) Proposals will first be reviewed by Vendor Management for responsiveness.
12 Proposals Vendor Management finds non-responsive that cannot be made
13 responsive without providing an advantage to the proposer will be rejected.

14
15 c) Prior to receiving proposals from Vendor Management, each member of the
16 evaluation committee and each SME who believes that they, or family
17 members, or individuals with whom they have a close relationship, may have
18 a financial interest in the outcome of the procurement process, must inform
19 Vendor Management and recuse themselves from further participation in the
20 procurement process. All persons given access to proposals must sign a
21 confidentiality and conflict of interest statement.

22
23 d) No proposals may be discussed outside of the evaluation committee until a
24 selection has been made.

25
26 e) Proposals may not be evaluated on any factor not specified in the solicitation
27 as an evaluation factor. After initial evaluations, the committee may select
28 one or more proposers for contract award or for further discussions and
29 interviews. Following interviews, proposers remaining in the competitive
30 range may be asked to submit Best and Final Offers or one or more may be
31 selected for contract award.

32
33 d. Qualifications-Based Selection

34
35 i. Qualifications-Based Section (“QBS”) is a type of Formal Procurement in which
36 all qualified consultants are invited to submit their qualifications for a particular
37 project or tasks. Pursuant to Government Code §4525 *et. seq.*, selection is based
38 on demonstrated competence and qualifications for the types of services to be
39 performed.

40
41 ii. CalOptima Health will use a QBS for acquisition of architectural, engineering,
42 environmental, and land surveying services when a traditional project delivery
43 method is to be used.

44
45 iii. Under a QBS process, an evaluation committee will review the qualifications
46 submitted by qualified consultants. The evaluation process will conform to the
47 requirements established for RFPs, except that price will not be an evaluation
48 factor in the initial selection of the most qualified consultant. Once the most
49 qualified consultant has been selected, price negotiations may commence with
50 that consultant. If CalOptima Health cannot establish a fair and reasonable price
51 with the most qualified consultant, negotiations may commence with the next
52 most qualified consultant.

1 iv. CalOptima Health may use QBS for service providers when pre-set
2 reimbursement rates have been established for all providers or when Vendor
3 Management determines that an alternative Formal Procurement methodology is
4 not feasible.

5
6 e. Two-Step Sealed Bidding

7
8 i. Step one follows the procedures for an RFP except that prices will not be
9 considered in the initial evaluation of proposals.

10
11 ii. In step two, those who submitted proposals that were found acceptable by the
12 evaluation committee in step one are invited to submit sealed bids. The bids will
13 be reviewed, and award made in accordance with the requirements for
14 competitive sealed bids.

15
16 iii. In addition to the general requirements for all solicitations, a solicitation for two-
17 step sealed bidding must include at a minimum:

18 a) A statement that the two-step method will be used;

19 b) Instructions that technical proposals in step one need not include price
20 information;

21 c) The specific factors and the relative importance of each factor that will be
22 used to evaluate proposals in the initial phase;

23 d) The number of contract awards that may be made, and if more than one, the
24 basis for allocation of awards;

25 e) The basis on which CalOptima Health will pay bidders, setting out expected
26 service levels, milestones, performance measures, deliverables and other
27 factors that will be used; and

28 f) Anticipated contract terms and conditions.

29
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36 4. Negotiated Acquisition

37
38 Negotiated Acquisition may only be used if it is determined that it is not practicable or
39 advantageous to award a contract by Formal Procurement because:

40 a. There is a need to respond to a court order, stipulation, or consent decree;

41 b. An existing vendor has been terminated or has otherwise become unavailable, a
42 successor is urgently needed, and a Formal Procurement would make provision of
43 needed services difficult or impossible;

44 c. Funding, when first provided, did not allow sufficient time to conduct a Formal
45 Procurement;

46 d. Formal Procurement has failed to secure an appropriate supplier of the required
47 goods or services;

- 1 e. There is a limited number of vendors available and able to provide the required goods
2 or services; or
3
4 f. There is an unforeseen need to procure additional or changed work during an ongoing
5 construction project.
6

7 5. Cooperative and Piggyback Purchases
8

- 9 a. Vendor Management may purchase goods or services pursuant to a cooperative
10 purchasing agreement provided that the procuring entity's procurement process is
11 consistent with these purchasing policies.
12
13 b. Vendor Management may issue a joint solicitation with any governmental or public
14 body or agency for the procurement of any goods or services, consistent with these
15 purchasing policies.
16
17 c. Vendor Management may also Piggyback on contracts let by the U.S. government or
18 any state, including agencies and subdivisions of a state, under the following
19 circumstances:
20
21 i. The vendor consents to the Piggyback and is not barred or otherwise not
22 qualified to contract with CalOptima Health;
23
24 ii. The contract's products or services are what CalOptima Health is seeking;
25
26 iii. Vendor Management determines that the price CalOptima Health will pay is fair
27 and reasonable;
28
29 iv. The original contract was solicited under procedures substantially similar to
30 CalOptima Health's solicitation methods;
31
32 v. CalOptima Health will have its own contract with the vendor and will have no
33 relationship with or obligations to the original contracting entity.
34

35 6. State and Federal Contracts
36

37 At the discretion of Vendor Management, CalOptima Health may use California's
38 Leveraged Procurement Agreements and Multiple Award Schedules, as well as schedules
39 of the federal government, to purchase directly from suppliers through existing
40 government contracts.
41

42 7. Non-Competitive Procurement, Non-Emergency
43

44 a. Grants received by CalOptima Health
45

46 Competitive procurement need not be used when CalOptima Health accepts a grant
47 in which a provider or other cooperating entity has been specified.
48

49 b. Sole Source
50

- 51 i. A contract may be awarded for goods or services without competitive bidding
52 when Vendor Management, with assistance from the business unit when
53 necessary, determines in writing that the goods or services:

- a) Are proprietary or only available from a single source;
 - b) Involve maintenance or service of equipment from the original manufacturer or seller;
 - c) Are additions to a critical system already procured from the vendor or that must conform to or become part of existing products or equipment, such as replacement parts; or
 - d) Have unique performance factors.
- ii. The following are always considered sole-source:
- a) Subscriptions to professional and scholarly journals;
 - b) Memberships or licensure in professional organizations;
 - c) Conference or meeting facilities;
 - d) Legal counsel; or
 - e) Other experts.

8. Non-Competitive Procurement - Emergency

- a. Emergency purchases are allowed to mitigate or remedy the effects of an unexpected situation that may impose significant provable loss to CalOptima Health or pose immediate danger to a person's health, safety, welfare, or property. When an emergency condition arises and the need cannot be met through normal procurement methods, an emergency purchase may be made with such competition as is feasible under the circumstances. Contracts and other documents related to such emergency procurements must be executed in accordance with the requirements of CalOptima Health Policy GA.3202: CalOptima Health Signature Authority.
- b. The person responsible for the emergency purchase must provide written documentation stating the basis of the emergency purchase and the reasoning for the selection of the particular contractor or goods to the CEO. The CEO will provide a report to the Board on the emergency purchase. Normal purchasing procedures must be followed as soon as the immediate danger is over.

D. Procedures for Formal Procurement

1. Publicity

Except in cases of emergency or where circumstances require an immediate contract, CalOptima Health will post information regarding a formal solicitation on its website and will comply with relevant California requirements regarding publicity.

2. Public Works Projects

1 Procurement and award of Public Works Projects will comply with relevant provisions of
2 California statutes, regulations, and other rules regarding Public Works, including rules
3 regarding bonds, prevailing rates, and Department of Industrial Relations registration.
4

5 3. Receipt and Review of Offers
6

- 7 a. Vendor Management will review submissions for responsiveness. Vendor
8 Management will reject submissions that are non-responsive and that cannot be made
9 responsive within timelines set by Vendor Management without disadvantaging
10 another Offeror.
11
12 b. Prior to recommending a contract award, Vendor Management will make a
13 determination of an Offeror's responsibility based on initial information provided in
14 the submission, information submitted upon request, information resulting from
15 inquiry into the Offeror's references and background, and CalOptima Health's own
16 knowledge of the Offeror, taking into consideration matters such as the Offeror's
17 integrity, compliance with public policy, record of past performance, and financial
18 and technical resources. Offerors determined to be non-responsible and who cannot
19 be made to be responsible within timelines set by CalOptima Health will be notified
20 and will not be considered further.
21
22 c. On making a finding of non-responsiveness, Vendor Management will notify the firm
23 or individual. If the firm or individual can demonstrate, within three days, that the
24 materials submitted were in fact responsive, Vendor Management may reconsider the
25 determination.
26
27 d. On making a finding of non-responsibility, Vendor Management will notify the firm
28 or individual and provide three business days to respond. CalOptima Health may
29 accept the response and modify its original determination or may reject the response
30 and notify the respondent. CalOptima Health's decision will be final.
31

32 4. Contract Award
33

34 Following a check for responsiveness and responsibility, contracts for price-based
35 solicitations will be awarded to the responsive, responsible individual or firm offering the
36 lowest price, and contracts for best value solicitations such as RFPs will be awarded to
37 the responsive, responsible Offeror that, in the opinion of CalOptima Health, provides the
38 best value.
39

40 5. Protests
41

- 42 a. Protests or objections regarding formal procurements may be filed with Vendor
43 Management regarding the procurement process, solicitation or addendum content, or
44 contract award. CalOptima Health will review only protests submitted by prospective
45 or actual Offerors. Protests by prospective or actual subcontractors or uninvolved
46 parties will be rejected.
47
48 b. Protests must include detailed grounds for the protest, supported with technical data,
49 documentary evidence, names of witnesses, and other pertinent information related to
50 the subject being protested, and the law, rule, regulation, or policy upon which the
51 protest is based, alleging a clear violation of a specific law, rule, regulation, or policy.
52
53 c. Vendor Management will establish procedures for accepting and receiving protests,
which will be included in each formal solicitation.

1
2 **D. Miscellaneous Provisions**
3

4 1. Real Property Transactions
5

6 CalOptima Health may not enter into any transaction for the purchase, sale, license, lease
7 (including any sublease or lease assignment, whether CalOptima Health is the lessor,
8 lessee, sublessor, sublessee, assignor or assignee), or termination of lease of any real
9 property, or enter into negotiations related to such transactions, without the prior approval
10 of the Board, pursuant to a Board action addressed solely to the transaction or set of
11 related transactions that sets forth the parameters under which the negotiations may
12 proceed. Such negotiations and transactions on behalf of CalOptima Health are to be
13 carried out exclusively by the person or persons designated by the Board.
14

15 2. Multipurpose Senior Services Program (MSSP) Purchases
16

17 Equipment and supplies procured by CalOptima Health with funding from the MSSP
18 waiver are the property of the State of California and must comply with procedures and
19 standards outlined by the State of California. Such purchases under the MSSP do not
20 include equipment and supplies purchased for an individual member, which become the
21 property of the individual member.
22

23 3. Information Technology
24

25 Contracts for software licenses, software maintenance, or computer equipment must be
26 approved in writing by the Information Technology Services Department.
27

28 4. Healthcare Services
29

30 For healthcare services contracts that require procurement, the Provider Operations
31 Department will coordinate award with Vendor Management with approval of an
32 appropriate signing party under CalOptima Health Policy GA.3202: CalOptima Health
33 Signature Authority, within limits delegated by the Board and with approval of contract
34 templates (and any deviations) by the Legal Counsel.
35

36 **E. Contract Modifications and Change Orders**
37

38 1. General requirements
39

40 If a contract modification will result in an increase in the aggregate contract value, a
41 Change Order must be approved by an individual authorized to approve contracts of that
42 amount.
43

44 2. Standard Contracts
45

46 a. Cumulative increases to a contract procured through Informal Procurement may not
47 increase the value of the contract to an amount greater than the Informal Procurement
48 limit.
49

50 b. A contract amendment may not increase the value of a contract by over 30% of the
51 original contract amount, unless:
52

53 i. The value increase is due to price increases in supplies, materials, or labor;

- ii. The need for additional goods or services could not be accurately projected and the percentage of increase does not justify re-soliciting;
 - iii. An emergency exists which does not permit re-bidding; or
 - iv. The additional amount is due to alternates or options that were contemplated by the original contract.
- c. Contract modifications that materially alter the scope of work or services originally contemplated, and that could not have reasonably been foreseen when the solicitation was released, require a new procurement. If modifications are due to emergency conditions that could not have been foreseen, the modifications must be justified in writing and approved by the Board.

3. Construction Contracts

- a. Modifications and Change Orders that alter the responsibilities of the parties under the contract require amendments.
- b. Modifications to a contract's value due to design errors or omissions, or for additional work, require appropriate price analysis to determine price reasonableness and may not be made if the additional value is not determined fair and reasonable by Vendor Management and the business owner. The determination and methodology must be recorded, provided with any request for a change order, and approved by Vendor Management.
- c. Modifications to renovation or construction contracts that do not increase the contract's value are permitted if the vendor can furnish:
 - i. A substantially equal product with a cost savings to the Project; or
 - ii. A superior product at the original contract price.
- d. Modifications to renovation or construction contracts that increase the contract value may be permitted if:
 - i. The modification fits within the scope of the contract and is required to complete the work contemplated as part of the original scope of the contract; or
 - ii. The reason for the change is something that was unanticipated, could not have been foreseen at the time the original contract was awarded, and is necessary to complete the project.
- e. Modifications to renovation or construction contracts may not, individually or in the aggregate, represent significant material deviations from the quality, amount, type, or cost of work originally contemplated by the contract, or require the contractor to perform duties substantially different from those originally bargained for. Modifications that alter the original Scope of Work such that they amount to material changes that result in a fundamental redesign of a project require a new procurement and may require termination of the original contract.

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2 4. Architecture, Engineering, Environmental and Land Surveying Contracts
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4 Architectural, landscape architectural, engineering, environmental, and land surveying
5 services that must be procured by QBS pursuant to Government Code §4525 *et. seq.*, may
6 not be modified to include work that could not have been reasonably contemplated as
7 being within the original scope of services requested, or to include additional projects that
8 were not contemplated within the original scope.
9

10 **III. PROCEDURE**

11 Not Applicable
12

13 **IV. ATTACHMENTS**

14 Not Applicable
15

16 **V. REFERENCES**

- 17
18 A. California Fair Political Practices Commission Form 700 - Statement of Economic Interests
19 B. California Government Code
20 C. California Public Contract Code
21 D. CalOptima Health Code of Conduct
22 E. CalOptima Health Compliance Plan
23 F. CalOptima Health Conflict of Interest Code
24 G. CalOptima Health Policy AA.1204: Gifts, Honoraria, and Travel Payments
25 H. CalOptima Health Policy AA.1216: Solicitation and Receipt of Gifts to CalOptima Health
26 I. CalOptima Health Policy GA.3202: CalOptima Health Signature Authority
27 J. CalOptima Health Policy GA.5003: Budget Approval and Budget Reallocation
28 K. CalOptima Health Resolution No. 12-03101-01
29 L. Title 2, Code of Federal Regulations (CFR) Part 200 – Uniform Administrative
30 Requirements, Cost Principles, and Audit Requirements for Federal Awards
31
32

33 **VI. REGULATORY AGENCY APPROVALS**

34 None to Date
35

36 **VII. BOARD ACTIONS**

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39

Date	Meeting
11/01/1994	Regular Meeting of the CalOptima Board of Directors
09/10/1996	Regular Meeting of the CalOptima Board of Directors
11/04/1997	Regular Meeting of the CalOptima Board of Directors
12/02/1997	Regular Meeting of the CalOptima Board of Directors
01/11/2000	Regular Meeting of the CalOptima Board of Directors
09/09/2003	Regular Meeting of the CalOptima Board of Directors
03/01/2012	Regular Meeting of the CalOptima Board of Directors
06/07/2018	Regular Meeting of the CalOptima Board of Directors
09/01/2022	Regular Meeting of the CalOptima Health Board of Directors
05/02/2024	Regular Meeting of the CalOptima Health Board of Directors

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VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	09/10/1996	GA.5002	Procurement Policy	Administrative
Revised	11/04/1997	GA.5002	Procurement Policy	Administrative
Revised	12/02/1997	GA.5002	Procurement Policy	Administrative
Revised	01/11/2000	GA.5002	Procurement Policy	Administrative
Revised	01/01/2004	GA.5002	Procurement Policy	Administrative
Revised	03/01/2012	GA.5002	Purchasing Policy	Administrative
Revised	06/07/2018	GA.5002	Purchasing	Administrative
Revised	09/01/2022	GA.5002	Purchasing	Administrative
Revised	11/17/2023	GA.5002	Purchasing	Administrative
Revised	05/02/2024	GA.5002	Purchasing	Administrative

For 20240502 BOD Review

1 IX. GLOSSARY

2

Term	Definition
Bid	An offer to supply goods or services for a specific price.
Capital Project	Acquisition, improvement, modification, or construction of infrastructure assets or equipment that will be used beyond the accounting period in which they are purchased and will be shown as capital assets on financial statements.
Change Order	A post-award modification to a contract that may alter the Scope of Work and may also affect the cost or time for completion of the work.
Confidential Information	All non-public or proprietary information relating to CalOptima Health or a CalOptima Health member designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of its disclosure or acquisition.
Formal Procurement	A solicitation method that provides full and open competition in which all responsible parties are allowed to submit competing offers, and that generally includes public advertising of the solicitation.
Informal Procurement	A solicitation method in which, due to the anticipated value of the goods or services solicited, full and open competition and formal advertising is not required and offers may be solicited directly from potential providers of the requested goods or services.
Information Technology	Equipment, hardware, software, systems, and procedures used for acquiring, creating, storing, processing, displaying, or exchanging electronic data.
Micro Purchase	Purchase of goods, non-medical professional services, Public Works projects, capital projects, and computer equipment and telecommunications goods and services estimated to cost less than \$50,000.
Offeror	A person or entity submitting a response to a solicitation.
Piggyback	A form of intergovernmental purchasing in which a governmental entity uses (or “piggybacks”) on another organization’s contract that provides the new user the same pricing and terms as those offered to the original entity.
Public Works	The erection, construction, alteration, repair, or improvement of any public structure, building, or road.
Qualifications-Based Selection (“QBS”)	A competitive procurement where design professionals (engineers, land surveyors, architects, etc.) are initially selected based on their qualifications and demonstrated competence, and price is not a factor in the initial evaluation and selection.
Request for Proposals (“RFP”)	A solicitation announcing CalOptima Health’s interest in obtaining goods or services and inviting interested parties to propose methods of providing those goods or services, where the final selection and contract award will be based on the best overall value to CalOptima Health.
Responsible Bidder/Proposer	A bidder or proposer able to meet all requirements of a solicitation and subsequent contract, possessing or able to obtain the financial and technical capability to perform and to comply with all legal and regulatory requirements, having a history of satisfactory performance, not on a federal or state debarment or suspension list, and generally demonstrating the quality, fitness, capacity, and experience to satisfactorily perform under the anticipated contract.
Responsive Bid/Proposal	A bid or proposal that conforms in all material respects to the requirements of the solicitation.
Scope of Work (SOW)	A description of the detailed requirements of a project, including the objectives, milestones, deliverables, outcomes, management, and the rights and obligations of the parties related to the specific project.
Small Purchase	One-time purchases of goods or services estimated to cost from \$50,000 to \$250,000.

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CalOptima Health Board Action Agenda Referral

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

12. Approve Actions Related to Medi-Cal Provider Rate Increases for Health Networks Effective July 1, 2024

Contact

Michael Hunn, Chief Executive Officer, (714) 246-8570

Recommended Actions

1. Direct the Chief Executive Officer, or designees, to make a commitment of up to \$526 million from undesignated reserves to support provider rates to ensure longer-term provider network stability, network adequacy, and access to care for CalOptima Health members throughout Orange County; and
2. As part of this initiative, authorize the Chief Executive Officer, or designees, to develop and implement rate increases to health networks to be implemented July 1, 2024, through December 31, 2026; and
3. Sunset the temporary, short-term supplemental Medi-Cal payment increases of up to 7.5% for health networks to support expenses for services provided to members during the transition out of the Public Health Emergency, effective for dates of service on and after July 1, 2024.

Background

Since the beginning of the COVID-19 Public Health Emergency (PHE), CalOptima Health has provided supplemental funding to eligible providers and health networks to support ongoing access to care, provision of new benefits (such as CalAIM related services) and the transition out of the PHE. From Fiscal Year (FY) 2019-20 to FY 2022-23, CalOptima Health has supported providers with more than \$139 million. At the June 1, 2023, meeting, the Board authorized another \$107 million for a temporary supplemental funding program that provides rate increases of up to 7.5% to nearly all Medi-Cal provider types for almost all covered services. This program is scheduled to end on August 31, 2024.

As part of the 2023 Budget Act and Assembly Bill (AB) 118 (Chapter 42, Statutes of 2023), the Department of Health Care Services (DHCS) increased certain rates for targeted services to no less than 87.5% of the Medicare rate, inclusive of eliminating AB 97 provider payment reductions and incorporating associated Proposition 56 physician services supplemental payments into the base rate. These rates, referred to as “Targeted Rate Increase” (TRI), are effective January 1, 2024, and apply to eligible Medi-Cal providers, including providers contracted with Medi-Cal managed care plans like CalOptima Health.

CalOptima Health plans to implement the TRI payment adjustments in July and August 2024, ahead of the DHCS compliance deadlines. Total TRI related provider funding is estimated at \$173 million, with \$115 million for the conversion of the Proposition 56 physician services supplemental payments and \$58 million in additional funding to providers. The additional funding is for added procedure codes that were not formerly included under the Proposition 56 physician services supplemental payments, as well to comply with federal requirements on compensating Federally Qualified Health Center (FQHC) clinics

with similar rates for like-services. Staff will include these amounts in both professional fee-for-service (FFS) and professional capitation base rates as appropriate in the forthcoming FY 2024-25 Operating Budget.

With the end of the current CalOptima Health supplemental funding program, and the beginning of the TRI, CalOptima Health believes it is the right time to augment rates for contracted Medi-Cal providers and health networks. This longer-term fiscal commitment is intended to ensure financial stability, over the next thirty (30) months, network adequacy, and access to care for CalOptima Health members throughout Orange County.

Discussion

CalOptima Health staff requests the Board to replace the current supplemental funding program, that was already scheduled to end by August 31, 2024, on July 1, 2024, and implement the new rate increases, as detailed below, for a period of thirty (30) months, for certain contracted Medi-Cal providers, effective July 1, 2024, as follows:

Health Networks

Increase base capitation rates to account for:

- TRI rates for health network contracted providers and certain DHCS Medi-Cal program changes and Medi-Cal rate changes;
- Make equivalent increases to CalOptima Health's fee-for-service (FFS) provider rates (see below); and
- Adjust rates for administrative, medical management, and medical risk expenses.

Adjustments to CalOptima Health's FFS provider rates, for which staff will seek separate board approval, include:

FFS Hospitals

- Increase inpatient rates from the current split 112% of the Medi-Cal fee schedule for Medi-Cal classic aid categories and 117.3% of the Medi-Cal fee schedule for Medi-Cal expansion aid categories, to a single rate of 125% of the Medi-Cal fee schedule; and
- Increase outpatient rates from 140% of the Medi-Cal fee schedule to 240% of the Medi-Cal fee schedule for certain emergency room, observation, surgery, and trauma services with other services remaining at 140% of the Medi-Cal fee schedule.

FFS Physicians

- Increase primary care service rates from 129% of the Medi-Cal fee schedule to no less than 87.5% of the Medicare rate pursuant to the TRI; and
- Increase specialty service rates from 133% of the Medi-Cal fee schedule for most services and 140% of the Medi-Cal fee schedule for California Childrens Services (CCS) services to a single 156% of the Medi-Cal fee schedule and no less than 87.5% of the Medicare rate pursuant to the TRI.

FFS Community Clinics

- To meet federal requirements for community clinics to receive like payment for like services, CalOptima Health will apply the same logic as FFS physicians for a TRI-like increase.

Behavioral Health / Applied Behavior Analysis (ABA) Providers

- Increase rates for non-ABA providers to no less than 87.5% of the Medicare rate pursuant to the TRI; and
- Increase rates for ABA providers by 19.8%.

Ancillary Services and Other Providers

- Home Health: Increase the base rate to no less than 120% of the Medi-Cal fee schedule and continue the 7.5% rate increase by claim;
- CBAS: Continue the 7.5% rate increase by claim;
- Laboratory and diagnostic: Continue the 7.5% rate increase by claim;
- FFS Skilled Nursing: Implement a revised rate to provide a therapy and hard to place premium; and
- Ambulatory Surgery Center: Increase services from 90% of the Medicare rate to 100% of the Medicare rate.

The following table provides the estimated fiscal impact for non-TRI related rate increases for contracted Medi-Cal providers and health networks in FY 2024-25.

Category	Estimated Amount (in millions)		
	Health Networks	Fee-for Service	Total
Hospital	\$49.3	\$50.9	\$100.2
Professional	\$9.0	\$3.6	\$12.6
Behavioral Health	\$0	\$25.2	\$25.2
Ancillary	\$4.3	\$15.5	\$19.8
Other Contract Changes	\$51.9	\$0.8	\$52.7
Total	\$114.5	\$96.0	\$210.5

Management requests the Board to commit \$526.2 million from undesignated reserves to support Medi-Cal provider and health network rates for a 2.5-year period (*i.e.*, July 1, 2024, through December 31, 2026). While funding the non-TRI related provider rate increases for the 2.5-year period will utilize CalOptima Health reserves, CalOptima Health anticipates that future funding will be sufficient to cover these additional expenses beyond December 31, 2026, based on reporting and rate setting through the DHCS rate development process. The following table shows the estimated amounts by category for the 2.5-year period.

Category	Estimated Amount (in millions)			
	FY 2024-25 (7/1/24 - 6/30/25)	FY 2025-26 (7/1/25 - 6/30/26)	FY 2026-27 (7/1/26 - 12/31/26)	Total
Hospital	\$100.2	\$100.2	\$50.1	\$250.5
Professional	\$12.6	\$12.6	\$6.3	\$31.5
Behavioral Health	\$25.2	\$25.2	\$12.6	\$63.0
Ancillary	\$19.8	\$19.8	\$9.9	\$49.5
Other Contract Changes	\$52.7	\$52.7	\$26.3	\$131.7
Total	\$210.5	\$210.5	\$105.2	\$526.2

As of March 31, 2024, the total unallocated reserves available are approximately \$588 million. This proposed commitment would represent 90% of total unallocated reserves available. Upon Board approval, staff will negotiate and execute amendments to Medi-Cal provider and health network contracts to implement the updated rates effective July 1, 2024.

Fiscal Impact

The recommended action to sunset the temporary post-PHE supplemental funding program two months earlier than budgeted will result in an estimated \$15.2 million offset.

The estimated annual fiscal impact for non-TRI provider rate increases is \$210.5 million. An appropriation of up to \$526.2 million from existing reserves will fund the rate increases for the period of July 1, 2024, through December 31, 2026.

Rationale for Recommendation

The requested increases in provider rates will ensure continuous access to care for our members.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None.

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

CalOptima Health Board Action Agenda Referral

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

13. Approve Actions Related to Medi-Cal Provider Rate Increases for Fee for Service Hospitals Effective July 1, 2024

Contact

Michael Hunn, Chief Executive Officer, (714) 246-8570

Recommended Actions

1. Direct the Chief Executive Officer, or designees, to make a commitment of up to \$526 million from undesignated reserves to support provider rates to ensure longer-term provider network stability, network adequacy, and access to care for CalOptima Health members throughout Orange County; and
2. As part of this initiative, authorize the Chief Executive Officer, or designees, to develop and implement rate increases to contracted fee for service hospitals to be implemented July 1, 2024, through December 31, 2026; and
3. Sunset the temporary, short-term supplemental Medi-Cal payment increases of up to 7.5% for contracted fee for service hospitals to support expenses for services provided to members during the transition out of the Public Health Emergency, effective for dates of service on and after July 1, 2024.

Background

Since the beginning of the COVID-19 Public Health Emergency (PHE), CalOptima Health has provided supplemental funding to eligible providers and health networks to support ongoing access to care, provision of new benefits (such as CalAIM related services) and the transition out of the PHE. From Fiscal Year (FY) 2019-20 to FY 2022-23, CalOptima Health has supported providers with more than \$139 million. At the June 1, 2023, meeting, the Board authorized another \$107 million for a temporary supplemental funding program that provides rate increases of up to 7.5% to nearly all Medi-Cal provider types for almost all covered services. This program is scheduled to end on August 31, 2024.

As part of the 2023 Budget Act and Assembly Bill (AB) 118 (Chapter 42, Statutes of 2023), the Department of Health Care Services (DHCS) increased certain rates for targeted services to no less than 87.5% of the Medicare rate, inclusive of eliminating AB 97 provider payment reductions and incorporating associated Proposition 56 physician services supplemental payments into the base rate. These rates, referred to as “Targeted Rate Increase” (TRI), are effective January 1, 2024, and apply to eligible Medi-Cal providers, including providers contracted with Medi-Cal managed care plans like CalOptima Health.

CalOptima Health plans to implement the TRI payment adjustments in July and August 2024, ahead of the DHCS compliance deadlines. Total TRI related provider funding is estimated at \$173 million, with \$115 million for the conversion of the Proposition 56 physician services supplemental payments and \$58 million in additional funding to providers. The additional funding is for added procedure codes that were not formerly included under the Proposition 56 physician services supplemental payments, as well to

comply with federal requirements on compensating Federally Qualified Health Center (FQHC) clinics with similar rates for like-services. Staff will include these amounts in both professional fee-for-service (FFS) and professional capitation base rates as appropriate in the forthcoming FY 2024-25 Operating Budget.

With the end of the current CalOptima Health supplemental funding program, and the beginning of the TRI, CalOptima Health believes it is the right time to augment rates for contracted Medi-Cal providers and health networks. This longer-term fiscal commitment is intended to ensure financial stability, over the next thirty (30) months, network adequacy, and access to care for CalOptima Health members throughout Orange County.

Discussion

CalOptima Health staff requests the Board to replace the current supplemental funding program, that was already scheduled to end by August 31, 2024, on July 1, 2024, and implement the new rate increases, as detailed below, for a period of thirty (30) months, for certain contracted Medi-Cal providers, effective July 1, 2024, as follows:

FFS Hospitals

- Increase inpatient rates from the current split 112% of the Medi-Cal fee schedule for Medi-Cal classic aid categories and 117.3% of the Medi-Cal fee schedule for Medi-Cal expansion aid categories, to a single rate of 125% of the Medi-Cal fee schedule; and
- Increase outpatient rates from 140% of the Medi-Cal fee schedule to 240% of the Medi-Cal fee schedule for certain emergency room, observation, surgery, and trauma services with other services remaining at 140% of the Medi-Cal fee schedule.

Adjustments to CalOptima Health's FFS provider rates, for which staff will seek separate board approval, include:

Health Networks

Increase base capitation rates to account for:

- TRI rates for health network contracted providers and certain DHCS Medi-Cal program changes and Medi-Cal rate changes;
- Make equivalent increases to CalOptima Health's fee-for-service (FFS) provider rates (see below); and
- Adjust rates for administrative, medical management, and medical risk expenses.

FFS Physicians

- Increase primary care service rates from 129% of the Medi-Cal fee schedule to no less than 87.5% of the Medicare rate pursuant to the TRI; and
- Increase specialty service rates from 133% of the Medi-Cal fee schedule for most services and 140% of the Medi-Cal fee schedule for California Childrens Services (CCS) services to a single 156% of the Medi-Cal fee schedule and no less than 87.5% of the Medicare rate pursuant to the TRI.

FFS Community Clinics

- To meet federal requirements for community clinics to receive like payment for like services, CalOptima Health will apply the same logic as FFS physicians for a TRI-like increase.

Behavioral Health / Applied Behavior Analysis (ABA) Providers

- Increase rates for non-ABA providers to no less than 87.5% of the Medicare rate pursuant to the TRI; and
- Increase rates for ABA providers by 19.8%.

Ancillary Services and Other Providers

- Home Health: Increase the base rate to no less than 120% of the Medi-Cal fee schedule and continue the 7.5% rate increase by claim;
- CBAS: Continue the 7.5% rate increase by claim;
- Laboratory and diagnostic: Continue the 7.5% rate increase by claim;
- FFS Skilled Nursing: Implement a revised rate to provide a therapy and hard to place premium; and
- Ambulatory Surgery Center: Increase services from 90% of the Medicare rate to 100% of the Medicare rate.

The following table provides the estimated fiscal impact for non-TRI related rate increases for contracted Medi-Cal providers and health networks in FY 2024-25.

Category	Estimated Amount (in millions)		
	Health Networks	Fee-for Service	Total
Hospital	\$49.3	\$50.9	\$100.2
Professional	\$9.0	\$3.6	\$12.6
Behavioral Health	\$0	\$25.2	\$25.2
Ancillary	\$4.3	\$15.5	\$19.8
Other Contract Changes	\$51.9	\$0.8	\$52.7
Total	\$114.5	\$96.0	\$210.5

Management requests the Board to commit \$526.2 million from undesignated reserves to support Medi-Cal provider and health network rates for a 2.5-year period (*i.e.*, July 1, 2024, through December 31, 2026). While funding the non-TRI related provider rate increases for the 2.5-year period will utilize CalOptima Health reserves, CalOptima Health anticipates that future funding will be sufficient to cover these additional expenses beyond December 31, 2026, based on reporting and rate setting through the DHCS rate development process. The following table shows the estimated amounts by category for the 2.5-year period.

Category	Estimated Amount (in millions)			
	FY 2024-25 (7/1/24 - 6/30/25)	FY 2025-26 (7/1/25 - 6/30/26)	FY 2026-27 (7/1/26 - 12/31/26)	Total
Hospital	\$100.2	\$100.2	\$50.1	\$250.5
Professional	\$12.6	\$12.6	\$6.3	\$31.5
Behavioral Health	\$25.2	\$25.2	\$12.6	\$63.0
Ancillary	\$19.8	\$19.8	\$9.9	\$49.5

Category	Estimated Amount (in millions)			
	FY 2024-25 (7/1/24 - 6/30/25)	FY 2025-26 (7/1/25 - 6/30/26)	FY 2026-27 (7/1/26 - 12/31/26)	Total
Other Contract Changes	\$52.7	\$52.7	\$26.3	\$131.7
Total	\$210.5	\$210.5	\$105.2	\$526.2

As of March 31, 2024, the total unallocated reserves available are approximately \$588 million. This proposed commitment would represent 90% of total unallocated reserves available. Upon Board approval, staff will negotiate and execute amendments to Medi-Cal provider and health network contracts to implement the updated rates effective July 1, 2024.

Fiscal Impact

The recommended action to sunset the temporary post-PHE supplemental funding program two months earlier than budgeted will result in an estimated \$15.2 million offset.

The estimated annual fiscal impact for non-TRI provider rate increases is \$210.5 million. An appropriation of up to \$526.2 million from existing reserves will fund the rate increases for the period of July 1, 2024, through December 31, 2026.

Rationale for Recommendation

The requested increases in provider rates will ensure continuous access to care for our members.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None.

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

CalOptima Health Board Action Agenda Referral

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

14. Approve Actions Related to Medi-Cal Provider Rate Increases for Fee for Service Clinics Effective July 1, 2024

Contact

Michael Hunn, Chief Executive Officer, (714) 246-8570

Recommended Actions

1. Direct the Chief Executive Officer, or designees, to make a commitment of up to \$526 million from undesignated reserves to support provider rates to ensure longer-term provider network stability, network adequacy, and access to care for CalOptima Health members throughout Orange County; and
2. As part of this initiative, authorize the Chief Executive Officer, or designees, to develop and implement rate increases to contracted fee for service community clinics to be implemented July 1, 2024, through December 31, 2026; and
3. Sunset the temporary, short-term supplemental Medi-Cal payment increases of up to 7.5% for contracted fee for service community clinics to support expenses for services provided to members during the transition out of the Public Health Emergency, effective for dates of service on and after July 1, 2024.

Background

Since the beginning of the COVID-19 Public Health Emergency (PHE), CalOptima Health has provided supplemental funding to eligible providers and health networks to support ongoing access to care, provision of new benefits (such as CalAIM related services) and the transition out of the PHE. From Fiscal Year (FY) 2019-20 to FY 2022-23, CalOptima Health has supported providers with more than \$139 million. At the June 1, 2023, meeting, the Board authorized another \$107 million for a temporary supplemental funding program that provides rate increases of up to 7.5% to nearly all Medi-Cal provider types for almost all covered services. This program is scheduled to end on August 31, 2024.

As part of the 2023 Budget Act and Assembly Bill (AB) 118 (Chapter 42, Statutes of 2023), the Department of Health Care Services (DHCS) increased certain rates for targeted services to no less than 87.5% of the Medicare rate, inclusive of eliminating AB 97 provider payment reductions and incorporating associated Proposition 56 physician services supplemental payments into the base rate. These rates, referred to as “Targeted Rate Increase” (TRI), are effective January 1, 2024, and apply to eligible Medi-Cal providers, including providers contracted with Medi-Cal managed care plans like CalOptima Health.

CalOptima Health plans to implement the TRI payment adjustments in July and August 2024, ahead of the DHCS compliance deadlines. Total TRI related provider funding is estimated at \$173 million, with \$115 million for the conversion of the Proposition 56 physician services supplemental payments and \$58 million in additional funding to providers. The additional funding is for added procedure codes that were not formerly included under the Proposition 56 physician services supplemental payments, as well to

comply with federal requirements on compensating Federally Qualified Health Center (FQHC) clinics with similar rates for like-services. Staff will include these amounts in both professional fee-for-service (FFS) and professional capitation base rates as appropriate in the forthcoming FY 2024-25 Operating Budget.

With the end of the current CalOptima Health supplemental funding program, and the beginning of the TRI, CalOptima Health believes it is the right time to augment rates for contracted Medi-Cal providers and health networks. This longer-term fiscal commitment is intended to ensure financial stability, over the next thirty (30) months, network adequacy, and access to care for CalOptima Health members throughout Orange County.

Discussion

CalOptima Health staff requests the Board to replace the current supplemental funding program, that was already scheduled to end by August 31, 2024, on July 1, 2024, and implement the new rate increases, as detailed below, for a period of thirty (30) months, for certain contracted Medi-Cal providers, effective July 1, 2024, as follows:

FFS FQHC Community Clinics

- To meet federal requirements for community clinics to receive like payment for like services, CalOptima Health will apply the same logic as FFS physicians for a TRI-like increase.

Adjustments to other provider rates, for which staff will seek separate board approval, include:

Health Networks

Increase base capitation rates to account for:

- TRI rates for health network contracted providers and certain DHCS Medi-Cal program changes and Medi-Cal rate changes;
- Make equivalent increases to CalOptima Health's fee-for-service (FFS) provider rates (see below); and
- Adjust rates for administrative, medical management, and medical risk expenses.

FFS Hospitals

- Increase inpatient rates from the current split 112% of the Medi-Cal fee schedule for Medi-Cal classic aid categories and 117.3% of the Medi-Cal fee schedule for Medi-Cal expansion aid categories, to a single rate of 125% of the Medi-Cal fee schedule; and
- Increase outpatient rates from 140% of the Medi-Cal fee schedule to 240% of the Medi-Cal fee schedule for certain emergency room, observation, surgery, and trauma services with other services remaining at 140% of the Medi-Cal fee schedule.

FFS Physicians

- Increase primary care service rates from 129% of the Medi-Cal fee schedule to no less than 87.5% of the Medicare rate pursuant to the TRI; and
- Increase specialty service rates from 133% of the Medi-Cal fee schedule for most services and 140% of the Medi-Cal fee schedule for California Childrens Services (CCS) services to a single 156% of the Medi-Cal fee schedule and no less than 87.5% of the Medicare rate pursuant to the TRI.

Behavioral Health / Applied Behavior Analysis (ABA) Providers

- Increase rates for non-ABA providers to no less than 87.5% of the Medicare rate pursuant to the TRI; and
- Increase rates for ABA providers by 19.8%.

Ancillary Services and Other Providers

- Home Health: Increase the base rate to no less than 120% of the Medi-Cal fee schedule and continue the 7.5% rate increase by claim;
- CBAS: Continue the 7.5% rate increase by claim;
- Laboratory and diagnostic: Continue the 7.5% rate increase by claim;
- FFS Skilled Nursing: Implement a revised rate to provide a therapy and hard to place premium; and
- Ambulatory Surgery Center: Increase services from 90% of the Medicare rate to 100% of the Medicare rate.

The following table provides the estimated fiscal impact for non-TRI related rate increases for contracted Medi-Cal providers and health networks in FY 2024-25.

Category	Estimated Amount (in millions)		
	Health Networks	Fee-for Service	Total
Hospital	\$49.3	\$50.9	\$100.2
Professional	\$9.0	\$3.6	\$12.6
Behavioral Health	\$0	\$25.2	\$25.2
Ancillary	\$4.3	\$15.5	\$19.8
Other Contract Changes	\$51.9	\$0.8	\$52.7
Total	\$114.5	\$96.0	\$210.5

Management requests the Board to commit \$526.2 million from undesignated reserves to support Medi-Cal provider and health network rates for a 2.5-year period (*i.e.*, July 1, 2024, through December 31, 2026). While funding the non-TRI related provider rate increases for the 2.5-year period will utilize CalOptima Health reserves, CalOptima Health anticipates that future funding will be sufficient to cover these additional expenses beyond December 31, 2026, based on reporting and rate setting through the DHCS rate development process. The following table shows the estimated amounts by category for the 2.5-year period.

Category	Estimated Amount (in millions)			
	FY 2024-25 (7/1/24 - 6/30/25)	FY 2025-26 (7/1/25 - 6/30/26)	FY 2026-27 (7/1/26 - 12/31/26)	Total
Hospital	\$100.2	\$100.2	\$50.1	\$250.5
Professional	\$12.6	\$12.6	\$6.3	\$31.5
Behavioral Health	\$25.2	\$25.2	\$12.6	\$63.0
Ancillary	\$19.8	\$19.8	\$9.9	\$49.5
Other Contract Changes	\$52.7	\$52.7	\$26.3	\$131.7
Total	\$210.5	\$210.5	\$105.2	\$526.2

As of March 31, 2024, the total unallocated reserves available are approximately \$588 million. This proposed commitment would represent 90% of total unallocated reserves available. Upon Board approval, staff will negotiate and execute amendments to Medi-Cal provider and health network contracts to implement the updated rates effective July 1, 2024.

Fiscal Impact

The recommended action to sunset the temporary post-PHE supplemental funding program two months earlier than budgeted will result in an estimated \$15.2 million offset.

The estimated annual fiscal impact for non-TRI provider rate increases is \$210.5 million. An appropriation of up to \$526.2 million from existing reserves will fund the rate increases for the period of July 1, 2024, through December 31, 2026.

Rationale for Recommendation

The requested increases in provider rates will ensure continuous access to care for our members.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None.

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

CalOptima Health Board Action Agenda Referral

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

15. Approve Actions Related to Medi-Cal Provider Rate Increases for Fee for Service Behavioral Health, Applied Behavior Analysis and Ancillary and Other Providers, Effective July 1, 2024

Contact

Michael Hunn, Chief Executive Officer, (714) 246-8570

Recommended Actions

1. Direct the Chief Executive Officer, or designees, to make a commitment of up to \$526 million from undesignated reserves to support provider rates to ensure longer-term provider network stability, network adequacy, and access to care for CalOptima Health members throughout Orange County; and
2. As part of this initiative, authorize the Chief Executive Officer, or designees, to develop and implement rate increases to contracted fee for service behavioral health, applied behavior analysis, ancillary and other providers, to be implemented July 1, 2024, through December 31, 2026; and
3. Sunset the temporary, short-term supplemental Medi-Cal payment increases of up to 7.5% for contracted fee for service behavioral health, applied behavior analysis, ancillary and other providers to support expenses for services provided to members during the transition out of the Public Health Emergency, effective for dates of service on and after July 1, 2024.

Background

Since the beginning of the COVID-19 Public Health Emergency (PHE), CalOptima Health has provided supplemental funding to eligible providers and health networks to support ongoing access to care, provision of new benefits (such as CalAIM related services) and the transition out of the PHE. From Fiscal Year (FY) 2019-20 to FY 2022-23, CalOptima Health has supported providers with more than \$139 million. At the June 1, 2023, meeting, the Board authorized another \$107 million for a temporary supplemental funding program that provides rate increases of up to 7.5% to nearly all Medi-Cal provider types for almost all covered services. This program is scheduled to end on August 31, 2024.

As part of the 2023 Budget Act and Assembly Bill (AB) 118 (Chapter 42, Statutes of 2023), the Department of Health Care Services (DHCS) increased certain rates for targeted services to no less than 87.5% of the Medicare rate, inclusive of eliminating AB 97 provider payment reductions and incorporating associated Proposition 56 physician services supplemental payments into the base rate. These rates, referred to as “Targeted Rate Increase” (TRI), are effective January 1, 2024, and apply to eligible Medi-Cal providers, including providers contracted with Medi-Cal managed care plans like CalOptima Health.

CalOptima Health plans to implement the TRI payment adjustments in July and August 2024, ahead of the DHCS compliance deadlines. Total TRI related provider funding is estimated at \$173 million, with \$115 million for the conversion of the Proposition 56 physician services supplemental payments and \$58 million in additional funding to providers. The additional funding is for added procedure codes that were

not formerly included under the Proposition 56 physician services supplemental payments, as well to comply with federal requirements on compensating Federally Qualified Health Center (FQHC) clinics with similar rates for like-services. Staff will include these amounts in both professional fee-for-service (FFS) and professional capitation base rates as appropriate in the forthcoming FY 2024-25 Operating Budget.

With the end of the current CalOptima Health supplemental funding program, and the beginning of the TRI, CalOptima Health believes it is the right time to augment rates for contracted Medi-Cal providers and health networks. This longer-term fiscal commitment is intended to ensure financial stability, over the next thirty (30) months, network adequacy, and access to care for CalOptima Health members throughout Orange County.

Discussion

CalOptima Health staff requests the Board to replace the current supplemental funding program, that was already scheduled to end by August 31, 2024, on July 1, 2024, and implement the new rate increases, as detailed below, for a period of thirty (30) months, for certain contracted Medi-Cal providers, effective July 1, 2024, as follows:

Behavioral Health / Applied Behavior Analysis (ABA) Providers

- Increase rates for non-ABA providers to no less than 87.5% of the Medicare rate pursuant to the TRI; and
- Increase rates for ABA providers by 19.8%.

Ancillary Services and Other Providers

- Home Health: Increase the base rate to no less than 120% of the Medi-Cal fee schedule and continue the 7.5% rate increase by claim;
- CBAS: Continue the 7.5% rate increase by claim;
- Laboratory and diagnostic: Continue the 7.5% rate increase by claim;
- FFS Skilled Nursing: Implement a revised rate to provide a therapy and hard to place premium; and
- Ambulatory Surgery Center: Increase services from 90% of the Medicare rate to 100% of the Medicare rate.

Adjustments to other provider rates, for which staff will seek separate board approval, include:

Health Networks

Increase base capitation rates to account for:

- TRI rates for health network contracted providers and certain DHCS Medi-Cal program changes and Medi-Cal rate changes;
- Make equivalent increases to CalOptima Health's fee-for-service (FFS) provider rates (see below); and
- Adjust rates for administrative, medical management, and medical risk expenses.

FFS Hospitals

- Increase inpatient rates from the current split 112% of the Medi-Cal fee schedule for Medi-Cal classic aid categories and 117.3% of the Medi-Cal fee schedule for Medi-Cal expansion aid categories, to a single rate of 125% of the Medi-Cal fee schedule; and
- Increase outpatient rates from 140% of the Medi-Cal fee schedule to 240% of the Medi-Cal fee schedule for certain emergency room, observation, surgery, and trauma services with other services remaining at 140% of the Medi-Cal fee schedule.

FFS Physicians

- Increase primary care service rates from 129% of the Medi-Cal fee schedule to no less than 87.5% of the Medicare rate pursuant to the TRI; and
- Increase specialty service rates from 133% of the Medi-Cal fee schedule for most services and 140% of the Medi-Cal fee schedule for California Childrens Services (CCS) services to a single 156% of the Medi-Cal fee schedule and no less than 87.5% of the Medicare rate pursuant to the TRI.

FFS Community Clinics

- To meet federal requirements for community clinics to receive like payment for like services, CalOptima Health will apply the same logic as FFS physicians for a TRI-like increase.

The following table provides the estimated fiscal impact for non-TRI related rate increases for contracted Medi-Cal providers and health networks in FY 2024-25.

Category	Estimated Amount (in millions)		
	Health Networks	Fee-for Service	Total
Hospital	\$49.3	\$50.9	\$100.2
Professional	\$9.0	\$3.6	\$12.6
Behavioral Health	\$0	\$25.2	\$25.2
Ancillary	\$4.3	\$15.5	\$19.8
Other Contract Changes	\$51.9	\$0.8	\$52.7
Total	\$114.5	\$96.0	\$210.5

Management requests the Board to commit \$526.2 million from undesignated reserves to support Medi-Cal provider and health network rates for a 2.5-year period (*i.e.*, July 1, 2024, through December 31, 2026). While funding the non-TRI related provider rate increases for the 2.5-year period will utilize CalOptima Health reserves, CalOptima Health anticipates that future funding will be sufficient to cover these additional expenses beyond December 31, 2026, based on reporting and rate setting through the DHCS rate development process. The following table shows the estimated amounts by category for the 2.5-year period.

Category	Estimated Amount (in millions)			
	FY 2024-25 (7/1/24 - 6/30/25)	FY 2025-26 (7/1/25 - 6/30/26)	FY 2026-27 (7/1/26 - 12/31/26)	Total
Hospital	\$100.2	\$100.2	\$50.1	\$250.5
Professional	\$12.6	\$12.6	\$6.3	\$31.5

Category	Estimated Amount (in millions)			
	FY 2024-25 (7/1/24 - 6/30/25)	FY 2025-26 (7/1/25 - 6/30/26)	FY 2026-27 (7/1/26 - 12/31/26)	Total
Behavioral Health	\$25.2	\$25.2	\$12.6	\$63.0
Ancillary	\$19.8	\$19.8	\$9.9	\$49.5
Other Contract Changes	\$52.7	\$52.7	\$26.3	\$131.7
Total	\$210.5	\$210.5	\$105.2	\$526.2

As of March 31, 2024, the total unallocated reserves available are approximately \$588 million. This proposed commitment would represent 90% of total unallocated reserves available. Upon Board approval, staff will negotiate and execute amendments to Medi-Cal provider and health network contracts to implement the updated rates effective July 1, 2024.

Fiscal Impact

The recommended action to sunset the temporary post-PHE supplemental funding program two months earlier than budgeted will result in an estimated \$15.2 million offset.

The estimated annual fiscal impact for non-TRI provider rate increases is \$210.5 million. An appropriation of up to \$526.2 million from existing reserves will fund the rate increases for the period of July 1, 2024, through December 31, 2026.

Rationale for Recommendation

The requested increases in provider rates will ensure continuous access to care for our members.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None.

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

CalOptima Health Board Action Agenda Referral

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

16. Approve Actions Related to Medi-Cal Provider Rate Increases for Fee for Service Physicians Effective July 1, 2024

Contact

Michael Hunn, Chief Executive Officer, (714) 246-8570

Recommended Actions

1. Direct the Chief Executive Officer, or designees, to make a commitment of up to \$526 million from undesignated reserves to support provider rates to ensure longer-term provider network stability, network adequacy, and access to care for CalOptima Health members throughout Orange County; and
2. As part of this initiative, authorize the Chief Executive Officer, or designees, to develop and implement rate increases to contracted fee for service physicians to be implemented July 1, 2024, through December 31, 2026; and
3. Sunset the temporary, short-term supplemental Medi-Cal payment increases of up to 7.5% for contracted fee for service physicians to support expenses for services provided to members during the transition out of the Public Health Emergency, effective for dates of service on and after July 1, 2024.

Background

Since the beginning of the COVID-19 Public Health Emergency (PHE), CalOptima Health has provided supplemental funding to eligible providers and health networks to support ongoing access to care, provision of new benefits (such as CalAIM related services) and the transition out of the PHE. From Fiscal Year (FY) 2019-20 to FY 2022-23, CalOptima Health has supported providers with more than \$139 million. At the June 1, 2023, meeting, the Board authorized another \$107 million for a temporary supplemental funding program that provides rate increases of up to 7.5% to nearly all Medi-Cal provider types for almost all covered services. This program is scheduled to end on August 31, 2024.

As part of the 2023 Budget Act and Assembly Bill (AB) 118 (Chapter 42, Statutes of 2023), the Department of Health Care Services (DHCS) increased certain rates for targeted services to no less than 87.5% of the Medicare rate, inclusive of eliminating AB 97 provider payment reductions and incorporating associated Proposition 56 physician services supplemental payments into the base rate. These rates, referred to as “Targeted Rate Increase” (TRI), are effective January 1, 2024, and apply to eligible Medi-Cal providers, including providers contracted with Medi-Cal managed care plans like CalOptima Health.

CalOptima Health plans to implement the TRI payment adjustments in July and August 2024, ahead of the DHCS compliance deadlines. Total TRI related provider funding is estimated at \$173 million, with \$115 million for the conversion of the Proposition 56 physician services supplemental payments and \$58 million in additional funding to providers. The additional funding is for added procedure codes that were not formerly included under the Proposition 56 physician services supplemental payments, as well to

comply with federal requirements on compensating Federally Qualified Health Center (FQHC) clinics with similar rates for like-services. Staff will include these amounts in both professional fee-for-service (FFS) and professional capitation base rates as appropriate in the forthcoming FY 2024-25 Operating Budget.

With the end of the current CalOptima Health supplemental funding program, and the beginning of the TRI, CalOptima Health believes it is the right time to augment rates for contracted Medi-Cal providers and health networks. This longer-term fiscal commitment is intended to ensure financial stability, over the next thirty (30) months, network adequacy, and access to care for CalOptima Health members throughout Orange County.

Discussion

CalOptima Health staff requests the Board to replace the current supplemental funding program, that was already scheduled to end by August 31, 2024, on July 1, 2024, and implement the new rate increases, as detailed below, for a period of thirty (30) months, for certain contracted Medi-Cal providers, effective July 1, 2024, as follows:

FFS Physicians

- Increase primary care service rates from 129% of the Medi-Cal fee schedule to no less than 87.5% of the Medicare rate pursuant to the TRI; and
- Increase specialty service rates from 133% of the Medi-Cal fee schedule for most services and 140% of the Medi-Cal fee schedule for California Childrens Services (CCS) services to a single 156% of the Medi-Cal fee schedule and no less than 87.5% of the Medicare rate pursuant to the TRI.

Adjustments to other provider rates, for which staff will seek separate board approval, include:

Health Networks

Increase base capitation rates to account for:

- TRI rates for health network contracted providers and certain DHCS Medi-Cal program changes and Medi-Cal rate changes;
- Make equivalent increases to CalOptima Health's fee-for-service (FFS) provider rates (see below); and
- Adjust rates for administrative, medical management, and medical risk expenses.

FFS Hospitals

- Increase inpatient rates from the current split 112% of the Medi-Cal fee schedule for Medi-Cal classic aid categories and 117.3% of the Medi-Cal fee schedule for Medi-Cal expansion aid categories, to a single rate of 125% of the Medi-Cal fee schedule; and
- Increase outpatient rates from 140% of the Medi-Cal fee schedule to 240% of the Medi-Cal fee schedule for certain emergency room, observation, surgery, and trauma services with other services remaining at 140% of the Medi-Cal fee schedule.

FFS Community Clinics

- To meet federal requirements for community clinics to receive like payment for like services, CalOptima Health will apply the same logic as FFS physicians for a TRI-like increase.

Behavioral Health / Applied Behavior Analysis (ABA) Providers

- Increase rates for non-ABA providers to no less than 87.5% of the Medicare rate pursuant to the TRI; and
- Increase rates for ABA providers by 19.8%.

Ancillary Services and Other Providers

- Home Health: Increase the base rate to no less than 120% of the Medi-Cal fee schedule and continue the 7.5% rate increase by claim;
- CBAS: Continue the 7.5% rate increase by claim;
- Laboratory and diagnostic: Continue the 7.5% rate increase by claim;
- FFS Skilled Nursing: Implement a revised rate to provide a therapy and hard to place premium; and
- Ambulatory Surgery Center: Increase services from 90% of the Medicare rate to 100% of the Medicare rate.

The following table provides the estimated fiscal impact for non-TRI related rate increases for contracted Medi-Cal providers and health networks in FY 2024-25.

Category	Estimated Amount (in millions)		
	Health Networks	Fee-for Service	Total
Hospital	\$49.3	\$50.9	\$100.2
Professional	\$9.0	\$3.6	\$12.6
Behavioral Health	\$0	\$25.2	\$25.2
Ancillary	\$4.3	\$15.5	\$19.8
Other Contract Changes	\$51.9	\$0.8	\$52.7
Total	\$114.5	\$96.0	\$210.5

Management requests the Board to commit \$526.2 million from undesignated reserves to support Medi-Cal provider and health network rates for a 2.5-year period (*i.e.*, July 1, 2024, through December 31, 2026). While funding the non-TRI related provider rate increases for the 2.5-year period will utilize CalOptima Health reserves, CalOptima Health anticipates that future funding will be sufficient to cover these additional expenses beyond December 31, 2026, based on reporting and rate setting through the DHCS rate development process. The following table shows the estimated amounts by category for the 2.5-year period.

Category	Estimated Amount (in millions)			
	FY 2024-25 (7/1/24 - 6/30/25)	FY 2025-26 (7/1/25 - 6/30/26)	FY 2026-27 (7/1/26 - 12/31/26)	Total
Hospital	\$100.2	\$100.2	\$50.1	\$250.5
Professional	\$12.6	\$12.6	\$6.3	\$31.5
Behavioral Health	\$25.2	\$25.2	\$12.6	\$63.0
Ancillary	\$19.8	\$19.8	\$9.9	\$49.5
Other Contract Changes	\$52.7	\$52.7	\$26.3	\$131.7
Total	\$210.5	\$210.5	\$105.2	\$526.2

As of March 31, 2024, the total unallocated reserves available are approximately \$588 million. This proposed commitment would represent 90% of total unallocated reserves available. Upon Board approval, staff will negotiate and execute amendments to Medi-Cal provider and health network contracts to implement the updated rates effective July 1, 2024.

Fiscal Impact

The recommended action to sunset the temporary post-PHE supplemental funding program two months earlier than budgeted will result in an estimated \$15.2 million offset.

The estimated annual fiscal impact for non-TRI provider rate increases is \$210.5 million. An appropriation of up to \$526.2 million from existing reserves will fund the rate increases for the period of July 1, 2024, through December 31, 2026.

Rationale for Recommendation

The requested increases in provider rates will ensure continuous access to care for our members.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None.

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

17. Approve the CalOptima Health Applied Behavior Analysis Pay-for-Value Program

Contacts

Carmen Katsarov, LPCC, CCM, Executive Director Behavioral Health Integration, (714) 796-6168

Richard Pitts, D.O., Ph.D., Chief Medical Officer, (714) 246-8491

Recommended Actions

Approve the CalOptima Health Applied Behavior Analysis Pay-for-Value Program effective July 1, 2024, through June 30, 2027.

Background

CalOptima Health previously had an Applied Behavior Analysis (ABA) Pay-for-Value (P4V) Program from January 2021 through December 2022. A newly created ABA P4V Program was designed with the goal to provide quality health care and will be available to contracted ABA Providers to participate in. The core objectives of the program are to:

- Recognize and reward demonstrated quality performance;
- Provide comparative performance information on CalOptima Health's ABA providers for members, providers, and the public; and
- Provide industry benchmarks and data-driven feedback to ABA providers on their P4V performance.

Discussion

The Behavioral Health Integration leadership partnered with consultants to conduct "listening sessions" with ABA providers and collect feedback and recommendations for a newly designed ABA P4V Program. The information obtained from the sessions included recommendations from the providers including: (1) the need to clearly understand the data used to measure performance; (2) an increased collaboration about the program design; and (3) the incentive payment frequency.

Due to the absence of current research and literature for ABA quality measures, a structured approach for selecting the measures involved reviewing and incorporating clinical industry best practices. This effort resulted in CalOptima Health and its consultants developing a proprietary designed ABA P4V Program.

Program Performance Categories

The ABA P4V Program will involve measures categorized in the following areas: (1) quality; (2) assessment; (3) care effectiveness; (4) care access; and (5) care experience. Each of the categories will have a weight between 1% and 1.5%, to total 10%. The providers that meet or exceed the target for each performance measure in each of the five categories can earn up to a 10% incentive payment premium on future claims.

Program Methodology

Data Collection: Data will be captured by various methods including claims/encounter data, provider attestation forms, and digital surveys.

Measurement Review: Staff will review measurements semi-annually.

Measurement Period and Payout

Based on the measurement period’s performance, providers may earn up to a 10% premium payment during adjudication of claims during the prospective payment period by achieving any or all the program elements. CalOptima Health has sole discretion to modify measurement targets semi-annually to drive maximum quality performance and will provide regular reports to the CalOptima Health Quality Assurance Committee. The table below provides more information on the measurement period and monthly prospective payments for the ABA P4V program.

Measurement Period	Prospective Payment Period
July – December 2024	July – December 2025
January – June 2025	January – June 2026
July – December 2025	July – December 2026
January – June 2026	January – June 2027

Measurement Processes and Incentive Payments

CalOptima Health staff calculates the rating score semi-annually. This score allows providers to track their performance and progress through scorecards. The distribution of the performance incentive payment is based on the final calculation and validation of each measure’s rate. To be eligible for this payment, ABA providers must maintain a contract with CalOptima Health throughout the measurement period, be currently contracted, and be in good standing, as determined by the Audit and Oversight Department.

Fiscal Impact

Staff estimates that the annual fiscal impact for operating this ABA P4V Program is not to exceed \$10.6 million. Management will include the expected earned pool funding in future operating budgets.

Rationale for Recommendation

The ABA Provider P4V Program will improve the quality of care for our CalOptima Health members.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

18. Approve CalOptima Health Mental Health (non-Applied Behavior Analysis) Provider Pay-for-Value Program

Contacts

Carmen Katsarov, LPCC, CCM, Executive Director Behavioral Health Integration, (714) 796-6168
Richard Pitts, D.O., Ph.D., Chief Medical Officer, (714) 246-8491

Recommended Action

1. Approve the CalOptima Health Mental Health (non-Applied Behavior Analysis) Provider Pay-for-Value Program with measurement periods starting January 1, 2025, through December 31, 2026.

Background

CalOptima Health's existing Medi-Cal Pay-for-Value (P4V) Program has aligned and incentivized performance on all Healthcare Effectiveness Data and Information Set (HEDIS®) measures included in the Department of Health Care Services (DHCS) Managed Care Accountability Set (MCAS) measures required to achieve a minimum performance level (MPL) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) member satisfaction measures. The OneCare P4V Program utilizes Centers for Medicare & Medicaid Services (CMS) Star HEDIS and CAHPS measures and focuses on the most significant improvement opportunity.

Discussion

The Behavioral Health Integration leadership recommends implementing the Mental Health (non-Applied Behavior Analysis (ABA)) Provider P4V Program for mental health providers contracted directly with CalOptima Health. CalOptima Health's members have established trusted relationships with their physicians and mental health providers, which can help drive quality measures and member care coordination. The program will use industry standard measures aligned with federal and state requirements and guidance (e.g., DHCS MCAS, CMS Star measurement sets) and applicable Department of Managed Health Care standards. The following provides more detail on the components of the Mental Health (non-ABA) Provider P4V Program.

Quality Measures

The mental health (non-ABA) providers will be measured according to the following 10 quality measures. Each provider's score that meets or exceeds the target will earn 100% of the incentive allocation for that measure.

#	Quality Measures	Measure Acronym	Measure Steward	Weight %
1	Follow-Up After ED Visit for Mental Illness—30 days	FUM	NCQA	2.0
2	Follow-Up After ED Visit for Substance Use—30 days	FUA	NCQA	2.0
3	Depression Screening and Follow-Up for Adolescents and Adults	DSF-E	NCQA	.75

#	Quality Measures	Measure Acronym	Measure Steward	Weight %
4	Depression Remission or Response for Adolescents and Adults	DRR-E	NCQA	.75
5	Diabetes Screening for People with Schizophrenia or Bipolar Disorder who are using Antipsychotic Medications	SSD	NCQA	.75
6	Follow-Up Care for Children Prescribed ADHD Medication: Continuation and Maintenance Phase	ADD-E C&M	NCQA	.75
7	Follow-Up Care for Children Prescribed ADHD Medication: Initiation Phase	ADD-E Init	NCQA	.75
8	Metabolic Monitoring for Children and Adolescents on Antipsychotics	APM-E	NCQA	.75
9	Antidepressant Medication Management: Acute Phase Treatment	AMM- Acute	NCQA	.75
10	Antidepressant Medication Management: Continuation Phase Treatment	AMM- Cont	NCQA	.75
Total				10

Program Methodology

The quality measures will be compared to the DHCS Minimum Performance Levels (MPL) at the 50th percentile and Medicare measures will be compared to the National Committee for Quality Assurance (NCQA) Medicare National Percentile Benchmarks. The performance compared to benchmarks will earn incentives based on to following:

Performance Benchmark	Percent of Incentive Earned per Measure
50 th percentile	50%
75 th percentile	75%
90 th percentile	100%

Program Measurement Period and Payout

The incentive budget is allocated based on the percentage of paid claims. Providers will be able to earn up to 10% of the paid claims during each measurement period based on their performance against the quality measures:

	Measurement Period	Incentive Payment Timeframe*
Baseline	January – December 2024	NA
Year 1	January – December 2025	Quarter 4 2026
Year 2	January – December 2026	Quarter 4 2027

*Incentive Payment Timeframe will be affected by HEDIS reporting timeframes and claims lag

Measurement Process and Incentive Payments

To qualify for incentive payments, mental health (non-ABA) providers must be contracted with CalOptima Health during the entire measurement period, be currently contracted, and in good standing with CalOptima Health, as determined by the Audit and Oversight Department. CalOptima Health staff

will calculate the rating score for the mental health (non-ABA) providers. The provider's performance score will be derived from the most recently audited plan-level HEDIS results. Providers can monitor their performance and progress through scorecards distributed by CalOptima Health. The distribution of the performance incentive payment will be based on each measure's rate final calculation and validation.

Fiscal Impact

Staff estimates that the annual fiscal impact for each measurement year for the Mental Health (non-ABA) Provider P4V Program will be no more than 10% of the paid claims during each measurement period or approximately \$3.1 million.

Management will include 100% of pool funding for the measurement year (MY) 2025 Mental Health (non-ABA) Provider P4V Program initiatives in the Fiscal Year 2024-25 Operating Budget. The estimated payout for MY 2026 will be included in future operating budgets.

Rationale for Recommendation

The Mental Health (non-ABA) Provider P4V Program will improve the quality of care for our CalOptima Health members.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

19. Approve Actions Related to the Housing and Homelessness Incentive Program for the Nonprofit Healthcare Academy

Contacts

Kelly Bruno Nelson, Executive Director, Medi-Cal and CalAIM, (657) 550-4741

Yunkyung Kim, Chief Operating Officer, (714) 923-8834

Recommended Actions

1. Approve allocation of up to \$350,000 in Housing and Homelessness Incentive Program funding from the California Department of Health Care Services to the HHIP Priority 4, Innovation and Implementation of Strategic Interventions.
2. Authorize the Chief Executive Officer to exercise a one-year contract extension option under the same terms and conditions with Consilience Group, LLC, effective September 1, 2024, to provide Nonprofit Healthcare Academy technical services.
3. Authorize CalOptima Health staff to conduct a notice of funding opportunity process related to the Nonprofit Healthcare Academy, administer grant agreements, and release award payments to up to 20 selected community-based organizations in an amount up to \$5,000 per grantee.

Background

The Department of Health Care Services (DHCS) established the Housing and Homelessness Incentive Program (HHIP) to be implemented from January 1, 2022, to December 31, 2023. HHIP is a voluntary program that aims to improve health outcomes and access to whole person care services by addressing housing insecurity and instability as a social determinant of health for the Medi-Cal population. CalOptima Health has been eligible to receive up to \$83,755,557 in incentive payments and earned \$72,931,189 of that over a two-year period. The HHIP incentive payments are based on Medi-Cal managed care plan performance and demonstrated progress in tackling housing and homelessness needs.

In January 2023, CalOptima Health staff initiated the first HHIP notice of funding opportunity (NOFO) that included an equity grants priority geared toward smaller, grassroots, community-based organizations (CBOs) in an effort to help build their capacity to serve populations experiencing health disparities. In soliciting and reviewing these proposals, it was evident there was an opportunity to further support these organizations by providing technical assistance around how they could partner with the healthcare sector, position their organizations as potential service providers, and craft effective proposals that convey those concepts.

In response to this need, CalOptima Health staff sought and received the Board of Directors' (Board) approval in June 2023 to allocate \$10.53 million in HHIP funding to HHIP Priority 4, Innovation and Implementation of Strategic Interventions, including \$350,000 for the Nonprofit Healthcare Academy. The academy was set to include a series of learning experiences, skill-building sessions, and the opportunity to receive technical assistance to prepare these organizations for contracted partnership with CalOptima Health and more broadly, the healthcare sector.

In November 2023, CalOptima Health staff launched the first Nonprofit Healthcare Academy with 20 organizations and a contracted facilitator. Participation in the sessions was robust and organizations reported satisfaction with their experience and skills built during the program through its end in February 2024. In the two months since graduating from the Academy, 85% of organizations are pursuing contracts with CalOptima Health for CalAIM services and/or engaging in formal preparation for contracting.

Discussion

Second Round of the Nonprofit Healthcare Academy

CalOptima Health received approximately \$38.1 million from DHCS in April 2024 related to HHIP Submission 2. Given the success of the first Nonprofit Healthcare Academy, staff requests that the Board allocate \$350,000 from the April 2024 HHIP payment to the HHIP Priority 4, Innovation and Implementation of Strategic Interventions. Staff recommend exercising the one-year contract extension option with Consilience Group in order to host a second round of the Nonprofit Healthcare Academy for a new cohort of 20 nonprofit organizations.

Notice of Funding Opportunity to Nonprofit Organizations

For the first round of the Nonprofit Healthcare Academy, staff solicited information from grassroots, nonprofit organizations that were interested in participating in the Nonprofit Healthcare Academy. That NOFO process was not competitive, but rather designed to engage as many grassroots CBOs as possible. It was anticipated at that time that if more than 20 applications met the eligibility criteria, staff would make a request to the Board to provide additional support for this project to offer a second round of the academy. That first process resulted in 26 interested and eligible applicants. The remaining six organizations that did not receive an invitation to the first cohort of the Nonprofit Healthcare Academy will be prioritized for the second cohort, should they express continued interest in participating.

To fill all 20 spots beyond the remaining applicants from the first NOFO, staff will conduct a second non-competitive NOFO whereby organizations that meet the following criteria will be invited to join this second round of the academy. If there are more organizations than spots available for this second round, staff will consider a third round of the academy in 2025.

Eligibility criteria for interested CBOs will include:

1. Grassroots non-profit organizations with 501(c)(3) status valid for a minimum of 2 years;
2. Operating budgets of at least \$200,000 and no more than \$5 million; and
3. Not already contracted with CalOptima Health to render services.

Similar to the first round, CalOptima Health staff will identify CalAIM populations of focus or community supports contracted provider needs that will drive priority of some applicants over others for the next round, but will not preclude organizations from participating. Those organizations that are selected to participate and complete all sessions will be provided with a \$5,000 stipend for their time and effort.

Update on HHIP State Revenue: The following table provides the total amount of HHIP funding CalOptima Health has earned to date. The proposed action requests \$350,000 to support the second

round of the Nonprofit Healthcare Academy. This is the first allocation from \$38.1 million received from DHCS for HHIP Submission 2. Staff will return to the Board with additional recommendations on the remaining unallocated balance from HHIP Submission 2.

HHIP Funding from DHCS	Amount (in millions)
Funding from Local Homelessness Plan submission (received November 2022)	\$4.2
Funding from Investment Plan submission (received January 2023)	\$8.4
Funding from Submission 1 (received June 2023)	\$22.3
Funding from Submission 2 (received April 2024)	\$38.1
Total	\$73.0

Fiscal Impact

The allocation of up to \$350,000 in funding from DHCS has no net fiscal impact on CalOptima Health’s Fiscal Year 2023-24 Operating Budget. The increased amounts attributable to HHIP will be used to fund Innovation and Implementation of Strategic Interventions (Priority 4). Specifically, the allocation will fund up to \$250,000 to execute a one-year contract extension with Consilience Group, LLC, under the same terms and conditions, and up to \$100,000 to award grants in an amount up to \$5,000 to up to 20 CBO grantees.

Rationale for Recommendation

Funding these programs and projects will aid CalOptima Health in meeting HHIP measures while also strengthening the CBOs. Staff will bring additional recommendations to the Board for review and approval in the future.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None.

Board Actions

Board Meeting Dates	Action	Term	Not to Exceed Amount
6/1/2023	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$350,000
8/3/2023	Approve Actions Related to the Housing and Homelessness Incentive Program for the Nonprofit Healthcare Academy	-	\$350,000

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

20. Approve Housing and Homelessness Incentive Program’s Notice of Funding Opportunity Round Three

Contacts

Kelly Bruno Nelson, Executive Director, Medi-Cal and CalAIM, (657) 550-4741
Yunkyung Kim, Chief Operating Officer, (714) 923-8834

Recommended Actions

1. Approve CalOptima Health staff recommendations to administer grant agreements and total award payments up to \$25 million for transitional housing projects (Attachment 2).
2. Authorize the Chief Executive Officer to execute grant agreements with organizations selected for the transitional housing projects.

Background

In December 2023, the Board of Directors (Board) approved actions related to the Housing and Homelessness Incentive Program (HHIP) to allocate \$25 million from existing reserves to provide additional support for Priority 3: Partnerships and capacity to support referrals for services, which includes capital projects. The Board also authorized CalOptima Health staff to develop scopes of work to be used in notices of funding opportunities (NOFO) to grant out the \$25 million in capital project awards.

Discussion

CalOptima Health staff designed a NOFO to distribute \$25 million in transitional housing projects. The NOFO was released to the public on January 17, 2024, via distribution lists and on the CalOptima Health website. CalOptima Health staff conducted a bidders’ conference for all interested community organizations on January 30, 2024, describing the grant application process, funding priority areas, applicant eligibility criteria, and responded to questions. The portal to submit applications was open from January 17, 2024, to February 22, 2024. In total, CalOptima Health received 12 applications from 12 unique organizations. One application was removed during the pre-screening process because it was not a capital request for transitional housing. During the review process and further examination of documents, an additional four applications were deemed incomplete. The fully reviewed 7 proposals and their resulting scores can be found in Attachment 3.

Funding Priority	Transitional Housing
Number of Received Applications:	12
Number of Eligible Applications:	7
Number of Applications Recommended for Funding:	6

CalOptima Health convened a committee of grant reviewers to evaluate each received application against the scoring criteria presented in the NOFO. Scoring criteria included:

- Alignment with CalOptima Health core values;
- Program description;
- Program implementation;
- Sustainability;
- Readiness;
- Experience;
- Capacity of applicant; and
- Evaluation plan.

Each evaluator scored all applications on these criteria using a scoring rubric. The scores were then averaged to give each application a final score. These scores were ranked and the top scorers are being recommended for grant funding. Recommendations include funding for 6 of the 7 complete transitional housing proposals.

With Board approval, staff would like to proceed with prompt development and execution of grant agreements with the organizations listed in Attachment 2. Staff will provide oversight of the grants pursuant to CalOptima Health Policy AA.1400p: Grants Management and will return to the Board to provide updates on the status of these grants at future meetings.

Any CalOptima Health reimbursable services provided within these funded facilities will require a separate service contract unrelated to the grant award and will follow all current contracting processes and procedures.

Fiscal Impact

The recommended action has no additional fiscal impact. A previous Board action on December 7, 2023, allocated \$25 million to Priority 3 (Capital Projects). CalOptima Health reserves the right to recoup funds for lack of demonstrated effort or not meeting grant commitments.

Rationale for Recommendation

Funding these programs and projects will aid CalOptima Health in meeting HHIP measures, through which CalOptima Health can receive additional funding that will enable even more investments in the community to address homelessness.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Entities Covered by this Recommended Action](#)
2. [Organizations Selected for Award and Recommended Amounts](#)
3. [Scores of HHIP Round 3 Transitional Housing Applicants](#)
4. [Presentation on HHIP: NOFO Round 3 Recommended Funding Decisions](#)

Board Actions

Board Meeting Dates	Action	Term	Not to Exceed Amount
December 1, 2022	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$36,500,000
March 2, 2023	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$19,250,000
June 2, 2023	Approve Actions Related to the Housing and Homelessness Incentive Program	-	\$52,300,000
December 7, 2023	Approve Actions Related to the Housing and Homelessness Incentive Program		\$25,000,000

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date

Attachment to the May 2, 2024 Board of Directors Meeting – Agenda Item 20

CONTRACTED/ IMPACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Casa Youth Shelter	10911 Reagan Street	Los Alamitos	CA	90720
City of Irvine	309 Cedar St.	Newport Beach	CA	92663
Golden State Recuperative Care, Inc.	153 E. 110th St.	Los Angeles	CA	90061
Hart Community Homes, Inc.	208 N. Lemon St.	Fullerton	CA	92832
The Illumination Foundation	2871 Pullman St.	Santa Ana	CA	92705
Mind OC/Be Well OC	18650 MacArthur Blvd, Suite 220	Irvine	CA	92612

Attachment to the May 2, 2024 Board of Directors Meeting – Agenda Item 20

ORGANIZATIONS SELECTED FOR AWARD AND RECOMMENDED AMOUNTS

Name	Grant Amount
Casa Youth Shelter	\$4,000,000
City of Irvine	\$5,000,000
Golden State Recuperative Care, Inc.	\$3,500,000
Hart Community Homes, Inc.	\$4,000,000
The Illumination Foundation	\$3,500,000
Mind OC/Be Well OC	\$5,000,000
Total	\$25,000,000

SCORES OF HHIP ROUND 3 TRANSITIONAL HOUSING APPLICANTS

	Transitional Housing Proposals			
1	Illumination Foundation	89	Fund	\$3,500,000
2	Golden State Recuperative Care, Inc.	82	Fund	\$3,500,000
3	Hart Community Homes	82	Fund	\$4,000,000
4	City of Irvine	80	Fund	\$5,000,000
5	Mind OC / Be Well OC	80	Fund	\$5,000,000
6	Casa Youth Shelter	78	Fund	\$4,000,000
7	Anaheim Housing Authority	72	Do Not Fund	\$-
8	The Eli Home for Abused Children	--	Application Incomplete	\$-
9	Sober Solutions	--	Application Incomplete	\$-
10	Action Alliance Foundation	--	Application Incomplete	\$-
11	Radiant Futures	--	Application Incomplete	\$-
12	Promotores de Salud de OC	--	Ineligible	\$-
			TOTAL	\$25,000,000



CalOptima Health

Housing and Homelessness Incentive Program (HHIP): NOFO Round 3 Recommended Funding Decisions

Board of Directors Meeting

May 2, 2024

Kelly Bruno Nelson, Executive Director, Medi-Cal and CalAIM

Danielle Cameron, Director, Program Development for CalAIM

Our Mission

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

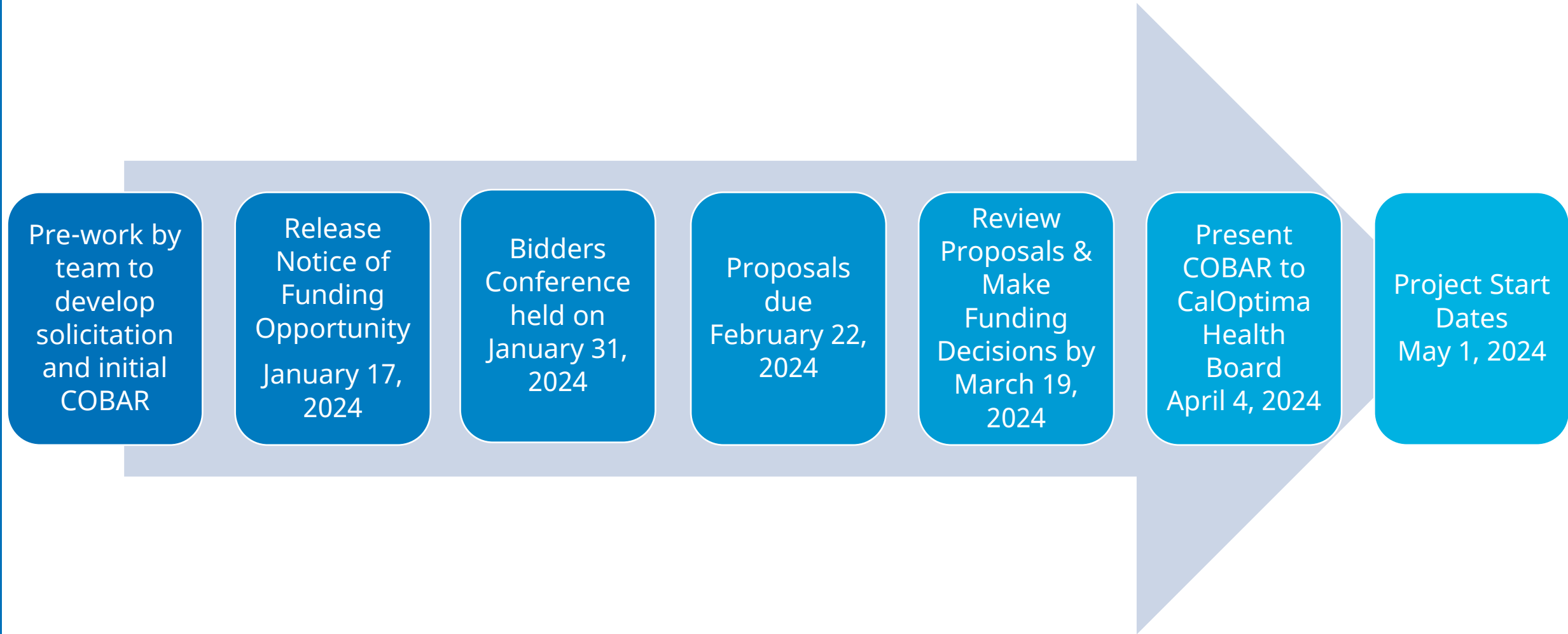
Our Vision

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

Within the Context of CalAIM

- One of the central goals of CalAIM is to identify and manage comprehensive needs through whole person care approaches and social drivers of health.
- Through these investments we attempt to:
 - Build local capacity to provide housing and critical services to our members experiencing homelessness.
 - Build out additional partnership to expand network of Enhanced Care Management and Community Supports providers.
 - Better reach populations that historically face health inequities.
- This funding opportunity was made possible thanks to a \$25M commitment from the CalOptima Health Board from existing reserves and an additional \$10.18M from incentive dollars earned from DHCS through HHIP.

Solicitation and Review Process



Scoring Criteria

	Criterion	Maximum Points	Description of basis for assigning points
1	CalOptima Health core value alignment	15	Project is trauma-informed, inclusive, non-residency restricted, low barrier, person-centered, and aligned with housing-first and harm-reduction principles.
2	Program Description	15	Program description is clear and concise. Articulate the problem to be solved, propose a feasible solution, and demonstrate how success or progress can be achieved.
3	Program Implementation	10	Plan is complete and includes specific objectives, logical and feasible activities, as well as clearly defined measures of success. County-wide impact for systems change programs.
4	Sustainability	10	Program or projects is sustainable beyond this funding opportunity if funding is awarded or is time-bound and does not require continuous funding.
5	Readiness	15	Projects that can launch soon after grant award will receive more points.
6	Experience	15	Expertise in providing proposed services and/or implementation of similar projects in the past. Must be clearly articulated in application.
7	Capacity of Applicant	10	Able to demonstrate financial and management capacity to carry out the project, as evidenced in the submission of required materials in application portal.
8	Evaluation Plan	10	Applicant clearly articulates a feasible and well thought out plan for evaluating project success.
Total Earnable Points		100	

Proposals Received

Grant Type	Maximum Allocation	Total Funding Requested	Proposals Received	Proposals To Be Funded
Transitional Housing	\$25,000,000.00	\$25,000,000	12	6

- One transitional housing proposal was deemed ineligible and was removed before scoring. Four were deemed incomplete during review.
- Recommending full spend out of transitional housing funds.

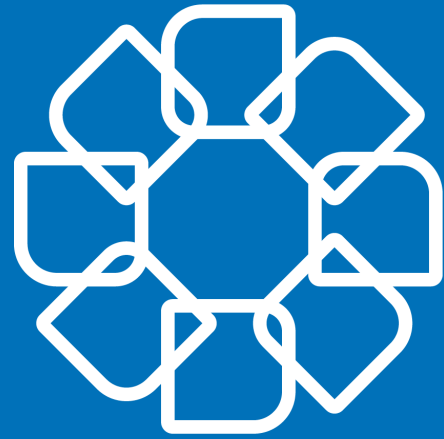
Transitional Housing

- CalOptima Health is seeking proposals that increase the county’s sustainable capacity of transitional housing beds, which provide individuals with a place to reside for 6-24 months.

Organization Name	Total Funding Request	Funding Award	Number of Units	Brief Description
Casa Youth Shelter	\$5,000,000	\$4,000,000	14	New building for transitional housing for “Transition Age Youth” (ages 18-22) in Los Alamitos next door to their emergency youth shelter (ages 12-17).
City of Irvine	\$5,000,000	\$5,000,000	50	Building modular transitional housing pods for South SPA to be located in Irvine.
Golden State Recuperative Care, Inc.	\$5,000,000	\$3,500,000	30	Purchase and rehabilitation of a facility to house recuperative care beds in Costa Mesa.
Hart Community Homes	\$4,000,000	\$4,000,000	20	New building for transitional housing for TAY (ages 18-25) including those in extended foster care, located in Fullerton. Site is next door to their job training cafe and within walking distance to Fullerton Community College.
Illumination Foundation	\$4,000,000	\$3,500,000	30	Purchase and rehabilitation of a facility to house “family recuperative care” beds in Santa Ana for families experiencing homelessness with a child who is exiting the hospital and in need of a place to recuperate.
Mind OC / Be Well OC	\$5,000,000	\$5,000,000	35	Building transitional housing units on the Be Well Irvine campus. This will help provide a continuum for individuals with behavioral health diagnoses.

Next Steps

- Board COBAR prepared for May 2024 meeting.
 - Will execute grant agreements during the month of May and will be effective by June 1st.
 - Check presentations to transitional housing grantees potentially at June board meeting.
- Summer and Fall Listening Sessions = Renew our Strategy
 - Need to sit with investments that have been made and reflect on progress.
 - Hear from community where there are gaps, remaining needs, etc.
- January 2025: NOFO Round 4



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CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 2, 2024

Regular Meeting of the CalOptima Health Board of Directors

Report Item

21. Authorize Actions Related to CalOptima Health's Programs for Older Adults including OneCare and the Program of All-Inclusive Care for the Elderly (PACE) (to Follow in Closed Session).

Contacts

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Javier Sanchez, Executive Director, Operations Management, (714) 986-6115

Recommended Actions

Authorize the Chief Executive Officer (CEO) to:

1. Submit OneCare Bid for Calendar Year 2025 and execute contracts with the Centers for Medicare & Medicaid Services and the California Department of Health Care Services; Authorize the CEO to amend/execute OneCare Health Network contracts and ancillary provider contracts and take other actions as necessary to implement; and
2. Amend existing PACE Alternative Care Setting (ACS) provider contracts and enter into new contracts with additional ACS sites based on CalOptima Health's established criteria and strategic needs.

Background

OneCare is a Medicare Advantage Special Needs Plan (DSNP) that serves CalOptima Health's members eligible for both Medi-Cal and Medicare (Dual eligible members). Like other Medicare Advantage health plans, OneCare is required to submit to the Centers for Medicare & Medicaid Services (CMS) a bid for each benefit year, which is based on the calendar year. Staff collaborates with a contracted actuarial firm to prepare and submit the annual bid including Medicare Parts C and D, and supplemental benefits.

PACE is a Medicare and Medicaid managed care service delivery model for the frail elderly that integrates acute, chronic, and long-term care for nursing home-certified seniors. The goal of PACE is to prevent unnecessary institutionalization and maintain or improve the functional status of the program's participants.

At present, CalOptima Health PACE contracts with five adult day health centers that also serve the community as Medi-Cal Community-Based Adult Services (CBAS) providers. The five sites were selected and approved as PACE ACS sites through a Request for Proposal (RFP) process in 2018. The currently contracted PACE ACS facilities are:

- Healthy Aging Center-Acacia (Garden Grove)
- Meals on Wheels OC- Adult Day Services Anaheim
- Meals on Wheels OC- Adult Day Services Santa Ana
- Healthy Aging Center-Laguna Woods

- Alzheimer's Family Center (Huntington Beach)

In accordance with section 460.98 Title 42 of the code of Federal Regulations, an ACS can provide six of the seven core PACE services. Facilities contracted with CalOptima Health PACE for ACS services provide the following six services with the seventh, primary care, provided by CalOptima Health PACE:

- Social Services
- Restorative therapies, including physical therapy and occupational therapy
- Personal care and supportive services
- Nutritional counseling
- Recreational therapy
- Meals

Government Code § 54956.87(b) allows CalOptima's Health's Board of Directors to meet in closed session to discuss health plan trade secrets and strategies related to competitive lines of business such as OneCare and PACE.

Discussion

Utilizing ACS sites allows CalOptima Health PACE to increase access to culturally and linguistically competent, specialized services in close geographical proximity to the members' homes. The ACS centers continue to be viable partners and important options for our members.

CalOptima Health PACE continues to grow and as part of our strategic growth plan, it is necessary to expand ACS partnerships to ensure that CalOptima Health PACE continues to meet the needs of eligible Orange County residents. Staff recommend the addition of new ACS contracts in strategic locations to meet the need. CalOptima Health PACE has established the following criteria that facilities must meet to be considered for an ACS contract.

1. Meet CalOptima Health PACE ACS RFP criteria approved by the CalOptima Health Board of Directors on February 1, 2018.
2. Must meet all DHCS/CMS requirements applicable to ACS delegated services.
3. Must not have any critical audit findings and be in good standing with the state.
4. Provide a skill set that meets a need in the community.
5. Meet a geographical need for the CalOptima Health PACE participants.

Fiscal Impact

The recommended actions are operational in nature. Staff will include any expenses associated with these actions in future operating budgets.

Rationale for Recommendation

Submitting an annual bid to CMS is a regulatory requirement for the continuation of the OneCare Program, which serves more than 17,300 CalOptima Health Dual eligible members.

CalOptima Health Board Action Agenda Referral
Authorize Actions Related to CalOptima Health's
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Expanding ACS locations expands access to services provided in the PACE comprehensive and integrated model of care, allowing for better care and improved quality for CalOptima Health PACE members.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None.

/s/ Michael Hunn
Authorized Signature

04/26/2024
Date



Board of Directors Meeting May 2, 2024

Regular Joint Meeting of the Member Advisory Committee and the Provider Advisory Committee

Report to the Board

The Member Advisory Committee (MAC), and the Provider Advisory Committee (PAC) held a regular joint meeting on April 11, 2024 to discuss topics of mutual interest.

The committees taking separate votes approved their FY 2024-2025 joint meeting schedule.

Linda Lee, Executive Director, Quality Improvement presented a summary of CalOptima Health's 2023 Quality Improvement Program and noted that for the ninth year in a row CalOptima Health had earned four out of five stars and was among the top-rated plans in the State of California for medical quality outcomes. Ms. Lee told the committees that Community Action Partnership of Orange County had presented CalOptima Health with an award for housing and food security program and the Eli Home presented its Humanitarian award for a contribution to serving abused and unhoused children and families. Ms. Lee reviewed the 2023 priority goals that were part of the quality improvement evaluation. Ms. Lee also reviewed the 2024 Quality Improvement and Health Equity Transformation Program with the committees.

Tyronda Moses, Director, Grievance and Appeals presented a Grievance and Appeals CY 2023 Review and Member and Provider Trend report to the MAC and PAC. Ms. Moses reviewed the trends and actions taken for OneCare quality of care which included information on quality of care such as delays in treatment and reviewed actions taken throughout the year to address the quality-of-care issues for Orange County. Ms. Moses also reviewed second level provider disputes.

Donna Laverdiere, Executive Director, Strategic Development presented on the FY 2025-2027 Strategic Plan draft and provided an overview of the refreshed FY 2025/2027 Strategic Plan. Ms. Laverdiere also reviewed the current FY 2023-2025 strategic priorities and asked the committees for their feedback on changes to the Mission and Vision statement. The committees were asked to review several items at the conclusion of the meeting and were asked to reply back to Ms. Laverdiere via email with their feedback.

The committees welcomed Margie Moore as the Medi-Cal Beneficiaries/Family Member Representative and Brian Nelson, Social Services Agency Representative to the MAC.

The members of the MAC and PAC appreciate the opportunity to update the Board on their current activities.