



# CalOptima Health

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

**OCTOBER 3, 2024  
2:00 P.M.**

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

**BOARD OF DIRECTORS**

Isabel Becerra, Chair

Maura Byron

Blair Contratto

Catherine Green, R.N.

Veronica Kelley, DSW, LCSW

Supervisor Vicente Sarmiento, Vice Chair

Supervisor Doug Chaffee

Norma García Guillén

Brian Helleland

José Mayorga, M.D.

Supervisor Donald Wagner, Alternate

**CHIEF EXECUTIVE OFFICER**

Michael Hunn

**OUTSIDE GENERAL COUNSEL**

James Novello

Kennaday Leavitt

**CLERK OF THE BOARD**

Sharon Dwiers

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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](http://www.caloptima.org). Board meeting audio is streamed live on the CalOptima Health website at [www.caloptima.org](http://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\\_iT0U7\\_PEQ5vrs2NLrdagmQ](https://us06web.zoom.us/webinar/register/WN_iT0U7_PEQ5vrs2NLrdagmQ)**

**and Join the Meeting.**

**Webinar ID: 899 8257 0532**

**Passcode: 158895 -- Webinar instructions are provided below.**

## **CALL TO ORDER**

Pledge of Allegiance  
Establish Quorum

## **PRESENTATIONS/INTRODUCTIONS**

## **MANAGEMENT REPORTS**

1. Chief Executive Officer Report
2. Garden Grove Street Medicine Program Update

## **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 September 5, 2024 Regular Meeting of the CalOptima Health Board of Directors
  - b. Receive and File Minutes of the May 23, 2024 Special Meeting of the CalOptima Health Board of Directors' Finance and Audit Committee
4. Ratify Appointment to the CalOptima Health Board of Directors' Investment Advisory Committee
5. Ratify Reappointment and Committee Chair Appointment to the CalOptima Health Board of Directors' Investment Advisory Committee
6. Approve Reappointments to the CalOptima Health Board of Directors' Investment Advisory Committee
7. Approve Reappointment and Committee Chair Reappointment to the CalOptima Health Board of Directors' Investment Advisory Committee
8. Ratify Amendments to CalOptima Health's Primary and Secondary Agreements with the California Department of Health Care Services
9. Adopt Resolution No. 24-1003-01 Approving and Adopting Updated CalOptima Health Human Resources Policies
10. Authorize Extension of Contracts Related to CalOptima Health's Key Operational Systems
11. Authorize an Extension of the Timeframe to Use Board-Approved Funding for an Expanded CalOptima Health OneCare Outreach and Engagement Strategy

12. Authorize Modification to and Extension of the Contract with Miller Geer & Associates for External Communications Support Services
13. Receive and File:
  - a. August 2024 Financial Summary
  - b. Compliance Report
  - c. Federal and State Legislative Advocates Reports
  - d. CalOptima Health Community Outreach and Program Summary

#### **REPORTS/DISCUSSION ITEMS**

14. Accept, Receive and File Fiscal Year 2023-24 CalOptima Health Audited Financial Statements
15. Approve Actions Related to the Community Enrollers for Medi-Cal Notice of Funding Opportunity
16. Approve Actions Related to the Incentive Payment Program for Housing Supports
17. Approve Actions Related to CalOptima Health's Potential Participation in Covered California

#### **CLOSED SESSION**

- CS-1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Pursuant to Government Code 54956.9(d)(2)
- CS-2. CONFERENCE WITH LEGAL COUNSEL –EXISTING LITIGATION Pursuant to Government Code Section 54956.9(d)(1)

#### **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 October 3, 2024 at 2:00 p.m. (PST)**

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

[https://us06web.zoom.us/webinar/register/WN\\_iT0U7\\_PEQ5yrs2NLrdagmQ](https://us06web.zoom.us/webinar/register/WN_iT0U7_PEQ5yrs2NLrdagmQ)

<https://us06web.zoom.us/j/89982570532?pwd=0AqikI78t9EV0SB3zmTMBuiBstbTN5.1>

Or One tap mobile:

+16694449171,,89982570532#,,, \*158895# US

+17193594580,,89982570532#,,, \*158895# US

Or join by phone:

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

US: +1 669 444 9171 or +1 719 359 4580 or +1 720 707 2699 or +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 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: 899 8257 0532**

**Passcode: 158895**

International numbers available: <https://us06web.zoom.us/j/89982570532?pwd=0AqikI78t9EV0SB3zmTMBuiBstbTN5.1>





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## MEMORANDUM

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DATE: September 27, 2024

TO: CalOptima Health Board of Directors

FROM: Michael Hunn, Chief Executive Officer

SUBJECT: CEO Report — October 3, 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

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### **A. CalOptima Health Celebrates National Latino Physician Day on October 1**

CalOptima Health and the UCI School of Medicine are partnering for the second year in a row to recognize National Latino Physician Day on October 1 and work toward better representation through education and workforce programs. To honor our valuable physician partners, we are celebrating National Latino Physician Day with a full-page ad in the Orange County Register on Sunday, September 29. Recognition was also featured in our social media and in our provider and community newsletters. Special thanks to Director José Mayorga, M.D. for his dedication to the vocation of the healing arts.

### **B. New Chief Human Resources Officer Joins CalOptima Health**

Steve Eckberg, SPHR, MBA, has joined CalOptima Health as the new Chief Human Resources Officer. Most of his career has been in various HR leadership roles in health care with an emphasis on not-for-profit, mission-driven organizations. Steve spent more than 17 years with the St. Joseph/Providence Health System as Vice President of Human Resources and was most recently with Sonrava Health as Interim Vice President of Human Resources. He is passionate about the value of people and helping to align individual gifts and talents to job roles for a highly engaged and inspired workforce. He holds a bachelor's degree in physics and business administration from Augustana College and an MBA from Rockford University.

### **C. Street Medicine Program Expansion Cities Track Milestones**

#### **• Anaheim Press Conference**

On September 26, CalOptima Health held a press conference to announce the start of our Street Medicine Program in the city of Anaheim. In addition to CalOptima Health executives, speakers included Yunkyung Kim, Chief Operating Officer, Vice Chair/Supervisor Vicente Sarmiento and Director/Supervisor Doug Chaffee (both have Anaheim as part of their Districts) as well as Anaheim Mayor Ashleigh Aitken. Our provider, Healthcare In Action, gave tours of the medical van and shared about the program's progress in the first weeks. Special thanks to Chair Isabel Becerra, Director Veronica Kelley, DSW, LSCW, and Director Cathy Green for attending.

- **Costa Mesa Street Medicine Program Launch Progress**

From launch on August 12 through August 31, our Street Medicine Program in Costa Mesa has reached out to 118 individuals, enrolling 26 into the program. All 26 enrolled members are receiving either Enhanced Care Management or housing navigation, with 77% of them receiving both.

**D. CalOptima Health Sobering Center Services in Transition to the County of Orange**

Starting September 18, 2024, sobering center services at the Be Well OC Orange Campus (265 S. Anita Drive, Orange, CA 92868) will be moved to the Phoenix House in Santa Ana. Sobering center services will resume at the Be Well OC Orange Campus soon, with operational oversight by the Orange County Health Care Agency. A notice regarding this change was sent to referring organizations, including hospitals, and police and fire departments. When the reopening date at the Be Well OC Orange Campus is confirmed, we will share an announcement that referring organizations will again be able to direct CalOptima Health members for sobering center services to both the Be Well OC Orange Campus and Phoenix House.

**E. Program of All-Inclusive Care for the Elderly (PACE) Celebrates 11-Year Anniversary**

There are currently 171 PACE organizations across the United States, 28 in California and three in Orange County. As the first PACE program to open in Orange County, CalOptima Health PACE is proud to be celebrating our 11-year anniversary this month. We are currently serving more than 500 participants, and in a recent survey, participants rated CalOptima Health PACE among the best in California for member satisfaction. Our new advertising campaign distinguishes CalOptima Health PACE as the premier PACE program in Orange County. The tagline is “Senior Care to Keep You Active and Living at Home” and emphasizes that CalOptima Health offers complete medical care that goes above and beyond. It increases awareness of our PACE program through advertising that includes print, outdoor, digital display, social media, connected TV, programmatic video (YouTube) and search engine marketing. Using a unique, personal approach, the campaign features photography of our actual PACE participants enjoying the benefits of the program.

**F. NCQA Releases Star Ratings for Medicaid Plans Nationwide**

On September 15, the National Committee for Quality Assurance (NCQA) released its ratings of Medicaid plans nationwide on quality of care, member experience with their care and quality processes. NCQA aggregates these factors into a health plan rating on a scale of 1 to 5 stars. CalOptima Health’s 2024 rating is 3.5 stars, a decrease from the prior rating of 4. The rating reflects care delivered in 2023. CalOptima Health’s lower rating was based on a 0.5 decrease in overall points, which translated to barely missing the 4-star threshold. We take the quality of members’ care seriously, and we have ongoing initiatives to improve identified areas with declining performance, including for example, blood sugar control for members with diabetes, diabetes screening for members with bipolar disorder and schizophrenia using antipsychotic drugs, and adolescent immunizations. In response, CalOptima Health is identifying members with emerging diabetes risk represented by increased HbA1C levels and conducting outreach to engage them in diabetes health coaching. For adolescents who are missing immunizations, CalOptima Health is conducting text and email reminder campaigns. Further, CalOptima Health is focused on boosting our performance in member experience, which includes members’ assessment of both the health plan and their doctors. For example, we are launching a state-of-the-art telephone system this fall to improve responsiveness, and our Provider Relations team has an ongoing initiative to offer coaching to contracted providers to support them in making positive changes to their practices’ customer service.

### **G. Quality Improvement Initiatives Grants Announce First Round of Grantees**

CalOptima Health's, board approved, Quality Improvement Medi-Cal Grant Program will provide support to health networks, community clinics and CalOptima Health Community Network (CHCN) primary care providers for the planning and implementation of quality improvement activities for Medi-Cal members. On September 24, CalOptima Health announced the first round of grants to the following health networks: AltaMed, CHOC Health Alliance, Noble, Optum and Prospect. Grantees from the community clinics and CHCN providers will be announced soon. This grant program was developed in response to the ongoing need for enhanced health care quality and patient outcomes, particularly in underserved communities. This initiative aims to address systemic challenges and disparities within health care delivery systems, fostering innovation, collaboration and sustainability in quality improvement efforts.

### **H. State Legislative Updates**

On August 31, the California State Legislature adjourned its 2023–24 legislative session. Now, Governor (Gov.) Newsom has until September 30 to sign or veto any legislation that was passed by the Legislature. Since this concludes the second year of the two-year session, any unpassed bills are now dead. Due to significant state budget constraints, several policy bills with potential positive or negative impacts to CalOptima Health did not make it to the governor's desk this year or were amended to become contingent upon a future budget appropriation by the Legislature. Government Affairs staff will provide a final status update of bills signed by Gov. Newsom that may significantly affect our members, providers and stakeholders.

In the meantime, the governor has signed into law two bills authored by members of Orange County's state legislative delegation related to conflict-of-interest public disclosure that may affect Board members. Specifically, Senate Bill 1111 authored by Senator Dave Min adds, beginning January 1, 2026, a new remote interest for a public officer if their child is an officer or director of (or has an ownership interest of 10 percent or more in) a party to a contract entered into by the body of which the public officer is a member, if this information is actually known to the public officer. In addition, Assembly Bill 3130 authored by State Assemblymember Sharon Quirk-Silva would require a member of the board of supervisors to disclose a known family relationship with an officer or employee of a nonprofit entity before the board of supervisors appropriates money to that nonprofit entity.

### **I. Federal Advocacy Activities Update**

In early September, principals from CalOptima Health's newly contracted federal advocacy firm Chamber Hill Strategies (CHS) traveled to Orange County to meet with several Board members, executives and other leaders throughout the organization to learn more about our strategic goals and initiatives — as well as to take a tour of our PACE Center. In addition, CHS collaborated with Government Affairs staff to develop key advocacy strategies to further CalOptima Health's public policy priorities and enhance relationships with Orange County's Congressional delegation, the broader California delegation, key U.S. Senate and U.S. House committees, and federal agencies including the U.S. Centers for Medicare & Medicaid Services (CMS).

A few weeks later, Government Affairs staff traveled to Washington, DC, to participate in an annual federal advocacy trip hosted by the Association of California Cities—Orange County (ACC-OC) of which CalOptima Health is an affiliate member. This trip provided an opportunity for us to engage with our city partners on shared public policy priorities to improve the health and well-being of our collective members and residents. Specifically, staff met with several members of Orange County's Congressional delegation and the U.S. Department of Health & Human Services (HHS) to discuss issues related to homelessness, affordable housing, street medicine and economic development.

#### **J. Covered California Begins Stakeholder Engagement**

Since the Board's approval on August 1, 2024, of stakeholder engagement activities to explore joining Covered California, CalOptima Health convened a stakeholder steering committee comprised of key external partners and providers to discuss considerations for potential partnership in Covered California. Three meetings have been held so far. In addition, leadership and staff have hosted two community listening sessions with nearly 100 registrants and made several presentations to other stakeholder groups, including advisory committees, health networks, and community clinics, to solicit additional input and feedback from broader partners and the community at large. Based on the positive and informative feedback received, staff is recommending that the Board at its October 3, 2024, meeting adopt Covered California Guiding Principles, authorize the continuation of the stakeholder steering committee, and direct the CEO to request the amendment of CalOptima Health's governing ordinance to allow participation in Covered California.

#### **K. School-Based Mental Health Summit Offered Training to Mental Health Professionals**

Recently, Executive Director of Behavioral Health Integration Carmen Katsarov, LPCC, CCM, and staff, attended the 2024 School-Based Mental Health Summit for Orange County. The event provided school-based mental health professionals with effective counseling interventions and evidence-based mental health strategies to support their work with students. Mental health professionals had the opportunity to attend sessions and learn from experts on navigating various initiatives and funding through the state. CalOptima Health co-sponsored the event as part of our work on the Student Behavioral Health Initiative Program (SBHIP). CalOptima Health also staffed an informational table to share mental health resources with attendees.

#### **L. CalOptima Health Leader Speaks at State Behavioral Health Task Force Meeting**

During the August 28 California Health & Human Services Agency's Behavioral Health Task Force meeting, Carmen Katsarov, LPCC, CCM, CalOptima Health's Executive Director of Behavioral Health Integration and a member of the task force, participated in a panel discussion on developing California's behavioral health workforce. She joined statewide leaders to discuss the roles of key organizations in using evidence-based strategies to support behavioral health workforce development.

#### **M. Orange County Holds First International Vietnamese Mental Health Conference**

CalOptima Health Medical Director Thanh-Tam Nguyen, M.D., will be a keynote speaker at the First International Vietnamese Mental Health Conference on October 4 at the Orange County Behavioral Health Training Center. Organized by the International Vietnamese Mental Health Association, this inaugural two-day conference aims to bring together international Vietnamese mental health professionals, scholars, students and community members for meaningful discussions on ways to improve the mental well-being of Vietnamese communities.



## Fast Facts

October 2024

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

### Membership Data\* (as of August 31, 2024)

| Total CalOptima Health Membership | Program   | Members |
|-----------------------------------|---|---------|
|                                   | Medi-Cal  | 898,135 |
|                                   | OneCare (HMO D-SNP)                                 | 17,307  |
|                                   | Program of All-InclusiveCare for the Elderly (PACE) | 508     |

**915,950**

\*Based on unaudited financial report and includes prior period adjustment

### Operating Budget (for two months ending August 31, 2024)

|                                 | YTD Actual     | YTD Budget     | Difference     |
|---------------------------------|----------------|----------------|----------------|
| Revenues                        | \$730,385,548  | \$713,523,687  | \$16,861,861   |
| Medical Expenses                | \$737,054,238  | \$712,050,583  | (\$25,003,655) |
| Administrative Expenses         | \$38,020,838   | \$48,328,906   | \$10,308,068   |
| Operating Margin                | (\$44,689,528) | (\$46,855,802) | \$2,166,274    |
| Medical Loss Ratio (MLR)        | 100.9%         | 99.8 %         | 1.1%           |
| Administrative Loss Ratio (ALR) | 5.2%           | 6.8%           | 1.6%           |

**Notes:**

- Totals may not add due to rounding
- Adjusted MLR is 96.1% excluding estimated provider rate increases funded by reserves

### Reserve Summary (as of August 31, 2024)

|  | Amount (in millions) |
|--|----------------------|
| Board Designated Reserves              | \$1,027.5*           |
| Statutory Designated Reserves          | \$135.2              |
| Capital Assets (Net of depreciation)   | \$104.1              |
| Resources Committed by the Board       | \$495.3              |
| Board Approved Provider Rate Increases | \$491.1              |
| Resources Unallocated/Unassigned       | \$195.0*             |
| Total Net Assets                       | \$2,448.3            |

\*Total of Board-designated reserves and unallocated resources can support approximately 114 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

October 2024

## Personnel Summary (as of September 21, 2024, pay period)

|                 | Filled  | Open  | Vacancy %<br>Medical | Vacancy %<br>Administrative | Vacancy %<br>Combined |
|-----------------|---------|-------|----------------------|-----------------------------|-----------------------|
| Staff           | 1,317.3 | 73.35 | 49.69%               | 50.31%                      | 5.27%                 |
| Supervisor      | 81      | 3     | 66.67%               | 33.33%                      | 3.57%                 |
| Manager         | 114     | 6     | 33.33%               | 66.67%                      | 5%                    |
| Director        | 68.75   | 2     | 50%                  | 50%                         | 2.83%                 |
| Executive       | 20      | 2     | 0%                   | 100%                        | 9.09%                 |
| Total FTE Count | 1,601.1 | 86.4  | 47.89%               | 52.11%                      | 5.12%                 |

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

## Provider Network Data (as of August 31, 2024)

|                           | Number of Providers |
|---------------------------|---------------------|
| Primary Care Providers    | 1,297               |
| Specialists               | 6,770               |
| Pharmacies                | 529                 |
| Acute and Rehab Hospitals | 40                  |
| Community Health Centers  | 52                  |
| Long-Term Care Facilities | 104                 |

## Treatment Authorizations (as of July 31, 2024)

|                               | Mandated | Average Time to Decision |
|-------------------------------|----------|--------------------------|
| Inpatient Concurrent Urgent   | 72 hours | 35.32 hours              |
| Prior Authorization – Urgent  | 72 hours | 21.46 hours              |
| Prior Authorization – Routine | 5 days   | 2.28 days                |

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

## Member Demographics (as of August 31, 2024)

| Member Age |     | Language Preference |     | Medi-Cal Aid Category                   |     |
|------------|-----|---------------------|-----|---|-----|
| 0 to 5     | 8%  | English             | 54% | Temporary Assistance for Needy Families | 38% |
| 6 to 18    | 23% | Spanish             | 31% | Expansion                               | 38% |
| 19 to 44   | 36% | Vietnamese          | 9%  | Optional Targeted Low-Income Children   | 7%  |
| 45 to 64   | 20% | Other               | 2%  | Seniors                                 | 11% |
| 65 +       | 13% | Korean              | 2%  | People With Disabilities                | 5%  |
|            |     | Farsi               | 1%  | Long-Term Care                          | <1% |
|            |     | Chinese             | <1% | Other                                   | <1% |
|            |     | Arabic              | <1% |   |     |



## **Important Phone Numbers**

### **After-Hours Advice**

If you need after-hours medical advice, call your primary care provider's office or the phone number on the back of your health network or medical group ID card.

### **CalOptima Health Behavioral Health Line**

For help with access to mental health services.

24 hours a day, 7 days a week.

Toll-free: **1-855-877-3885** | TTY: **711**

### **CalOptima Health Customer Service**

Monday–Friday, from 8 a.m. to 5:30 p.m.

Toll-free: **1-888-587-8088** | TTY: **711**

### **Health Education**

For health and wellness materials to help you stay healthy.

Monday–Friday, from 8 a.m. to 5 p.m.

Toll-free: **1-888-587-8088** | TTY: **711**

### **Health Networks**

AltaMed Health Services: 1-866-880-7805

AMVI Medical Group: 1-866-796-4245

CalOptima Health Community Network: 1-888-587-8088

CHOC Health Alliance: 1-800-424-2462

Family Choice Health Services: 1-800-611-0111

Noble Mid-Orange County: 1-888-880-8811

Optum: 1-888-656-7523

Prospect Medical: 1-800-708-3230

HPN - Regal Medical Group: 1-844-292-5173

United Care Medical Group: 1-877-225-6784

### **Interpreter Services**

CalOptima Health provides free oral interpretation services from a qualified interpreter.

Toll-free: **1-888-587-8088** | TTY: **711**

### **Medical Emergency**

Dial **911** or go to the nearest emergency room for a true emergency.

### **Medi-Cal Dental Program**

For help with dental benefits.

Toll-free: **1-800-322-6384** | TTY: **1-800-735-2922**

### **Nurse Advice Line**

To find out if you need care at the doctor's office, urgent care or emergency room.

24 hours a day, 7 days a week.

Toll-free: **1-844-447-8441** | TTY: **1-844-514-3774**

### **Transportation**

You can get transportation to your appointments for Medi-Cal-covered services if you don't have access to transportation.

Monday–Friday, from 8 a.m. to 5:30 p.m.

Toll-free: **1-833-648-7528** | TTY: **711**

### **Vision Service Plan (VSP)**

Call CalOptima Health Customer Service to see if you are eligible for vision care services. These numbers are for VSP.

Toll-free: **1-800-877-7195** | TTY: **1-800-428-4833**



## **Números telefónicos importantes**

### **Consejo médico fuera de horario de atención**

Si necesita consejo médico fuera del horario de atención, llame al consultorio de su proveedor de atención primaria o al número de teléfono que figura en el reverso de su plan de salud o tarjeta de identificación de grupo médico.

### **Línea de salud del comportamiento de CalOptima Health:**

Para obtener ayuda con el acceso a servicios de salud mental.

Disponibles las 24 horas del día, los 7 días de la semana.

Línea gratuita: **1-855-877-3885** | TTY: **711**

### **Servicios para Miembros de CalOptima Health Health**

De lunes a viernes, de 8 a.m. a 5:30 p.m.

Línea gratuita: **1-888-587-8088** | TTY: **711**

### **Educación sobre la Salud**

Para obtener materiales de salud y bienestar que le ayudarán a mantenerse saludable.

De lunes a viernes, de 8 a.m. a 5 p.m.

Línea gratuita: **1-888-587-8088** | TTY: **711**

### **Redes de salud**

AltaMed Health Services: 1-866-880-7805

AMVI Medical Group: 1-866-796-4245

CalOptima Health Community Network: 1-888-587-8088

CHOC Health Alliance: 1-800-424-2462

Family Choice Health Services: 1-800-611-0111

Noble Mid-Orange County: 1-888-880-8811

Optum: 1-888-656-7523

Prospect Medical: 1-800-708-3230

HPN-Regal Medical Group: 1-844-292-5173

United Care Medical Group: 1-877-225-6784

### **Servicios de Interpretación**

CalOptima Health brinda servicios gratuitos de interpretación oral de un intérprete capacitado.

Línea gratuita: **1-888-587-8088** | TTY: **711**

### **Emergencia Médica**

Llame al **911** o acuda a la sala de emergencias más cercana en caso de una verdadera emergencia.

### **Programa dental de Medi-Cal**

Para solicitar ayuda con beneficios dentales.

Línea gratuita: **1-800-322-6384** |

TTY: **1-800-735-2922**

### **Línea de ayuda de enfermería:**

Para saber si necesita atención en el consultorio del médico, atención de urgencia o sala de emergencias. Disponibles las 24 horas del día, los 7 días de la semana.

Línea gratuita: **1-844-447-8441**

| TTY: **1-844-514-3774**

### **Transporte**



Puede obtener transporte a sus citas para los servicios cubiertos por Medi-Cal si no tiene acceso a transporte. De lunes a viernes, de 8 a.m. a 5:30 p.m.  
Línea gratuita: **1-833-648-7528** | TTY: **711**

#### **Plan de la vista, Vision Service Plan (VSP)**

Llame a Servicios para Miembros de CalOptima Health para saber si es elegible para recibir servicios de atención de la vista. Estos números son para VSP.  
Línea gratuita: **1-800-877-7195** |  
TTY: **1-800-428-4833**



## Các số Điện thoại Quan trọng

### **Tư vấn Sau giờ Làm việc**

Nếu quý vị cần được tư vấn về y tế sau giờ làm việc, xin gọi cho văn phòng bác sĩ gia đình của quý vị hoặc gọi số điện thoại ở mặt sau thẻ ID của nhóm y tế hoặc tổ hợp y tế của quý vị.

### **Đường dây Sức khỏe Hành vi của CalOptima Health**

Để được trợ giúp với các dịch vụ sức khỏe tâm thần. 24 giờ một ngày, 7 ngày một tuần. Số điện thoại miễn phí: **1-855-877-3885** | TTY: **711**

### **Văn phòng Dịch Vụ CalOptima Health**

Thứ Hai đến thứ Sáu, từ 8 giờ sáng đến 5:30 chiều. Số điện thoại miễn phí: **1-888-587-8088** | TTY: **711**

### **Văn phòng Hướng dẫn về Sức khỏe**

Nhận các tài liệu về sức khỏe và sống khỏe để giúp quý vị giữ gìn sức khỏe. Thứ Hai đến thứ Sáu, từ 8 giờ sáng đến 5 giờ chiều. Số điện thoại miễn phí: **1-888-587-8088** | TTY: **711**

### **Những Nhóm Y tế**

|                                     |                |
|-------------------------------------|----------------|
| AltaMed Health Services:            | 1-866-880-7805 |
| AMVI Medical Group:                 | 1-866-796-4245 |
| CalOptima Health Community Network: | 1-888-587-8088 |
| CHOC Health Alliance:               | 1-800-424-2462 |
| Family Choice Health Services:      | 1-800-611-0111 |
| Noble Mid-Orange County:            | 1-888-880-8811 |
| Optum:                              | 1-888-656-7523 |
| Prospect Medical:                   | 1-800-708-3230 |
| HPN - Regal Medical Group:          | 1-844-292-5173 |
| United Care Medical Group:          | 1-877-225-6784 |

### **Dịch vụ Thông dịch viên**

CalOptima Health cung cấp dịch vụ thông dịch miễn phí từ một thông dịch viên hội đủ tiêu chuẩn. Số điện thoại miễn phí: 1-888-587-8088 | TTY: 711

### **Cấp cứu về Y tế**

Xin gọi **911** hoặc đến phòng cấp cứu gần nhất cho trường hợp cấp cứu thực sự.

### **Chương trình Nha khoa Medi-Cal**

Để được trợ giúp về các phúc lợi nha khoa. Số điện thoại miễn phí: **1-800-322-6384** | TTY: **1-800-735-2922**

### **Đường dây Tư vấn với Y tá**

Để tìm hiểu xem liệu quý vị có cần dịch vụ chăm sóc tại văn phòng bác sĩ, trung tâm chăm sóc khẩn cấp hay phòng cấp cứu hay không. 24 giờ một ngày, 7 ngày một tuần. Số điện thoại miễn phí: **1-844-447-8441** | TTY: **1-844-514-3774**

### **Dịch vụ Chuyên chở**

Quý vị có thể nhận dịch vụ chuyên chở để đi đến các buổi hẹn để nhận các dịch vụ được Medi-Cal đài thọ nếu quý vị không có phương tiện đi lại. Thứ Hai đến thứ Sáu, từ 8 giờ sáng đến 5:30 chiều. Số điện thoại miễn phí: **1-833-648-7528** | TTY: **711**

### **Chương trình Dịch vụ Nhãn khoa (Vision Service Plan, VSP)**

Xin gọi cho văn phòng Dịch Vụ CalOptima Health để biết liệu quý vị có hội đủ điều kiện để nhận các dịch vụ chăm sóc nhãn khoa hay không. Những số điện thoại này là của Chương trình Dịch vụ Nhãn khoa. Số điện thoại miễn phí: **1-800-877-7195** | TTY: **1-800-428-4833**



## 중요한 전화번호들

### 근무시간 이후 조언

근무시간 이후 의료 조언을 받으려면 먼저  
주치의(PCP) 사무실에 전화하거나 귀하의 건강  
네트워크 또는 의료 그룹 ID 카드 뒷면에 있는  
번호로 전화하십시오.

### CalOptima Health 행동 건강 전화

정신 건강 서비스를 받는 데 도움이 필요한 경우.  
주 7 일, 24 시간 전화  
무료 전화: **1-855-877-3885** | TTY: **711**

### CalOptima Health 고객 서비스부

월~금요일, 오전 8 시~오후 5 시 30 분  
무료 전화: **1-888-587-8088** | TTY: **711**

### 건강 교육

건강을 유지하는 데 도움이 되는 건강과 웰빙  
자료를 제공합니다.  
월요일부터 금요일, 오전 8 시부터 오후 5 시사이  
무료 전화: **1-888-587-8088** | TTY: **711**

### 건강 네트워크

|                                     |                |
|-------------------------------------|----------------|
| AltaMed Health Services:            | 1-866-880-7805 |
| AMVI Medical Group:                 | 1-866-796-4245 |
| CalOptima Health Community Network: | 1-888-587-8088 |
| CHOC Health Alliance:               | 1-800-424-2462 |
| Family Choice Health Services:      | 1-800-611-0111 |
| Noble Mid-Orange County:            | 1-888-880-8811 |

|                            |                |
|----------------------------|----------------|
| Optum:                     | 1-888-656-7523 |
| Prospect Medical:          | 1-800-708-3230 |
| HPN - Regal Medical Group: | 1-844-292-5173 |
| United Care Medical Group: | 1-877-225-6784 |

### 통역 서비스

CalOptima Health 는 자격을 갖춘 통역사를  
통한 무료 구두 통역 서비스를 제공합니다.  
무료 전화: **1-888-587-8088** | TTY: **711**

### 의료 응급 상황

실제 의료 응급 상황인 경우 **911** 로 전화하시거나  
가까운 응급실로 가십시오.

### Medi-Cal 치과 프로그램

치과 혜택에 대한 도움.  
무료 전화: **1-800-322-6384** | TTY: **1-800-735-2922**

### 간호사 상담 전화

의사 진료실, 긴급 치료실 또는 응급실에서 치료가  
필요한지 알아보십시오.  
주 7 일, 24 시간  
Toll-free: **1-844-447-8441** | TTY: **1-844-514-3774**

### 교통편

교통수단이 없는 경우, Medi-Cal 이 적용되는  
서비스를 위한 예약들을 위해 교통편을 제공받을  
수 있습니다.  
월~금요일, 오전 8 시~오후 5 시 30 분  
무료 전화: **1-833-648-7528** | TTY: **711**

Important Phone Numbers- Medi-Cal <K>  
MMA 3455 07-31-24 CS

### **Vision Service Plan, (VSP)**

CalOptima Health 고객 서비스로 전화해 시력 관리 서비스를 받을 수 있는지 확인하십시오. 다음은 VSP 번호들입니다.

무료 전화: **1-800-877-7195** | TTY: **1-800-428-4833**



## 重要電話號碼

### 營業時間後的醫療建議

如果您需要營業時間後的醫療建議，請致電給您的家庭醫生辦公室或撥打在您的醫療網或醫療團體的 ID 卡背面的電話號碼。

### CalOptima Health 行為健康服務專線

提供幫助獲取心理健康服務

服務時間為每週 7 天，每天 24 小時。

免費電話: **1-855-877-3885** | TTY: **711**

### CalOptima Health 客戶服務部

週一至週五，上午 8 點至下午 5 點 30 分。

免費電話: **1-888-587-8088** | TTY: **711**

### 健康教育

提供健康和保健的材料，幫助您保持健康。

週一至週五，上午 8 點至下午 5 點 30 分。

免費電話: **1-888-587-8088** | TTY: **711**

### 醫療網

AltaMed Health Services: 1-866-880-7805

AMVI Medical Group: 1-866-796-4245

CalOptima Health Community Network: 1-888-587-8088

CHOC Health Alliance: 1-800-424-2462

Family Choice Health Services: 1-800-611-0111

Noble Mid-Orange County: 1-888-880-8811

Optum: 1-888-656-7523

Prospect Medical: 1-800-708-3230

HPN - Regal Medical Group: 1-844-292-5173

United Care Medical Group: 1-877-225-6784

### 口譯服務

CalOptima Health 提供免費口譯服務，該服務是由合格的口譯員提供的。

免費電話: **1-888-587-8088** | TTY: **711**

### 醫療緊急情況：

如果遇到真正的緊急情況，請撥打 **911** 或前往最近的急診室。

### Medi-Cal 牙科計劃

提供牙科福利的幫助

免費電話: **1-800-322-6384** | TTY: **1-800-735-2922**

### 護士諮詢專線

尋求幫助以了解您是否需要去醫生診所、緊急護理或急診室獲取護理。

服務時間為每週 7 天，每天 24 小時。

免費電話: **1-844-447-8441** | TTY: **1-844-514-3774**

### 交通服務

如果您沒有交通工具可以使用，您可以獲取交通服務前往您預約的 Medi-Cal 承保的服務。

週一至週五，上午 8 點至下午 5 點 30 分。

免費電話: **1-833-648-7528** | TTY: **711**

### 視力保健服務計劃 (Vision Service Plan, VSP)

請致電 CalOptima Health 客戶服務部，以了解您是否有資格獲得視力保健服務。這些是 VSP 的電話號碼。

免費電話: **1-800-877-7195** | TTY: **1-800-428-4833**





## شماره تلفن های مهم

### مشاوره بعد از ساعت کاری

اگر به مشاوره پزشکی بعد از ساعات کاری نیاز دارید، با دفتر ارائه دهنده مراقبت های اولیه یا شماره تلفن موجود در پشت شبکه بهداشتی یا کارت شناسایی گروه پزشکی خود تماس بگیرید.

### خط خدمات سلامت رفتاری CalOptima Health

برای کمک به دسترسی به خدمات سلامت روان.  
در 7 روز هفته و 24 ساعت شبانه روز.

شماره رایگان: 1-855-877-3885 | TTY: 711

### خدمات مشتریان CalOptima Health

دوشنبه تا جمعه از ساعت 8 صبح تا 5:30 بعدازظهر.  
شماره رایگان: 1-808-587-888-1 | TTY: 711

### آموزش سلامت

برای اطلاعات مربوط به بهداشتی و سلامتی که به شما کمک می کند سالم بمانید. در روزهای دوشنبه تا جمعه بین ساعات 8 صبح تا 5 بعد از ظهر.

شماره رایگان: 1-888-587-8088 | TTY: 711

### شبکه های درمانی

|                |                                |
|----------------|--------------------------------|
| 1-866-880-7805 | :Services Health AltaMed       |
| 1-866-796-4245 | :Group Medical AMVI            |
| 1-888-587-8088 | Community Health CalOptima     |
|                | :Network                       |
| 1-800-424-2462 | :Alliance Health CHOC          |
| 1-800-611-0111 | :Services Health Choice Family |
| 1-888-880-8811 | :Noble Mid-Orange County       |
| 1-888-656-7523 | :Optum                         |
| 1-800-708-3230 | :Prospect Medical              |
| 1-844-292-5173 | :HPN - Regal Medical Group     |
| 1-877-225-6784 | :United Care Medical Group     |

### خدمات مترجم

CalOptima Health خدمات ترجمه شفاهی رایگان را از یک مترجم واجد شرایط ارائه می دهد.

شماره رایگان: 1-888-587-8088 | TTY: 711

### فوریت های پزشکی

911 را شماره گیری کنید یا برای یک وضعیت اورژانس واقعی به نزدیکترین مرکز اورژانس بروید.

### برنامه دندانپزشکی Medi-Cal Dental

برای کمک به مزایای دندانپزشکی.

شماره رایگان: 1-800-322-6384 | TTY: 1-800-735-2922

### خط مشاوره پرستار

برای اطلاع از اینکه آیا نیاز به مراقبت در مطب پزشک، مراقبت های فوری یا اتاق اورژانس دارید یا خیر.

در 7 روز هفته و 24 ساعت شبانه روز

شماره رایگان: 1-844-447-8441 | TTY: 1-844-514-

3774

### خدمات حمل و نقل

اگر به وسایل حمل و نقل دسترسی ندارید، می توانید برای قرارهای ملاقات خود برای خدمات تحت پوشش Medi-Cal وسایل حمل و نقل دریافت کنید.

دوشنبه تا جمعه از ساعت 8 صبح تا 5:30 بعدازظهر.

شماره رایگان: 1-833-648-7528 | TTY: 711

### برنامه خدمات بینایی (Vision Service Plan, VSP)

برای این که بدانید آیا واجد شرایط خدمات مراقبت از بینایی هستید یا خیر، با بخش خدمات مشتریان CalOptima Health تماس بگیرید. این اعداد مربوط به VSP هستند.

شماره رایگان: 1-800-877-7195 | TTY: 1-800-428-4833



## أرقام هواتف مهمة

### الاستشارة بعد ساعات العمل

إذا كنت بحاجة إلى مشورة طبية بعد ساعات العمل، فاتصل بمكتب مزود الرعاية الأولية الخاص بك أو رقم الهاتف الموجود على ظهر شبكتك الصحية أو بطاقة تعريف المجموعة الطبية.

### خط CalOptima Health للصحة السلوكية

للمساعدة في الوصول إلى خدمات الصحة النفسية.

24 ساعة في اليوم، 7 أيام في الأسبوع.

الرقم المجاني: 1-855-877-3885 | 711 TTY:

### خدمة عملاء CalOptima Health

من الاثنين إلى الجمعة، من 8 صباحًا حتى 5:30 مساءً.

الرقم المجاني: 1-888-587-8088 | 711 TTY:

### التثقيف الصحي

للحصول على مواد الصحة والعافية لمساعدتك على البقاء في صحة جيدة.

من الاثنين إلى الجمعة، من 8 صباحًا حتى 5:30 مساءً.

الرقم المجاني: 1-888-587-8088 | 711 TTY:

### الشبكات الصحية

|                                     |                |
|-------------------------------------|----------------|
| AltaMed Health Services:            | 1-866-880-7805 |
| AMVI Medical Group:                 | 1-866-796-4245 |
| CalOptima Health Community Network: | 1-888-587-8088 |
| CHOC Health Alliance:               | 1-800-424-2462 |
| Family Choice Health Services:      | 1-800-611-0111 |
| Noble Mid-Orange County:            | 1-888-880-8811 |
| Optum:                              | 1-888-656-7523 |
| Prospect Medical:                   | 1-800-708-3230 |
| HPN - Regal Medical Group:          | 1-844-292-5173 |
| United Care Medical Group:          | 1-877-225-6784 |

### خدمات الترجمة الفورية

توفر CalOptima Health خدمات الترجمة الشفهية المجانية من مترجم مؤهل.

الرقم المجاني: 1-888-587-8088 | 711 TTY:

### الطوارئ الطبية

اتصل بالرقم 911 أو اذهب إلى أقرب غرفة طوارئ لحالات الطوارئ الحقيقية.

### برنامج Medi-Cal لرعاية الأسنان

للمساعدة في المزايا الخاصة بالأسنان.

الرقم المجاني:

1-800-322-6384 | 1-800-735-2922 TTY:

### خط استشارات التمريض:

لمعرفة ما إذا كنت بحاجة إلى رعاية في عيادة الطبيب أو الرعاية العاجلة أو غرفة الطوارئ.

24 ساعة في اليوم، 7 أيام في الأسبوع.

الرقم المجاني: 1-844-447-8441 | 1-844- TTY:

514-3774

### النقل

يمكنك الحصول على النقل للوصول إلى مواعيدك للحصول على الخدمات المغطاة من قبل Medi-Cal إذا لم يكن لديك إمكانية الوصول إلى وسائل النقل.

من الاثنين إلى الجمعة، من 8 صباحًا حتى 5:30 مساءً.

الرقم المجاني: 1-833-648-7528 | 711 TTY:

### خطة خدمات النظر ( Vision Service Plan, ) (VSP)

اتصل بشبكتك الصحية أو بخدمة عملاء CalOptima Health لمعرفة ما إذا كنت مؤهلًا للحصول على خدمات رعاية النظر أم لا. هذه الأرقام خاصة بـ VSP.

الرقم المجاني: 1-800-877-7195 | 1-800- TTY:

428-4833



## **Important Phone Numbers**

### **After-Hours Advice**

If you need after-hours medical advice, call your primary care provider's office or the phone number on the back of your health network or medical group ID card.

### **CalOptima Health Behavioral Health Line**

For help with access to mental health services.

24 hours a day, 7 days a week.

Toll-free: **1-855-877-3885** | TTY: **711**

### **CalOptima Health OneCare Customer Service**

24 hours a day, 7 days a week.

Toll-free: **1-877-412-2734** | TTY: **711**

### **Health Education**

For health and wellness materials to help you stay healthy.

24 hours a day, 7 days a week.

Toll-free: **1-877-412-2734** | TTY: **711**

### **Health Networks**

AltaMed Health Services: 1-866-880-7805

AMVI Medical Group: 1-888-747-2684

CalOptima Health Community

Network:

Family Choice Health Services: 1-800-611-0111

Noble Mid-Orange County: 1-888-880-8811

Optum: 1-888-656-7523

Prospect Medical: 1-800-708-3230

Regal Medical Group: 1-844-292-5173

United Care Medical Group: 1-877-225-6784

### **Interpreter Services**

CalOptima Health provides free oral interpretation services from a qualified interpreter.

Toll-free: **1-877-412-2734** | TTY: **711**

### **Medical Emergency**

Dial **911** or go to the nearest emergency room for a true emergency.

### **Medi-Cal Dental Program**

For help with dental benefits.

Toll-free: **1-800-322-6384** | TTY: **1-800-735-2922**

### **Nurse Advice Line**

To find out if you need care at the doctor's office, urgent care or emergency room.

24 hours a day, 7 days a week.

Toll-free: **1-844-447-8441** | TTY: **1-844-514-3774**

### **Transportation**

You can get transportation to your appointments for OneCare-covered services if you don't have access to transportation.

Monday-Friday, from 8 a.m. to 5:30 p.m.

Toll-free: **1-866-612-1256** | TTY: **711**

### **Vision Service Plan (VSP)**

Call CalOptima Health Customer Service to see if you are eligible for vision care services. These numbers are for VSP.

Toll-free: **1-800-877-7195** | TTY: **1-800-428-4833**





## **Números de teléfono importantes**

### **Consejo médico fuera de horario de atención**

Si necesita consejo médico fuera del horario de atención, llame al consultorio de su proveedor de atención primaria o al número de teléfono que figura en el reverso de su plan de salud o tarjeta de identificación de grupo médico.

### **Línea de salud del comportamiento de CalOptima Health:**

Para obtener ayuda con el acceso a servicios de salud mental.

Las 24 horas del día, los 7 días de la semana.

Línea gratuita: **1-855-877-3885** | TTY: **711**

### **Servicios para Miembros de CalOptima Health**

De lunes a viernes, de 8 a.m. a 5:30 p.m. Línea gratuita: **1-888-587-8088** | TTY: **711**

### **Educación sobre la Salud**

Para obtener materiales de salud y bienestar que le ayudarán a mantenerse saludable.

Las 24 horas del día, los 7 días de la semana

Línea gratuita: **1-877-412-2734** | TTY: **711**

### **Redes de salud**

|                                     |                 |
|-------------------------------------|-----------------|
| AltaMed Health Services:            | 1-866-880-7805  |
| AMVI Medical Group:                 | 1-888-747- 2684 |
| CalOptima Health Community Network: | 1-888-587-8088  |
| Family Choice Health Services:      | 1-800-611-0111  |
| Noble Mid-Orange County:            | 1-888-880-8811  |
| Optum:                              | 1-888-656-7523  |
| Prospect Medical:                   | 1-800-708-3230  |
| Regal Medical Group:                | 1-844-292-5173  |
| United Care Medical Group:          | 1-877-225-6784  |

### **Servicios de intérprete**

CalOptima Health brinda servicios gratuitos de interpretación oral de un intérprete capacitado. Línea gratuita: **1-877-412-2734** | TTY: **711**

### **Emergencia Médica**

Llame al **911** o acuda a la sala de emergencias más cercana en caso de una verdadera emergencia.

### **Programa dental de Medi-Cal**

Para obtener ayuda con servicios dentales

Línea gratuita: 1-800-322-6384 |

TTY: 1-800-735-2922

### **Línea de ayuda de enfermería:**

Para saber si necesita obtener atención médica en el consultorio del médico, cuidado urgente o en la sala de emergencia. las 24 horas del día, los 7 días de la semana Línea gratuita: 1-844-447-8441, Línea TTY: 1-844-514-3774

### **Transporte**

Puede obtener transporte a sus citas para los servicios cubiertos de OneCare si no tiene acceso a transporte.

De lunes a viernes de 8 a.m. a 5:30 p.m. Línea gratuita: **1-866-612-1256** | TTY: **711**

### **Plan de la vista, Vision Service Plan (VSP)**

Llame a Servicios para Miembros de CalOptima Health para saber si es elegible para recibir servicios de atención de la vista. Estos son los números de VSP. Línea gratuita: 1-800-877-7195 | TTY: 1-800-428-4833

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Important Phone Numbers- OneCare\_<E>

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CalOptima Health OneCare (HMO D-SNP), a Medicare Medi-Cal Plan, es una organización de Medicare Advantage con contratos de Medicare y Medi-Cal. La inscripción en CalOptima Health OneCare depende de la renovación de los contratos. CalOptima Health OneCare cumple con las leyes federales de derechos civiles aplicables y no discrimina por motivos de raza, color, nacionalidad, edad, discapacidad o sexo. Llame a Servicios para Miembros de CalOptima Health OneCare gratuitamente al **1-877-412-2734** (TTY **711**), las 24 horas del día, los 7 días de la semana. Visítenos en **[www.caloptima.org/OneCare](http://www.caloptima.org/OneCare)**.



## **Các số Điện thoại Quan trọng**

### **Tư vấn Sau giờ Làm việc**

Nếu quý vị cần được tư vấn về y tế sau giờ làm việc, xin gọi cho văn phòng bác sĩ gia đình của quý vị hoặc gọi số điện thoại ở mặt sau thẻ ID của nhóm y tế hoặc tổ hợp y tế của quý vị.

### **Đường dây Sức khỏe Hành vi của CalOptima Health**

Để được trợ giúp với các dịch vụ sức khỏe tâm thần.

<24 giờ một ngày, 7 ngày một tuần>.

Số điện thoại miễn phí: **1-855-877-3885** | TTY: **711**

### **Văn phòng Dịch Vụ CalOptima Health OneCare**

24 giờ một ngày, 7 ngày một tuần.

Số điện thoại miễn phí: **1-877-412-2734** | TTY: **711**

### **Văn phòng Hướng dẫn về Sức khỏe**

Nhận các tài liệu về sức khỏe và sống khỏe để giúp quý vị giữ gìn sức khỏe.

<24 giờ một ngày, 7 ngày một tuần>.

Số điện thoại miễn phí: **1-877-412-2734** | TTY: **711**

### **Những Nhóm Y tế**

AltaMed Health Services: 1-866-880-7805

AMVI Medical Group: 1-888-747-2684

CalOptima Health Community Network: 1-888-587-8088

Family Choice Health Services: 1-800-611-0111

Noble Mid-Orange County: 1-888-880-8811

Optum: 1-888-656-7523

Prospect Medical: 1-800-708-3230

Regal Medical Group: 1-844-292-5173

United Care Medical Group: 1-877-225-6784

### **Dịch vụ Thông dịch viên**

CalOptima Health cung cấp dịch vụ thông dịch miễn phí từ một thông dịch viên hội đủ tiêu chuẩn.

Số điện thoại miễn phí: **1-877-412-2734** | TTY: **711**

### **Cấp cứu về Y tế**

Xin gọi **911** hoặc đến phòng cấp cứu gần nhất cho trường hợp cấp cứu thực sự.

### **Chương trình Nha khoa Medi-Cal**

Để được trợ giúp về các phúc lợi nha khoa.

Số điện thoại miễn phí: **1-800-322-6384** |

TTY: **1-800-735-2922**

### **Đường dây Tư vấn với Y tá**

Để tìm hiểu xem liệu quý vị có cần dịch vụ chăm sóc tại văn phòng bác sĩ, trung tâm chăm sóc khẩn cấp hay phòng cấp cứu hay không.

<24 giờ một ngày, 7 ngày một tuần>.

Số điện thoại miễn phí: **1-844-447-8441** | TTY: **1-844-514-3774**

### **Dịch vụ Chuyên chở**

Quý vị có thể nhận dịch vụ chuyên chở để đi đến các buổi hẹn cho các dịch vụ được

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OneCare đòi hỏi nếu quý vị không có phương tiện đi lại.

<Thứ Hai đến thứ Sáu>, từ <8 giờ sáng đến

5:30 chiều >

Số điện thoại miễn phí: **1-866-612-1256** | TTY:  
**711**

### **Chương trình Dịch vụ Nhãn khoa (Vision Service Plan, VSP)**

Xin gọi cho văn phòng Dịch Vụ CalOptima Health để biết liệu quý vị có hội đủ điều kiện để nhận các dịch vụ chăm sóc nhãn khoa hay không.

Những số điện thoại này là của Chương trình Dịch vụ Nhãn khoa.

Số điện thoại miễn phí: **1-800-877-7195** |  
TTY: **1-800-428-4833**

CalOptima Health OneCare (HMO D-SNP), a Medicare Medi-Cal Plan, là một chương trình Medicare Advantage có hợp đồng với Medicare và Medi-Cal. Việc ghi danh vào chương trình CalOptima Health OneCare tùy thuộc vào việc gia hạn hợp đồng. CalOptima Health OneCare tuân thủ luật dân quyền hiện hành của liên bang và không phân biệt đối xử dựa trên chủng tộc, màu da, nguồn gốc quốc gia, tuổi tác, tình trạng khuyết tật hay giới tính. Xin gọi văn phòng Dịch Vụ CalOptima Health OneCare ở số miễn phí **1-877-412-2734** (TTY **711**), 24 giờ một ngày, 7 ngày một tuần. Xin vào trang mạng của chúng tôi tại **[www.caloptima.org/OneCare](http://www.caloptima.org/OneCare)**.



## 중요한 전화번호들

### 근무시간 이후 조언

근무시간 이후 의료 조언을 받으려면 먼저 주치의(PCP) 사무실에 전화하거나 귀하의 건강 네트워크 또는 의료 그룹 ID 카드 뒷면에 있는 번호로 전화하십시오.

### CalOptima Health 행동 건강 전화

정신 건강 서비스를 받는 데 도움이 필요한 경우.  
주 7 일, 24 시간  
무료 전화: 1-855-877-3885 | TTY: 711

### CalOptima Health OneCare 고객 서비스

주 7 일, 24 시간  
무료 전화: 1-877-412-2734 | TTY: 711

### 건강 교육

건강을 유지하는 데 도움이 되는 건강과 웰빙 자료를 제공. 주 7 일, 24 시간 무료 전화: 1-877-412-2734 | TTY: 711

### 건강 네트워크

|                                     |                |
|-------------------------------------|----------------|
| AltaMed Health Services:            | 1-866-880-7805 |
| AMVI Medical Group:                 | 1-888-747-2684 |
| CalOptima Health Community Network: | 1-888-587-8088 |
| Family Choice Health Services:      | 1-800-611-0111 |
| Noble Mid-Orange County:            | 1-888-880-8811 |
| Optum:                              | 1-888-656-7523 |
| Prospect Medical:                   | 1-800-708-3230 |
| Regal Medical Group:                | 1-844-292-5173 |
| United Care Medical Group:          | 1-877-225-6784 |

### 통역 서비스

CalOptima Health 는 자격을 갖춘 통역사를 통한 무료 구두 통역 서비스를 제공합니다.  
무료 전화: 1-877-412-2734 | TTY: 711

### 의료 응급 상황

실제 의료 응급 상황인 경우 911 로 전화하거나 가까운 응급실로 가십시오.

### Medi-Cal 치과 프로그램

치과 혜택에 대한 도움.  
무료 전화: 1-800-322-6384 | TTY: 1-800-735-2922

### 간호사 상담 전화

의사 진료실, 긴급 치료실 또는 응급실에서 치료가 필요한지 알아보십시오.  
주 7 일, 24 시간 무료 전화: 1-844-447-8441 | TTY: 1-844-514-3774

### 교통편

교통수단이 없는 경우, OneCare 이 적용되는 서비스를 위한 예약들을 위해 교통편을 제공받을 수 있습니다.  
월요일-금요일, 오전 8 시부터 오후 5 시 30 분 사이  
무료전화: 1-866-612-1256 | TTY: 711

### Vision Service Plan, (VSP)

CalOptima Health 고객 서비스로 전화해 시력 관리 서비스를 받을 수 있는지 확인하십시오. 다음은 VSP

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번호들입니다.

무료 전화: **1-800-877-7195** | TTY: **1-800-428-4833**

CalOptima Health OneCare (HMO D-SNP), a Medicare Medi-Cal Plan 은 Medicare 및 Medi-Cal 와 계약을 맺은 Medicare Advantage 조직입니다. CalOptima Health OneCare 가입은 계약 갱신에 따라 달라집니다. CalOptima Health OneCare 민권에 해당되는 연방정부 법률에 준수하며, 인종, 피부색, 출신 국가, 나이, 장애 또는 성별때문에 사람들을 차별대우하지 않습니다. CalOptima Health OneCare 고객 서비스 무료번호 <**1-877-412-2734**>(TTY <**711**>)번으로 <주 7 일, 24 시간> 연락하십시오. <[www.caloptima.org/OneCare](http://www.caloptima.org/OneCare)> 를 방문하십시오.





## **重要電話號碼**

### **營業時間後的建議**

如果您需要營業時間後的醫療建議，請致電給您的家庭醫生辦公室或撥打在您的醫療網或醫療團體的 ID 卡背面的電話號碼。

### **CalOptima Health 行為健康服務專線**

提供幫助獲取心理健康服務

<服務時間為每週 7 天，每天 24 小時>。

免費電話： **1-855-877-3885** | TTY: **711**

### **CalOptima Health OneCare 客戶服務部**

<服務時間為每週 7 天，每天 24 小時>。

免費電話： **1-877-412-2734** | TTY: **711**

### **健康教育**

提供健康和保健的材料，幫助您保持健康。

<服務時間為每週 7 天，每天 24 小時。>免費電話： **1-877-412-2734** | TTY: **711**

### **醫療網**

AltaMed Health Services: 1-866-880-7805

AMVI Medical Group: 1-888-747-2684

CalOptima Health Community Network: 1-888-587-8088

Family Choice Health Services: 1-800-611-0111

Noble Mid-Orange County: 1-888-880-8811

Optum: 1-888-656-7523

Prospect Medical: 1-800-708-3230

Regal Medical Group: 1-844-292-5173

United Care Medical Group: 1-877-225-6784

### **口譯服務**

**CalOptima Health 提供免費口譯服務，該服務是由合格的口譯員提供的。**

免費電話： **1-877-412-2734** | TTY: **711**

### **醫療緊急情況：**

如果遇到真正的緊急情況，請撥打 **911** 或前往最近的急診室。

### **Medi-Cal 牙科計劃**

提供牙科福利的幫助

免費電話： **1-800-322-6384** | TTY: **1-800-735-2922**

### **護士諮詢專線：**

尋求幫助以了解您是否需要去醫生診所、緊急護理或急診室獲取護理。

<服務時間為每週 7 天，每天 24 小時。>免費電話： **1-844-447-8441** | TTY: **1-844-514-3774**

### **交通服務**

如果您沒有交通工具可以使用，您可以獲取交通服務前往您預約的 OneCare 承保的服務。

<週一至週五>，上午 8 點至下午 5 點 30 分

免費電話: **1-866-612-1256** | TTY: **711**

### **視力保健服務計劃 (Vision Service Plan, VSP)**

請致電 CalOptima Health 客戶服務部，以了解您是否有資格獲得視力保健服務。這些是 VSP 的電話號碼。

免費電話： **1-800-877-7195** | TTY: **1-800-428-4833**

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CalOptima Health OneCare (HMO D-SNP), a Medicare Medi-Cal Plan, 是一個有 Medicare 和 Medi-Cal 合約的 Medicare Advantage 的組織。CalOptima Health OneCare 的投保取決於合約的續簽。CalOptima Health OneCare 遵守適用的聯邦民權法，不因種族、膚色、原國籍、年齡、殘疾或性別而歧視別人。請致電 CalOptima Health OneCare 客戶服務部免費電話 **1-877-412-2734** (TTY **711**)，服務時間為<每週 7 天，每天 24 小時。請瀏覽我們的網站 [www.caloptima.org/OneCare](http://www.caloptima.org/OneCare)。





## شماره تلفن های مهم

### مشاوره بعد از ساعت کاری

اگر به مشاوره پزشکی بعد از ساعات کاری نیاز دارید، با دفتر ارائه دهنده مراقبت های اولیه یا شماره تلفن موجود در پشت شبکه بهداشتی یا کارت شناسایی گروه پزشکی خود تماس بگیرید.

### خط خدمات سلامت رفتاری CalOptima Health Behavioral Health Line

برای کمک به دسترسی به خدمات سلامت روان.  
> 24 ساعت شبانه روز، 7 روز هفته<.

شماره رایگان: 1-855-877-3885 | TTY: 711

### خدمات مشترکین CalOptima Health OneCare

< 24 ساعت شبانه روز، 7 روز هفته>.

شماره رایگان: 1-877-412-2734 | TTY: 711

### آموزش سلامت

برای مطالب بهداشتی و سلامتی که به شما کمک می کند سالم بمانید.  
> 24 ساعت شبانه روز، 7 روز هفته<.

شماره رایگان: 1-877-412-2734 | TTY: 711

### شبکه های درمانی

1-866-880-7805 :AltaMed Health Services  
1-888-747-2684 :AMVI Medical Group  
1-888-587-8088 CalOptima Health Community  
Network  
1-800-611-0111 :Family Choice Health Services  
1-888-880-8811 :Noble Mid-Orange County  
1-888-656-7523 :Optum  
1-800-708-3230 :Prospect Medical  
1-844-292-5173 :Regal Medical Group  
1-877-225-6784 :United Care Medical Group

### خدمات مترجم

CalOptima Health خدمات ترجمه شفاهی رایگان را از یک مترجم واجد شرایط ارائه می دهد.

شماره رایگان: 1-877-412-2734 | TTY: 711

### فوریت های پزشکی

با 911 تماس بگیرید یا برای یک وضعیت اورژانس واقعی به نزدیکترین مرکز اورژانس بروید.

### برنامه دندانپزشکی Medi-Cal Dental

برای کمک در زمینه مزایای دندانپزشکی.

شماره رایگان: > 1-800-322-6384 | TTY: 1-800-735-2922

### خط مشاوره پرستار

برای اطلاع از اینکه آیا نیاز به مراقبت در مطب پزشک، مراقبت های فوری یا اتاق اورژانس دارید یا خیر.  
> 24 ساعت شبانه روز، 7 روز هفته<.

شماره رایگان: 1-844-447-8441 | TTY: 1-844-514-3774

### خدمات حمل و نقل

اگر به وسایل حمل و نقل دسترسی ندارید، می توانید برای قرارهای ملاقات خود برای خدمات تحت پوشش OneCare وسایل حمل و نقل دریافت کنید.

> دوشنبه تا جمعه< از ساعت 8 صبح تا 5:30 بعدازظهر<

شماره رایگان: 1-866-612-1256 | TTY: 711

### برنامه خدمات بینایی (Vision Service Plan, VSP)

برای این که بدانید آیا واجد شرایط خدمات مراقبت از بینایی هستید یا خیر، با بخش خدمات مشتریان CalOptima Health تماس بگیرید. این اعداد مربوط به VSP هستند.

شماره رایگان: 1-800-877-7195 | TTY: 1-800-428-4833

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MMA 3456 07-31-24 CS

CalOptima Health OneCare (HMO D-SNP), a Medicare Medi-Cal Plan Advantage با قراردادهای Medicare و Medi-Cal است. ثبت نام در برنامه CalOptima Health OneCare به تمدید قرار بستگی دارد. CalOptima Health OneCare از قوانین قابل اجرا حقوق مننی فدرال پیروی کرده و براساس نژاد، رنگ پوست، اصلیت ملی، سن، معلولیت یا جنسیت تبعیض قائل نمی شود. با بخش خدمات مشتریان CalOptima Health OneCare با شماره رایگان 1-877-412-2734 (TTY 711)، > در 24 ساعت شبانه روز، 7 روز هفته تماس بگیرید. به وبسایت ما [www.caloptima.org/OneCare](http://www.caloptima.org/OneCare) مراجعه کنید.



## أرقام هواتف مهمة

### الاستشارة بعد ساعات العمل

إذا كنت بحاجة إلى مشورة طبية بعد ساعات العمل، فاتصل بمكتب مزود الرعاية الأولية الخاص بك أو رقم الهاتف الموجود على ظهر شبكتك الصحية أو بطاقة تعريف المجموعة الطبية.

### خط CalOptima Health لنصحة السلوكية

للمساعدة في الوصول إلى خدمات الصحة النفسية.

24 ساعة في اليوم، 7 أيام في الأسبوع.

الرقم المجاني: 1-855-877-3885 | 711 TTY:

### خدمة عملاء OneCare CalOptima Health

24 ساعة في اليوم، 7 أيام في الأسبوع.

الرقم المجاني: 1-877-412-2734 | 711 TTY:

### التثقيف الصحي

للحصول على مواد الصحة والعافية لمساعدتك على البقاء في صحة جيدة.

24 ساعة في اليوم، 7 أيام في الأسبوع.

الرقم المجاني: 1-877-412-2734 | 711 TTY:

### الشبكات الصحية

AltaMed Health Services: 1-866-880-7805

AltaMed Health Services: 1-866-880-7805

AMVI Medical Group: 1-888-747-2684

CalOptima Health Community Network: 1-888-587-8088

Network:

Family Choice Health Services 1-800-611-0111

Noble Mid-Orange County: 1-888-880-8811

Optum: 1-888-656-7523

Prospect Medical: 1-800-708-3230

Regal Medical Group: 1-844-292-5173

United Care Medical Group: 1-877-225-6784

### خدمات الترجمة الفورية

توفر CalOptima Health خدمات الترجمة الشفهية المجانية من مترجم مؤهل.

الرقم المجاني: 1-877-412-2734 | 711 TTY:

الأرقام خاصة بـ VSP.

الرقم المجاني: 1-800-877-7195 | 1-800-428-4833 TTY:

### الطوارئ الطبية

اتصل بالرقم 911 أو اذهب إلى أقرب غرفة طوارئ لحالات الطوارئ الحقيقية.

### برنامج Medi-Cal ثرعية

#### الأسنان

للمساعدة في المزايا الخاصة بالأسنان.

الرقم المجاني: 1-800-322-6384

TTY: 1-800-735-2922

### خط استشارات التمرريض:

لمعرفة ما إذا كنت بحاجة إلى رعاية في عيادة الطبيب أو الرعاية العاجلة أو غرفة الطوارئ.

24 ساعة في اليوم، 7 أيام في

الأسبوع.

الرقم المجاني: 1-844-447-8441

TTY: 1-844-514-3774

### النقل

يمكنك الحصول على النقل للوصول إلى مواعيدك للحصول على الخدمات المغطاة من قبل Medi-Cal إذا لم يكن لديك إمكانية الوصول إلى وسائل النقل.

من الاثنين إلى الجمعة، من 8 صباحًا حتى 5:30 مساءً

الرقم المجاني: 1-866-612-

TTY: 711 | 1256

### خطة خدمات النظر ( Vision ) (Service Plan, VSP)

اتصل بشبكتك الصحية أو بخدمات

CalOptima Health عملاء

لمعرفة ما إذا كنت مؤهلاً للحصول

على خدمات رعاية النظر أم لا. هذه

H5433\_24IRMM037TA\_C

Important Phone Numbers- OneCare\_<A>

MMA 3456 07-31-24 CS



Medicare Advantage ومتعاقد مع Medicare. يعتمد التسجيل في CalOptima Health OneCare على تجديد العقد. تلتزم CalOptima Health OneCare بقوانين الحقوق المدنية الفيدرالية المعمول بها ولا تمارس التمييز العنصري على أساس العرق أو اللون أو الأصل القومي أو السن أو الإعاقة أو النوع. اتصل بخدمة عملاء CalOptima Health OneCare على الرقم المجاني 1-877-412-2734 (TTY 711)، 24 ساعة في اليوم، 7 أيام في الأسبوع. قم بزيارتنا على [www.caloptima.org/OneCare](http://www.caloptima.org/OneCare).

H5433\_24IRMM037TA\_C  
Important Phone Numbers- OneCare\_<A>  
MMA 3456 07-31-24 CS



# CalOptima Health

## Street Medicine Program:

Outcome Review - April 1, 2023 - August 1, 2024

Future Vision - FY 2024-2025

Board of Directors Meeting

October 3, 2024

Kelly Bruno, DSW  
Executive Director, Medi-Cal & 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.

# Overview:

## April 2023-August 2024

- Garden Grove: A year in review
- Emergency Department Data:
  - Street Medicine
  - CalOptima Health
- Future Outcome Measures
- Care Traffic Control





# Street Medicine Program Vision

*1)Reduce barriers* to quality medical care and *2)improve health outcomes* for CalOptima Health's unsheltered members by delivering compassionate and respectful medical care through direct street outreach and engagement

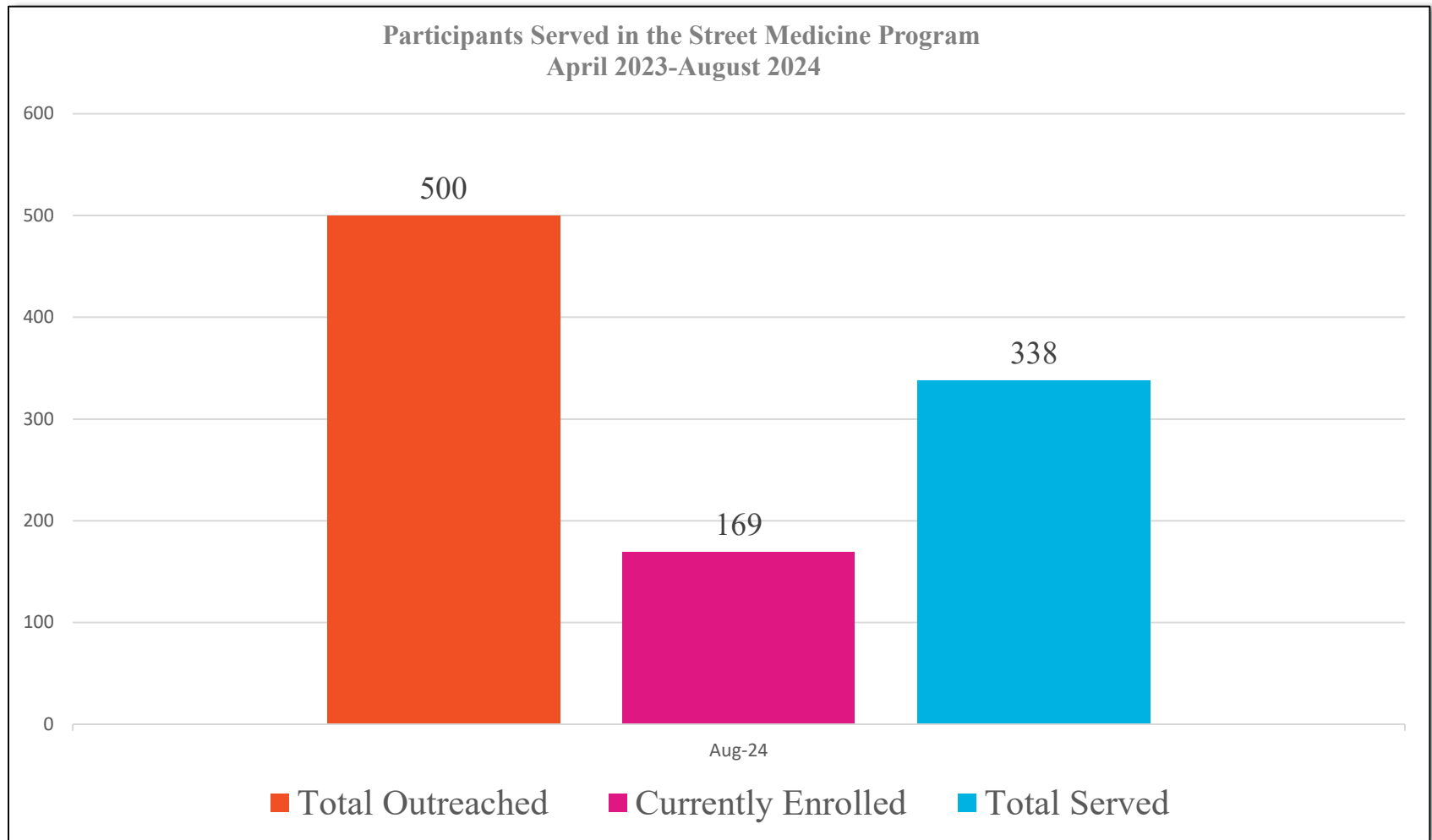


# Initial Program Goals

- Provide up to 200 participants with point-of-care medical services
- Connect 90% of participants with Enhanced Care Management (ECM) and housing navigation
- Connect 80% of participants to an active Primary Care Physician (PCP)
- Connect 25% of participants to permanent housing



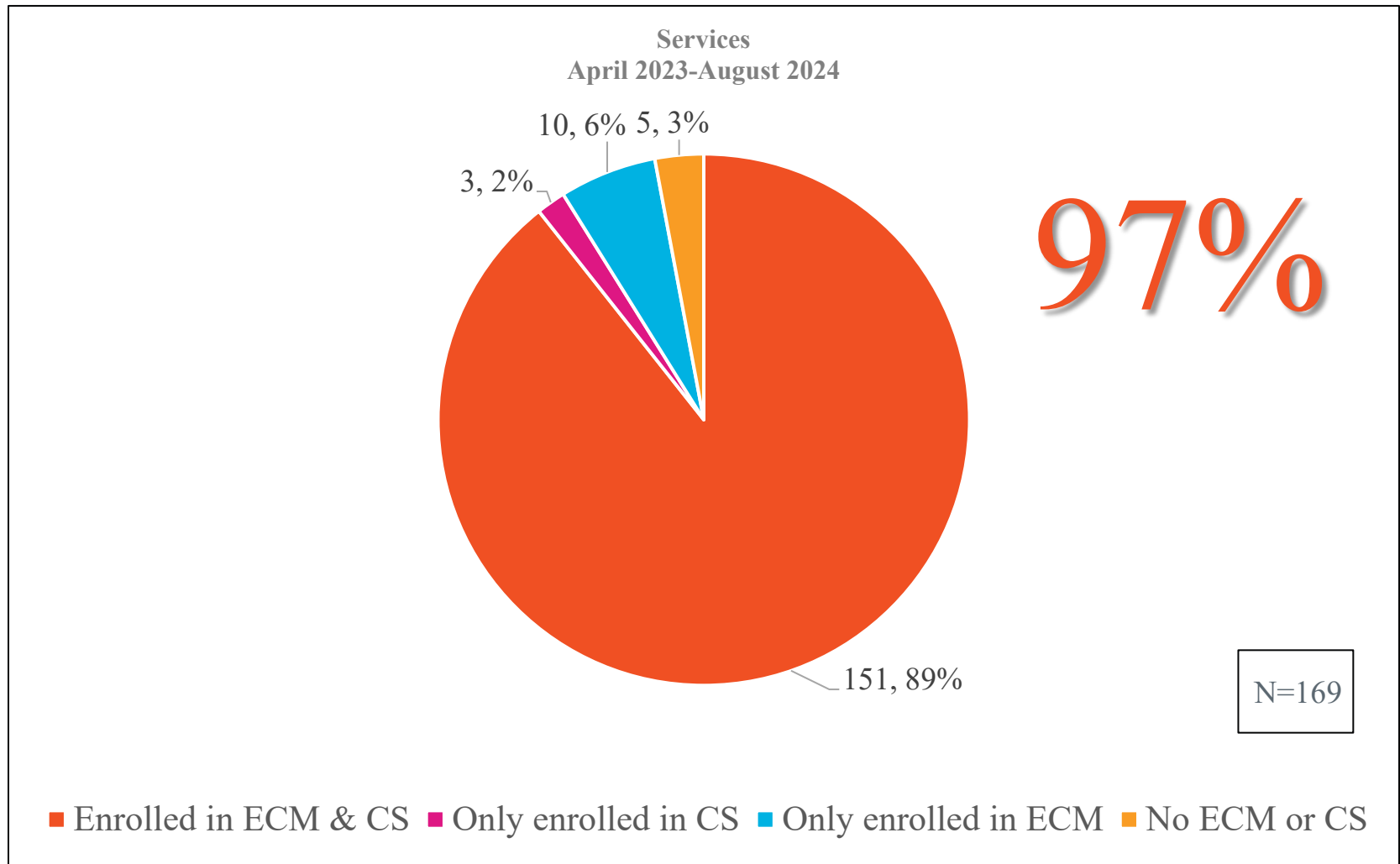
# Goal 1: Provide 200 participants with point-of-care medical services



**Target:** 200 served  
**Outcome:** 338 served

[Back to Agenda](#)

## Goal 2: Connect 90% of participants with Enhanced Care Management and Housing

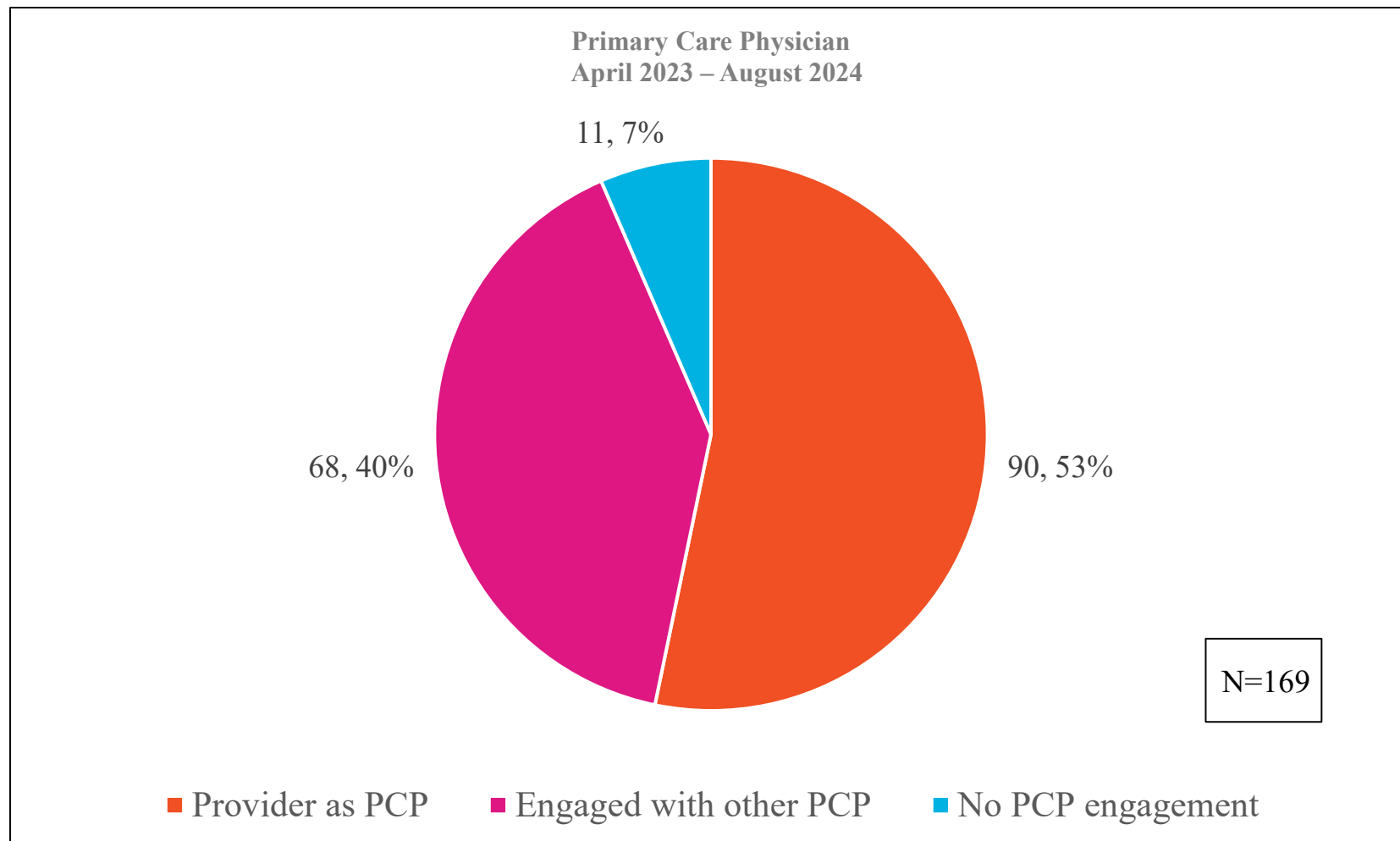


**Target:** Connect 90% with ECM and/or CS

**Outcome:** 97% connected

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## Goal 3: Connect 80% of participants to an active Primary Care Physician

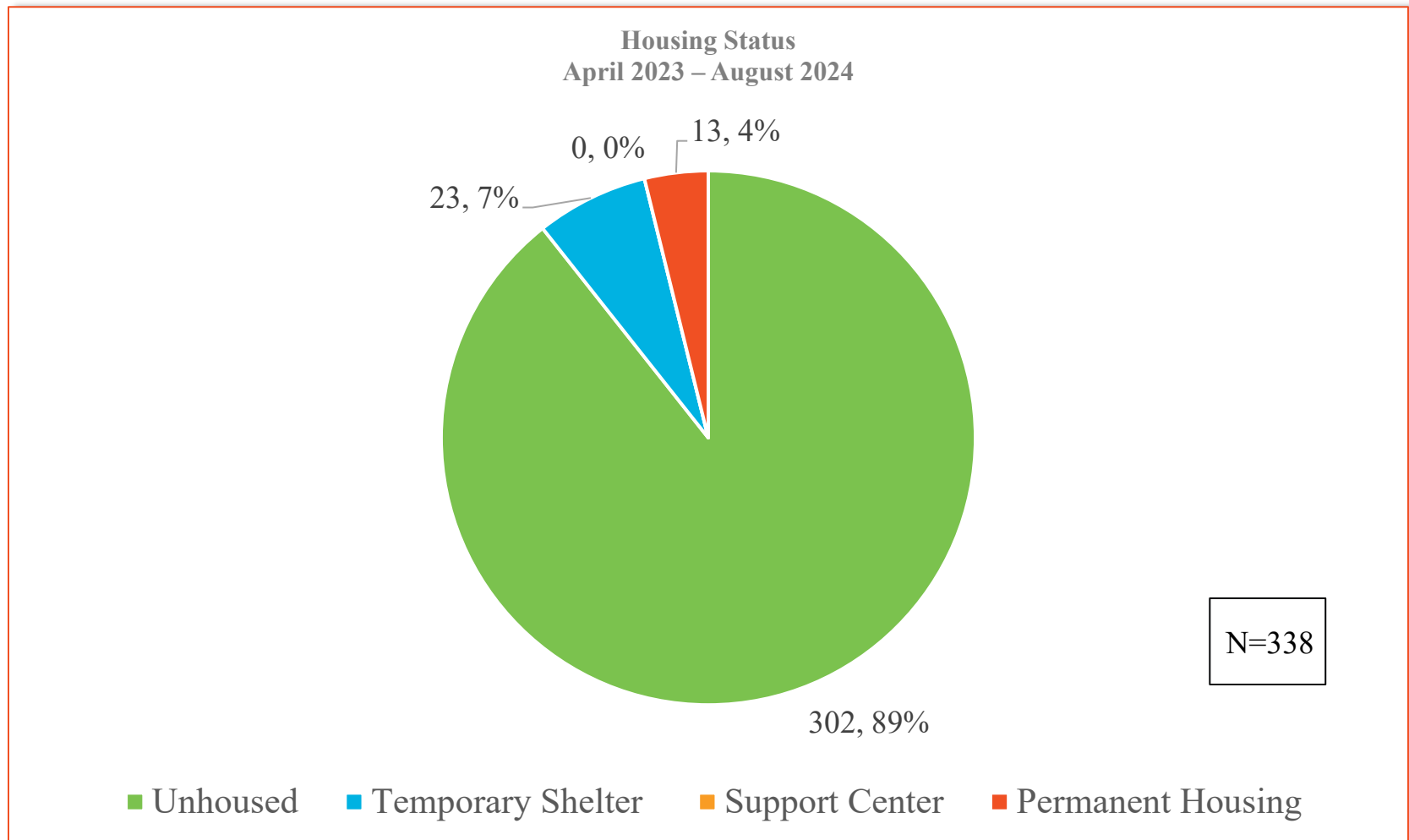


**Target:** Connect 80% to an active PCP

**Outcome:** 93% connected

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## Goal 4: Connect 25% of participants to permanent housing



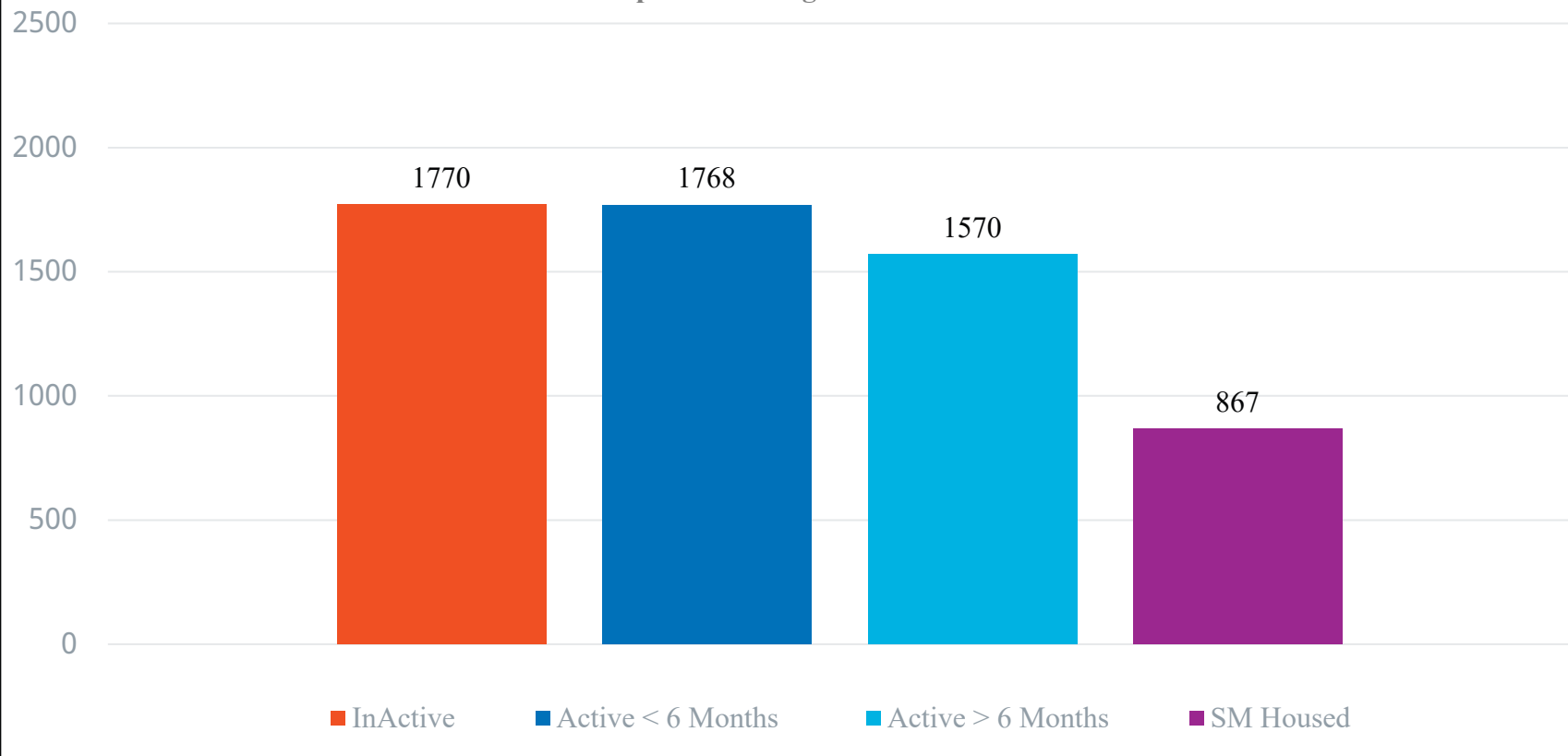
**Target:** Transition 25% to Permanent Housing

**Outcome:** 4% transitioned

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# Emergency Department Utilization: Street Medicine Participants

ED Visits Per Thousand Per Year  
Street Medicine Program Participants  
April 2023- August 2024



**Inactive:** Participants receiving services less than 6 months and no longer enrolled

**Active > 6 Months:** Participants receiving services at least 6 months

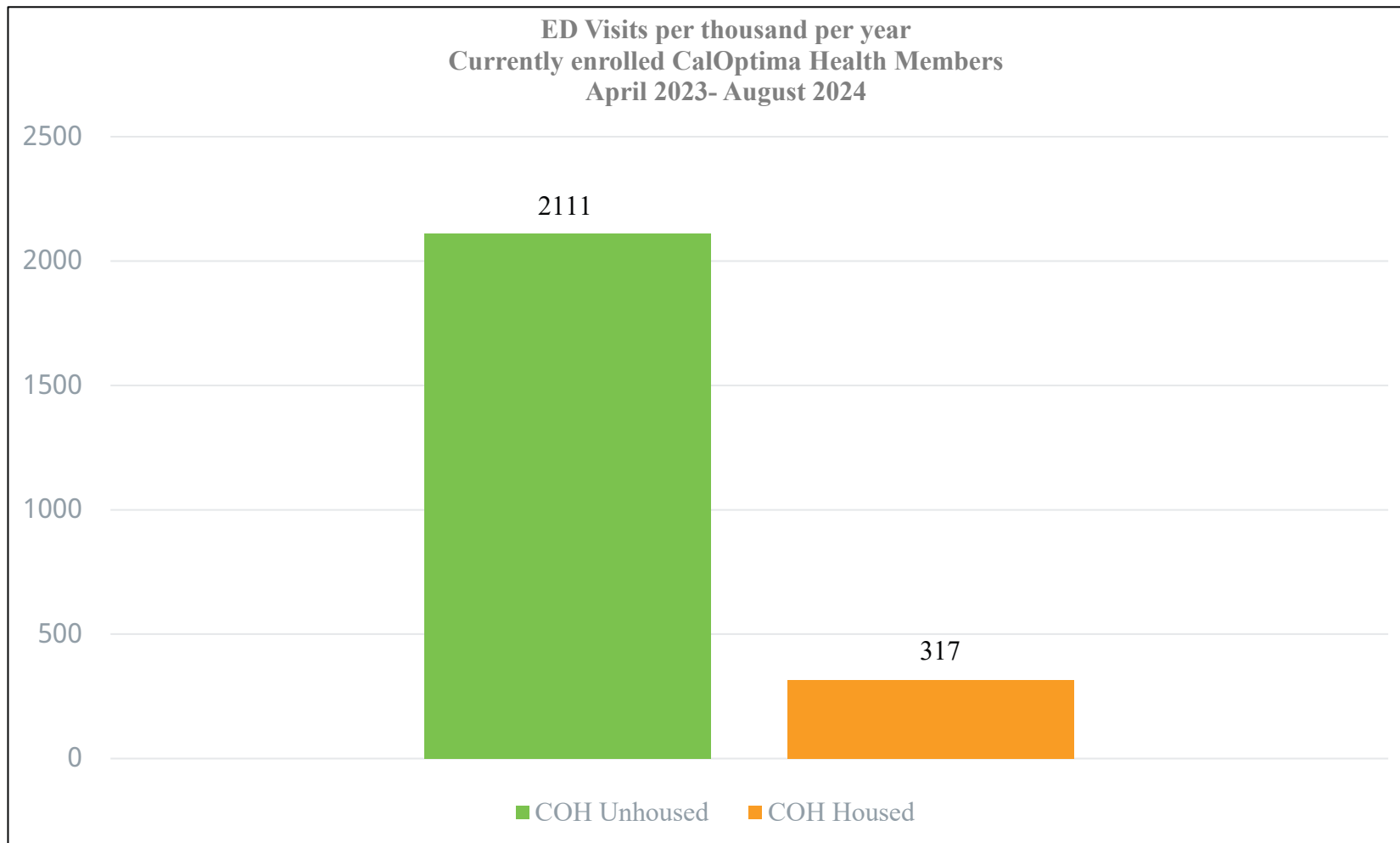
**Active < 6 Months:** Participants receiving services less than 6 months and enrolled program

**Housed:** Members enrolled in Street Medicine who were permanently housed

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# Emergency Department Utilization: Housed vs. Unhoused Cal Optima Health Members

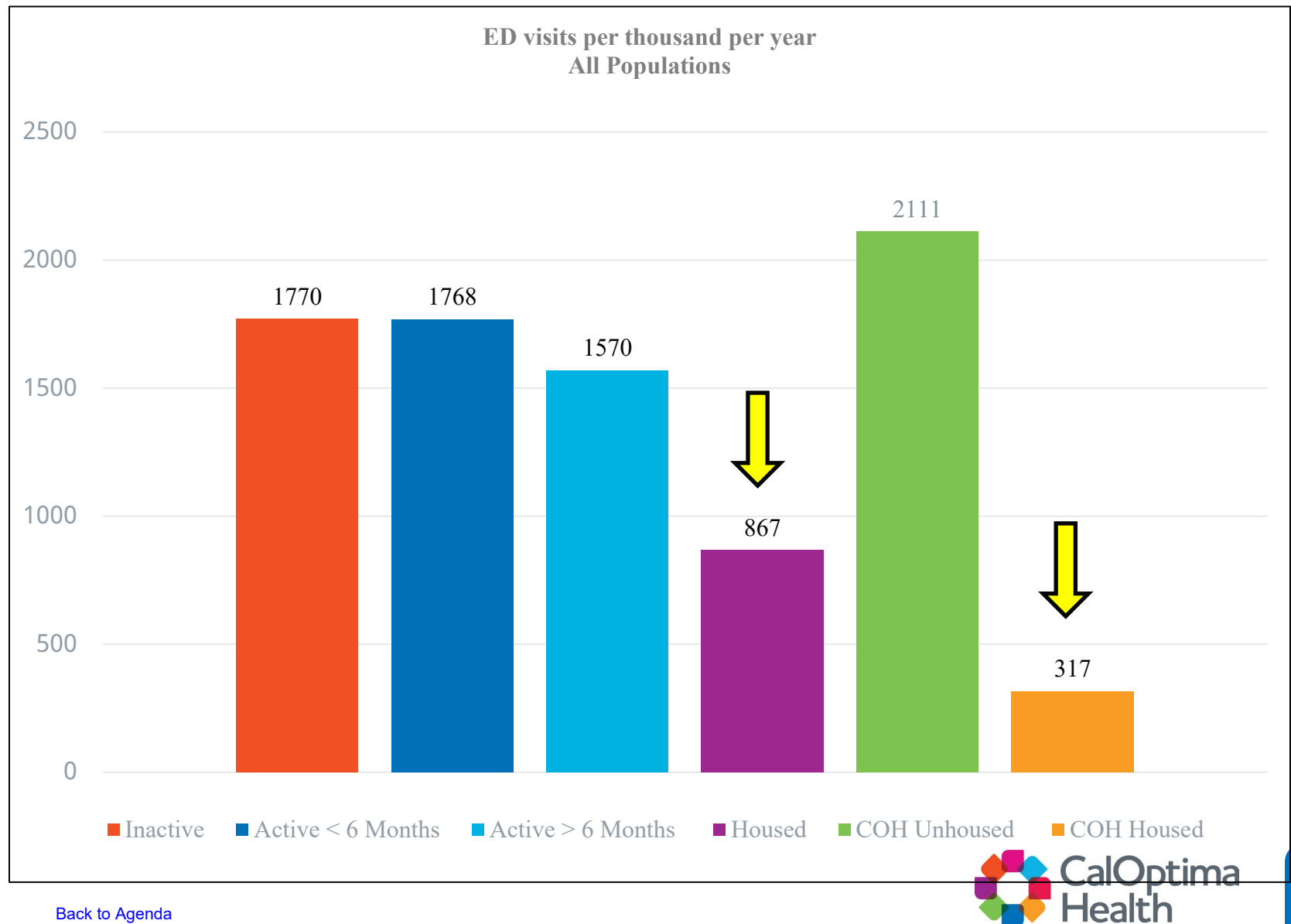


**Unhoused Members:** CalOptima Health currently eligible members that are unhoused

**Housed Members:** CalOptima Health currently eligible members that are housed

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# Emergency Department Utilization Comparison: All Populations



# Future Street Medicine Goals 2024-2025:

Improve Health and Reduce Barriers

## Goal 1: Increase the number of individuals housed

- Number of participants placed in the Street Medicine Support Center (SMSC)
  - Number of individuals permanently housed
- Number of participants permanently housed outside of SMSC



# Future Street Medicine Goals 2024-2025:

Improve Health and Reduce Barriers

## Goal 2: Increase access to health care services:

- Medication
  - Medications received
- Substance Use Services
  - Number of substance use screenings
  - Number referred for substance use treatment
  - Number receiving substance use treatment
- Behavioral Health Services
  - Number of behavioral health screenings
  - Number referred for behavioral health treatment
  - Number receiving behavioral health treatment
- Primary Care Physicians
  - Percentage of individuals being seen by a Primary Care Physician
- Specialists
  - Number of participants referred to a specialist health provider
  - Percentage of individuals being seen by a specialist health provider



# Future Street Medicine Goals 2024-2025:

Improve Health and Reduce Barriers

## Goal 3: Ensure successful utilization of the program

- Percentage of participants receiving Peer encounters every 14 days
- Percentage of participants receiving Medical Care Team encounters every 60 days
- Percentage of participants enrolled in ECM and/or Housing Navigation
- Number of participants enrolled in the Street Medicine Program





# Future Street Medicine Goals 2024-2025:

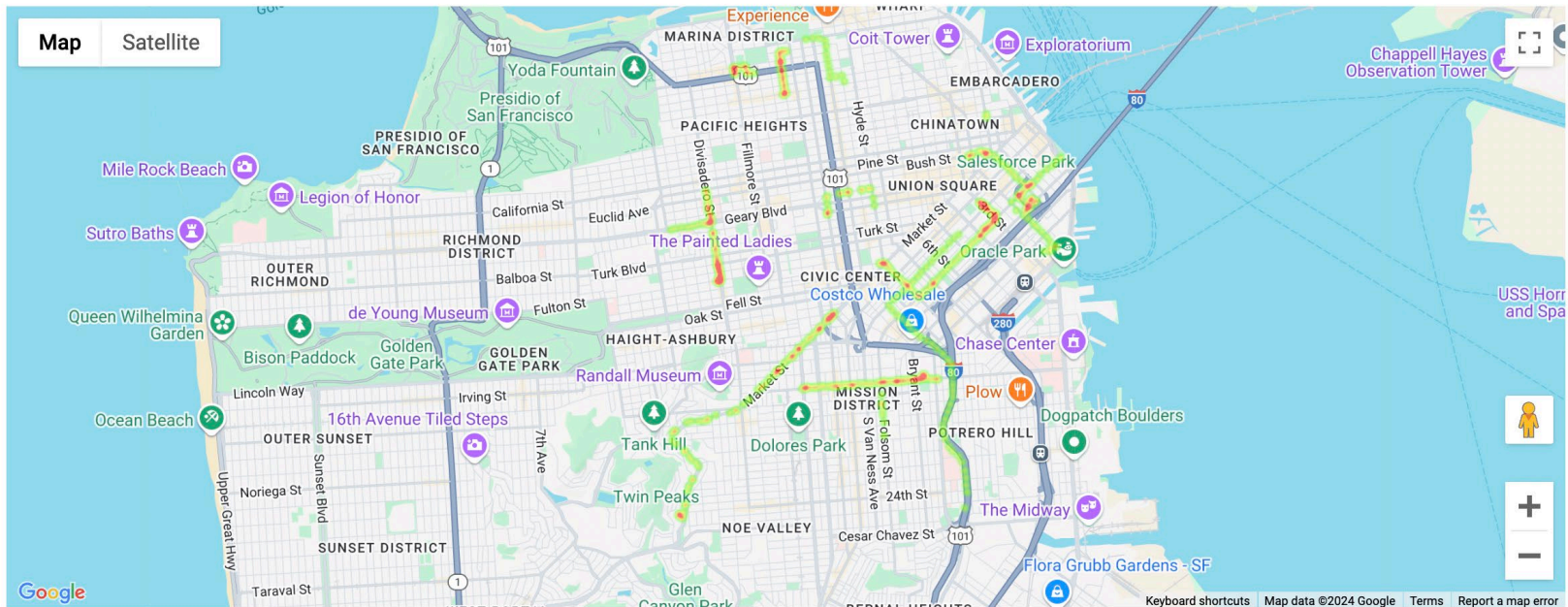
## Improve Health and Reduce Barriers

### Goal 4: Increase the number of participants with a follow up medical visit after an Emergency Department visit

- Percentage of participants seen by the Medical Care Team within 7 days of an ED visit
- Percentage of participants seen by the Medical Care Team within 30 days of an ED visit



# Care Traffic Control: 2024-2025



Current Member Enrollment

**2,420**

↑ 40% vs last month

Active Members in ECM

**78%**

112 Members

Active Members in CS

**19%**

15 members

Active Members in CS & ECM

**97%**

127 Members

# Care Traffic Control: 2024-2025



CTC Display **Dashboard** Members Referrals Reporting Documents Team  

Last Month



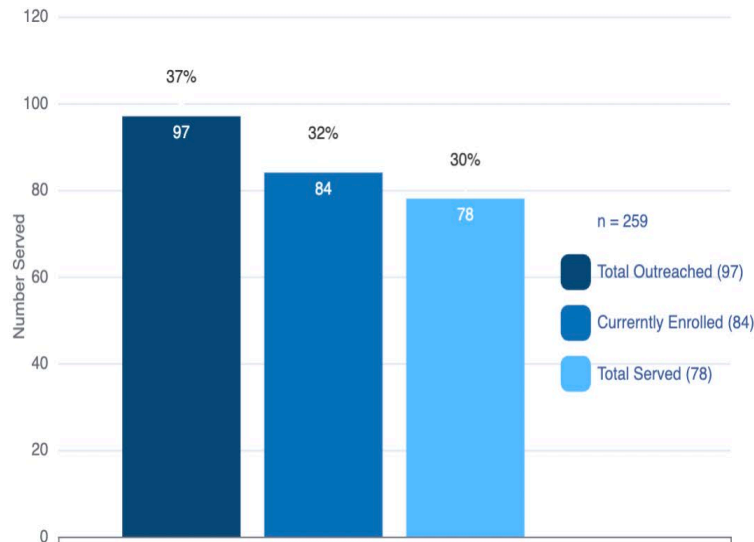
Anaheim



 Download Dashboard

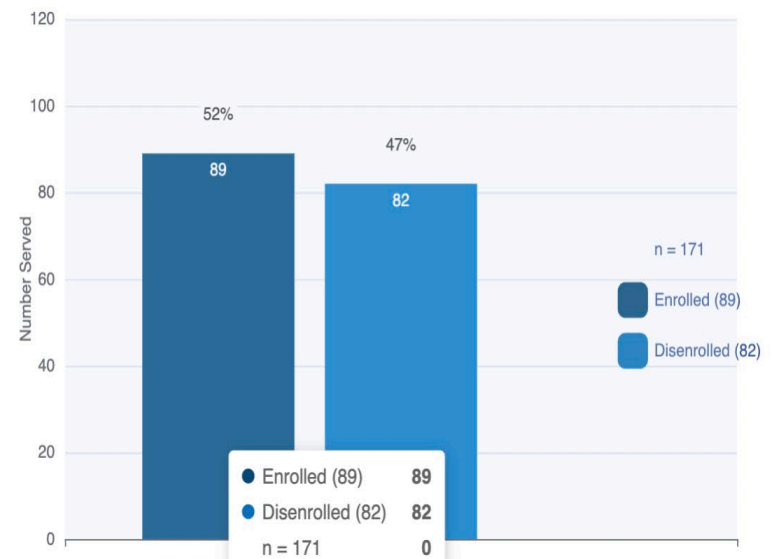
## Members Served Through the Street Medicine Program

Last Month



## Members Enrolled and Dis-enrolled

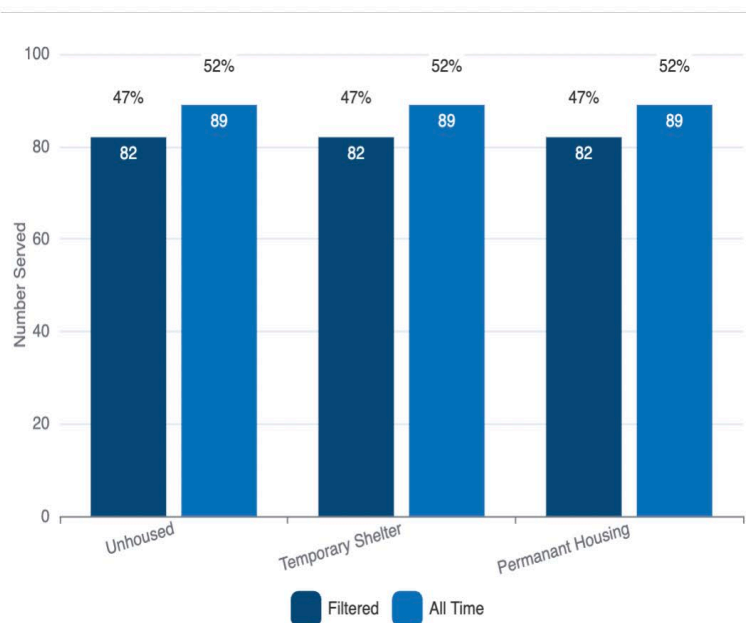
Last Month



# Care Traffic Control: 2024-2025

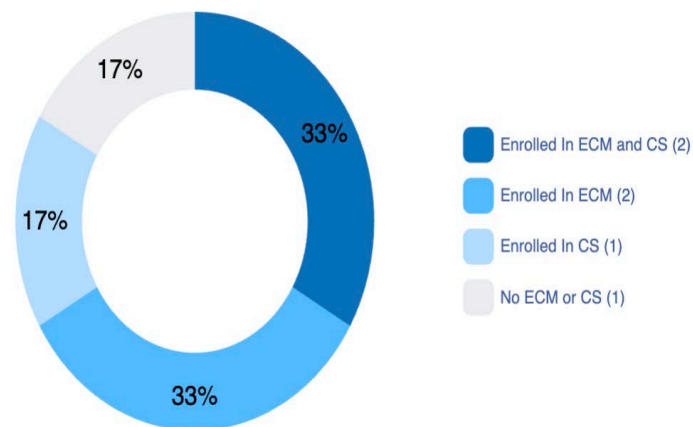
## Housing Status

Last Month



## Current Service Enrollment

Last Month



n = 6

# Care Traffic Control: 2024-2025



**John Doe**

Male

## Member Information

Date of Birth: **Aug 26, 1990**

Last Known

Location:

[Edit & View Locations](#)

MediCal ID: **1234567890**

Phone: **123-123-1234**

Email: **test@gmail.com**

Program City:

Enrollment  
Date: **Sep 9, 2024**

Services:

ECM

HOUSING

MEDICAL

## Member Overview

[Open Authorizations](#)

[Alerts](#)

[Documents](#)

[Hospitalizations](#)

## Overview

### Team

PCP

Josh Jackson

### Services

ECM

Josh Jackson

Authorization Date: Sep 5, 2024

Medical Service

Josh Jackson

Authorization Date: Sep 5, 2023

Housing Navigation

Josh Jackson

Authorization Date: Sep 5, 2023

### Diagnosis List

Flu

Sep 4, 2024

Broken Leg

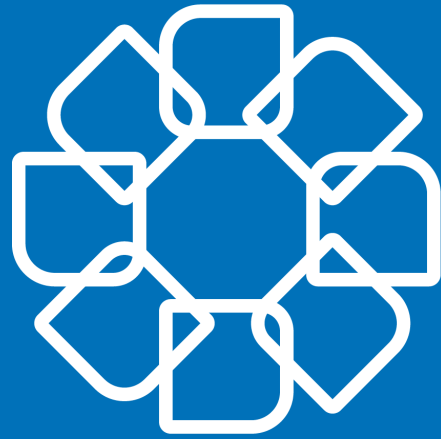
Feb 16, 2024

Strep Throat

Jul 5, 2024



# Questions?



# CalOptima Health

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   @CalOptima

**MINUTES  
REGULAR MEETING  
OF THE  
CALOPTIMA HEALTH BOARD OF DIRECTORS**

**September 5, 2024**

A Regular Meeting of the CalOptima Health Board of Directors (Board) was held on September 5, 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 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 Becerra called the meeting to order at 2:05 p.m., and Vice Chair Vicente Sarmiento led the Pledge of Allegiance.

**ROLL CALL**

Members Present: Isabel Becerra, Chair; Supervisor Vicente Sarmiento, Vice Chair; Maura Byron; Supervisor Doug Chaffee; Blair Contratto (at 2:11 p.m.); Norma García Guillén; Catherine Green, R.N.; Brian Helleland; Veronica Kelley (non-voting); Jose Mayorga, M.D.

(All Board members in attendance participated in person)

Members Absent: None.

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 that staff would like to continue Agenda Items 5 and 9 to a future Board meeting and would also like to pull Agenda Item 7 from the Consent Calendar and hear the item after Closed Session.

**PRESENTATIONS/INTRODUCTIONS**

The Clerk administered the ceremonial Oath of Office for Director Catherine Green and Director Brian Helleland.

**MANAGEMENT REPORTS**

**1. Chief Executive Officer (CEO) Report**

Michael Hunn, CEO, started his report by welcoming Directors Green and Helleland to the Board. He also introduced CalOptima Health's new Chief Human Resources Officer, Steve Eckberg, who will be overseeing the Human Resources department.

Mr. Hunn reported that on August 21, 2024, CalOptima Health hosted a well-attended press conference to announce the start of its Street Medicine Program in the city of Costa Mesa. He also reported that CalOptima Health held its first stakeholder engagement listening session in August to explore the agency possibly participating in Covered California. Mr. Hunn also reported that CalOptima Health's new Customer Service lobby and offices opened in August in the 500 City Parkway West building across the street and is very warm and welcoming with a play area for children and private offices for members to come in and discuss their benefits.

Mr. Hunn congratulated two of CalOptima Health's staff on their achievements: Marie Jeannis, Executive Director, Equity and Community Health, who was recognized by the National Coalition of 100 Black Women and Yunkyung Kim, Chief Operating Officer, who was given a Community Health Center Ambassador Award.

CalOptima Health currently serves about 910,928 individuals. CalOptima Health spends about 94% of every dollar on medical care and 5.2% is the overhead cost to administer the program.

CalOptima Health's Board-designated reserves are \$1.9 billion; its capital assets are \$95.9 million; its resources committed by the Board are \$499.0 million; its Board approved provider rate increases are \$508.7 million; and its unallocated and unassigned resources are \$191.7 million. Mr. Hunn noted that CalOptima Health's total net assets are currently \$2.4 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 5.65% as of the August 10, 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 11,744 providers, 1,216 primary care providers, and 10,528 specialists; 528 pharmacies; 40 acute and rehab hospitals; 52 community health centers; and 104 long term care facilities.

Mr. Hunn reviewed CalOptima Health's treatment authorizations, noting that the data is as of June 30, 2024. For urgent inpatient treatment authorizations, the average approval is within 33.15 hours; the state-mandated response is 72 hours. For urgent prior authorizations, the average approval is within 24.24 hours; the state-mandated response is 72 hours. And for routine prior authorizations, the average approval is 2.41 days; the state-mandated response is 5 days.

Mr. Hunn also updated the Board on recent events out in the community.

Mr. Hunn also asked Ms. Kim to provide an update on the transportation issues that were brought up during the Board's August meeting.

Ms. Kim thanked the Board for a chance to provide an update on the transportation comments and concerns CalOptima Health heard from the Board and members. She assured the Board that CalOptima Health staff had followed up with each of the members who attended or were represented at the August Board meeting to better understand their experience and concerns and resolve any issues going forward. Ms. Kim noted that CalOptima Health provides about 85,000 rides a month to its members, which includes both non-emergency medical transportation (NEMT) and emergency medical transportation. She also noted that of those 85,000 rides each month, about 80% are NEMT, which could include everything from rides to a doctor's office or rides to the pharmacy to pick-up medications. Ms. Kim added that CalOptima Health requires a benchmark of 90% on time performance for all its rides. Currently, for Medi-Cal members 95.4% of all rides are on time and for OneCare members 99% of all rides are on time. She also noted that although the percentages are above the benchmark, this still means that not all members are having the experience that is desired. Ms. Kim shared with the Board that Edward Hoffman, Senior Vice President of Mobility Products and Solutions at Modivcare was present as a member of the public and was available to provide comments and answer any questions that Board members or members of the public had.

Mr. Hoffman thanked the Board for allowing him to address some of the issues that were communicated by CalOptima Health members and their representatives at the last Board meeting. He provided background on himself, noting that he is a resident of Northern California, and he started Modivcare's internal rideshare subsidiary in the State of California. Mr. Hoffman noted that he personally understands the consequences when somebody is not delivered on time, especially with dialysis appointments in rural areas. He also noted that he is pleased with the numbers reported but also echoed Ms. Kim's sentiment, that there are members that did not receive the intended member experience. Mr. Hoffman added that he was present to emphasize Modivcare's commitment to CalOptima Health and its members. He also added that transitioning to a different provider is difficult, but Modivcare is meeting with its local providers and is looking to minimize disruptions and to implement new solutions, especially with dialysis patients, to ensure life sustaining care treatments are not compromised.

Mr. Hoffman and Ms. Kim responded to Board members' questions and comments. Mr. Hoffman also responded to CalOptima Health members' comments and questions.

### **ADVISORY COMMITTEE UPDATES**

#### **2. Joint Meeting of the Member Advisory Committee (MAC) and the Provider Advisory Committee (PAC) Update**

Jena Jensen, Chair of the PAC, provided a brief update on the recent Joint Meeting of the MAC and PAC. Ms. Jensen noted that at the last meeting, the Joint MAC and PAC committees welcomed the new members who were appointed by the Board at its August 1 meeting. Ms. Jensen reviewed the various presentations the committees received, which included a Diversity Equity and Inclusion presentation by Dr. Rose, Chief Health Equity Officer; and a joint presentation by Veronica Carpenter, Chief Administrative Officer, and Donna Laverdiere, Executive Director, Strategic Development, regarding convening stakeholder sessions to explore CalOptima Health possibly joining Covered California. Ms. Jensen also noted that the committees received presentations from Carmen Katsarov, Executive Director, Behavioral Health, on Non-Specialty Mental Health Services and Senate Bill 1019, as well as updates on CalOptima Health Quality Grants and an update on Medi-Cal auto assignment from Kelly Glynn, Manager, Strategic Initiatives and Quality Analytics. Ms. Jensen noted that it has been a pleasure to serve as Chair of the PAC noting that today's report was her last as Chair, but also noted that she will continue serving on the PAC until 2026.

### **PUBLIC COMMENTS**

1. Ruth Sprowls, WellNet Transportation: Oral report regarding customer complaints related to transportation.
2. Frank Miranda, Patient: Oral report regarding experience with new transportation provider.
3. Steve McNally, Resident, Costa Mesa: Oral regarding Agenda Item 15. "Authorize Amendment to the Wellness Prevention Foundation, dba Wellness & Prevention Center allcove™ South Orange County Mental Health Youth Center Grant Award Agreement"



## **CONSENT CALENDAR**

### **3. Minutes**

- a. Approve Minutes of the August 1, 2024, Regular Meeting of the CalOptima Health Board of Directors

### **4. Authorize Employee and Retiree Group Health Insurance and Wellness Benefits for Calendar Year 2025**

### **5. Adopt Resolution No. 24-0905-01 Approving and Adopting Updated CalOptima Health Human Resources Policies**

This item was continued.

### **6. Authorize Budget Reallocation of Fiscal Year 2024-25 Operating Budget Funds for Information Services Expenditure**

### **7. Authorize the Chief Executive Officer to Execute a Contract Amendment with Ankura Consulting Group, LLC to Implement Recommendations, Develop a Grant Close-Out Review Process, and Complete Close-Out Reviews**

This item was pulled from the Consent Calendar and heard after Closed Session.

### **8. Approve Action Related to Purchasing Contract Templates**

### **9. Authorize Extension of Contracts Related to CalOptima Health's Key Operational Systems**

This item was continued.

### **10. Appoint the Chairs and Vice Chairs of the CalOptima Health Board of Directors' Member Advisory Committee and Provider Advisory Committee**

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

### **12. Receive and File:**

- a. July 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 Vice Chair Sarmiento, seconded and carried, the Board of Directors approved the Consent Calendar Agenda Items 3 through 12, minus Agenda Items 5, 7, and 9, as presented. (Motion carried; 8-0-0; Director Helleland recused)***

### **REPORTS/DISCUSSION ITEMS**

#### **13. Authorize Actions Related to Contracting for Physician Administered Drugs**

***Action: On motion of Supervisor Chaffee, seconded and carried, the Board of Directors: 1.) Authorized the Chief Executive Officer, or designee, to negotiate and execute Ancillary Services Contracts and amendments to contracts with clinical pharmacies for the reimbursement of physician administered drugs as a medical benefit, effective on or after October 1, 2024; and 2.) Authorized unbudgeted expenditures in an amount up to \$57,000 from existing reserves to fund the contracts with clinical pharmacies through June 30, 2025. (Motion carried; 9-0-0)***

#### **14. Authorize Amendments to the CalOptima Health Ancillary Fee-For-Service Contracts for Dialysis Services**

Director Helleland did not participate in this item due to his role as Chief Executive at Providence St. Joseph Hospital and left the room during the discussion and vote. Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health and left the room during the discussion and vote.

***Action: On motion of Vice Chair Sarmiento, seconded and carried, the Board of Directors: 1.) Authorized the Chief Executive Officer, or designee, to negotiate and execute rate amendments to the CalOptima Health Ancillary Fee-For-Service provider contracts for dialysis services for the Medi-Cal, OneCare, and Program of All-Inclusive Care for the Elderly programs, effective on or after September 5, 2024; and 2). Authorized unbudgeted expenditures in an amount up to \$6.6 million from existing reserves to fund the amendments through June 30, 2025. (Motion carried; 7-0-0; Directors Helleland and Mayorga recused)***

#### **15. Authorize Amendment to the Wellness Prevention Foundation, dba Wellness & Prevention Center allcove<sup>TM</sup> South Orange County Mental Health Youth Center Grant Award Agreement**

Director Mayorga did not participate in this item due to his role as Executive Director at UC Irvine Health and left the room during the discussion and vote.

Public comment was received on this item as is noted under Public Comments portion of the agenda.

***Action: On motion of Director Green, seconded and carried, the Board of Directors: 1.) Authorized CalOptima Health's Chief Executive Officer to amend the grant award agreement with Wellness & Prevention Foundation, dba Wellness & Prevention Center, supporting the allcove<sup>TM</sup> South Orange County mental health youth center to: a.) Extend the end date to June 30, 2028, or until completion of the grant project, whichever occurs later; and b.) Amend the contract terms related to outcomes reporting, grant payments, and report submissions in light of the extended end date. (Motion carried; 8-0-0; Director Mayorga recused)***

### **CLOSED SESSION**

The Board adjourned to Closed Session at 3:05 p.m. Pursuant to Government Code section 54956.9(d)(2),  
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION.

The Board returned to Open Session at 4:21 p.m. and the Clerk re-established a quorum.

### **ROLL CALL**

Members Present: Isabel Becerra, Chair; Supervisor Vicente Sarmiento, Vice Chair; Maura Byron;  
Supervisor Doug Chaffee; Blair Contratto; Norma García Guillén; Catherine  
Green, R.N.; Brian Helleland; Veronica Kelley (non-voting)

(All Board members in attendance participated in person)

Members Absent: Jose Mayorga, M.D.

Chair Becerra noted that as the Clerk mentioned at the top of the agenda, the Board would hear Agenda Item 7, which was pulled from the Consent Calendar.

### **CONSENT CALENDAR**

7. Authorize the Chief Executive Officer to Execute a Contract Amendment with Ankura Consulting Group, LLC to Implement Recommendations, Develop a Grant Close-Out Review Process, and Complete Close-Out Reviews

*Action: On motion of Director García Guillén, seconded and carried, the Board of Directors authorized the Chief Executive Officer to execute a contract amendment with Ankura Consulting Group, LLC to expand the scope of work to complete the work of grants close-out and review processes:  
(Motion carried; 8-0-0; Director Mayorga absent)*

### **CLOSED SESSION**

James Novello, Outside General Counsel, Kennaday Leavitt, reported that as a result of the Closed Session, Chair Becerra formed a new Board Legal Ad Hoc Committee and appointed Director García Guillén, Director Helleland, and Director Byron to serve on the committee. Director García Guillén will serve as the Chair of the Legal Ad Hoc Committee.

### **BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS**

Supervisor Chaffee thanked CalOptima Health staff that attended the Project Rebound meeting, which is where former felons are getting degrees. Supervisor Chaffee noted that these individuals are getting a second chance, and the largest program in the state is at Cal State Fullerton. Supervisor Chaffee noted that hundreds of people statewide have gone through this program and the recidivism rate is zero. He also noted that there is a fishing derby on Saturday, September 7, 2024, at Carbon Canyon Lake and CalOptima Health will have a table at that event for attendees to learn more about the services that CalOptima Health offers.

Director Kelley noted that September is National Suicide Prevention Month and also National Recovery Month. She invited everyone out to the County's second annual "Recovery Happens" picnic on September 14, 2024, from 10:00 a.m. to 3:00 p.m., which is being held at Centennial Park in the City of Santa Ana.

Chair Becerra again welcomed Directors Green and Helleland to their first Board meeting. She also shared that the Coalition of Orange County Community Health Centers (Coalition OC) turns 50 this year, and asked the Board and staff to save the date for their individual invitation for November 21, 2024, at the JW Marriott in Anaheim, where the Coalition OC will celebrate 50 years of increasing access to health care to its communities, regardless of who they are, where they come from, insurance status, or legal status. Chair Becerra added that Coalition OC's goal is to continue serving its communities for the next 50 years.

**ADJOURNMENT**

Hearing no further business, Chair Becerra adjourned the meeting at 4:30 p.m.

/s/ Sharon Dwiers  
Sharon Dwiers  
Clerk of the Board

*Approved:      October 3, 2024*

**MINUTES**  
**SPECIAL MEETING**  
**OF THE**  
**CALOPTIMA HEALTH BOARD OF DIRECTORS’**  
**FINANCE AND AUDIT COMMITTEE**

**CALOPTIMA**  
**505 CITY PARKWAY WEST**  
**ORANGE, CALIFORNIA**

**May 23, 2024**

A Special Meeting of the CalOptima Health Board of Directors’ (Board) Finance and Audit Committee (FAC) was held on May 23, 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 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 Isabel Becerra called the meeting to order at 3:03 p.m., and Director Blair Contratto led the Pledge of Allegiance.

**ROLL CALL**

Members Present: Isabel Becerra, Chair; Blair Contratto; Clayton Corwin (All members participated in person)

Members Absent: None

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

The Clerk noted that staff would like to hear Agenda Item 7, Moss Adams 2024 Financial Audit Planning, prior to hearing the Reports/Discussion Items on the agenda.

**MANAGEMENT REPORTS**

**1. Chief Financial Officer Report**

Nancy Huang, Chief Financial Officer, provided two verbal updates for the meeting. The first update was to highlight changes from the Governor’s May Revise budget for Fiscal Year (FY) 2024-25 and the second update was related to year-end budget reconciliations.

For the first update, Ms. Huang noted that Governor Newsom released his May Revise on May 10, 2024, with an estimated state budget deficit of \$27.6 billion. The deficit amount is after the state made \$17.3 billion in early actions in April. The May revision proposed \$8.2 billion in additional budget solutions. Ms. Huang highlighted a few key items from the May Revise that will impact the Medi-Cal program, which included reduced funding for Equity and Practice Transformation program payments to medical providers, elimination of the provider targeted rate increase (TRI) phase two that was originally scheduled to take effect January 1, 2025. The TRI phase two plan was to make additional investments in primary care, specialist hospital outpatient, emergency room and other services, but that program was eliminated in next

year's budget. Ms. Huang also highlighted some of the positive aspects from the May Revise, which included maintaining funding for the provider TRI phase one that resulted in provider rate increases becoming effective in January 2024. In addition to TRI phase one, the state budget also had no change to the full scope Medi-Cal expansion for income eligible adults aged 26 to 49 regardless of their immigration status. In terms of next steps, Ms. Huang noted that the Legislature has started their budget hearings with the goal of passing the budget bill by June 15, 2024.

For the second update, Ms. Huang provided a brief update on CalOptima Health's year-end reconciliations as CalOptima Health approaches the end of FY 2023-24. She noted that the Department of Health Care Services (DHCS) made revisions to the managed care contract. In addition, the COVID-19 risk corridor provision was removed and replaced by population acuity adjustments for rate period after January 2021. Ms. Huang noted that staff is currently performing budget reconciliations due to these changes and will have the completed calculations included in the June closing financials.

## 2. Cybersecurity Update

James Steele, Senior Director, Information Security, presented an update on CalOptima Health's cybersecurity. He noted that CalOptima Health has experienced zero major cybersecurity incidents in the past three months. Mr. Steele reported that CalOptima Health has not received any new notifications of cybersecurity incidents in the past three months from its third-party vendors. Mr. Steele did note that CalOptima Health received a new notification from Change Healthcare that will be discussed later in the presentation.

Mr. Steele also reviewed two recent cybersecurity news articles from the HIPAA Journal. For the first article, *Verizon 2024 DBIR: 70% of Healthcare Data Breaches Caused by Insiders*, Mr. Steele noted that the number of breaches in 2023 doubled from 2022, there were 1,220 confirmed healthcare data breaches that fell into the following categories: compromised credentials (38%), phishing (15%), and vulnerability exploit (14%). For the second article, *BakerHostetler Report Identifies Healthcare Data Breach and Litigation Trends*, Mr. Steele noted that healthcare accounted for 28% of data breach incidents, the average demand for these breaches was \$3.5 million and the average size of a healthcare breach increased 200% from 2022 to 2023.

Mr. Steele reported additional information regarding the Change Healthcare cybersecurity incident noting that Change Healthcare took down its system on February 21 due to the ransomware data breach event. Change Healthcare notified CalOptima Health that it recently found out that the ransomware attackers were in Change Healthcare's system for nine days before they launched the ransomware attack. During this time, the attackers moved laterally through Change Healthcare's network and exfiltrated four to six terabytes of data. Mr. Steele noted that is a lot of data and the impact of this event was very broad, possibly involving a third of all Americans. He added that thanks to the support of leadership and the Board, CalOptima Health had systems in place to protect its systems. While CalOptima Health is continuing the manual processes put in place due to the Change Healthcare breach, like issuing manual checks, CalOptima Health information technology systems are protected. Mr. Steele noted that every breach or compromise is an opportunity to improve the organization's security posture.

Mr. Steele also updated the committee on the various security projects that have been completed and provided details of the current projects in flight and timelines for those projects.



Mr. Steele and Ms. Kim provided additional details and responded to committee members' questions and comments.

### **INVESTMENT ADVISORY COMMITTEE UPDATE**

#### **3. Treasurer's Report**

Ms. Huang presented the Treasurer's Report for the period of January 1, 2024, through March 31, 2024. The portfolio totaled approximately \$3.3 billion as of March 31, 2023. Of the total portfolio amount, \$2.7 billion was in CalOptima Health's operating account and \$632 million was included in CalOptima Health's Board-designated reserves. Meketa Investment Group Inc. (Meketa), CalOptima Health's investment advisor, completed an independent review of the monthly investment reports. Meketa reported that all investments were compliant with Government Code section 53600 *et seq.* and with CalOptima Health's Board-approved Annual Investment Policy during that period.

Ms. Huang responded to committee members' questions.

### **PUBLIC COMMENTS**

There were no requests for public comment.

### **CONSENT CALENDAR**

4. Approve the Minutes of the February 15, 2024 Regular Meeting of the CalOptima Health Board of Directors' Finance and Audit Committee and Receive and File Minutes of the January 22, 2024 Regular Meeting of the CalOptima Health Board of Directors' Investment Advisory Committee

***Action: On motion of Director Corwin, seconded and carried, the committee approved the Consent Calendar as presented. (Motion carried 3-0-0)***

### **INFORMATION ITEMS**

#### **7. Moss Adams 2024 Financial Audit Planning**

Ms. Huang introduced independent auditor Moss Adams' partner, Aparna Venkateswaran, who provided a brief overview of the audit planning process for FY 2023-24.

Ms. Venkateswaran reviewed the significant audit areas that Moss Adams will be reviewing, which include medical claims liability and claims expense, capitation revenue and receivables, and amounts due to the State of California or DHCS. She also noted that this year the Moss Adams' team will be closely reviewing the information technology controls given the Change Healthcare breach. Ms. Venkateswaran reviewed the timeline for this audit for the FY ending June 30, 2024, noting that Moss Adams' staff met with CalOptima Health management in March to discuss the financial audit plan. In July, Moss Adams will return to start the final fieldwork procedures with the goal of wrapping up and presenting the audit results at the September 19, 2024, FAC meeting.

Ms. Venkateswaran responded to committee members' comments and questions.

### **REPORTS/DISCUSSION ITEMS**

5. Recommend the Board of Directors Approve the CalOptima Health Fiscal Year 2024-25 Operating Budget

Ms. Huang reviewed the details of the FY 2024-25 operating budget for all lines of business and non-operating items. She noted that CalOptima Health is proposing a \$4.3 billion budget for next fiscal year,

which includes an average enrollment forecast of slightly over 900,000 and a total revenue projected to be \$4.3 billion. Ms. Huang also noted that of that amount, about \$4 billion will be spent on medical costs with CalOptima Health's medical loss ratio (MLR) at 94.2%. The total administrative budget is forecasted at \$250 million for FY 2024-25, with an administrative loss ratio budgeted at 5.8%. Overall, CalOptima Health is projecting a balanced operating budget for next fiscal year with a small surplus of less than .01%. Ms. Huang added that the Board, at its May meeting, approved a total of \$526.2 million dollars commitment to support certain provider rate increases, and the estimated cost of those rates increases is estimated at \$210.5 million. She added that the \$210.5 million for provider rate increases will be funded by CalOptima Health's reserves.

Ms. Huang, Yunkyung Kim, Chief Operating Officer, and Richard Pitts, D.O., Ph.D., Chief Medical Officer, provided additional details and responded to committee members' comments and questions.

The committee thanked Ms. Huang and her team for their hard work in preparing the FY 2024-25 operating budget.

***Action: On motion of Director Contratto, seconded and carried, the committee recommended that the Board of Directors: 1.) Approve the CalOptima Health Fiscal Year 2024-25 Budget, as reflected in Attachment A: Fiscal Year 2024-25 Operating Budget for All Lines of Business and Non-Operating Items; and 2.) Authorize the expenditures and appropriate the funds for the items listed in Attachment B: Administrative Budget Details and Attachment B1: Digital Transformation Administrative Budget Details, which shall be procured in accordance with CalOptima Health Policy GA.5002: Purchasing. (Motion carried 3-0-0)***

**6. Recommend the Board of Directors Approve the CalOptima Health Fiscal Year 2024-25 Routine Capital and Digital Transformation Year Three Capital Budgets**

Ms. Huang reviewed CalOptima Health's capital budget for FY 2024-25, noting that there will be two capital budget packages for next fiscal year. One package for the routine capital budget, which includes information technology services (ITS) and office building improvements and another package for CalOptima Health's digital transformation strategy (DTS) budget, which includes year-three and a new capital project request as well as an update on the DTS budget years one and two.

Ms. Huang noted that for the routine capital budget update, staff is requesting a total of \$8.3 million, which will cover the ITS budget items and the office building improvements. She noted that the ITS portion is approximately \$1.2 million and approximately \$7 million is for office building improvements. Ms. Huang added that the \$7 million in improvements are for CalOptima Health's 500 City Parkway West and 505 City Parkway West buildings in Orange, California and its PACE building located at 13300 Garden Grove Boulevard in Garden Grove, California.

For the DTS year three capital budget, Ms. Huang noted that CalOptima Health is requesting an additional \$7.5 million for this budget. She reviewed the details of the DTS year three budget and reviewed a summary of the DTS years one and two budgets. She provided details of the dollars allocated, projects completed, projects that are in progress, and dollars spent.

Ms. Kim added that the vision and intent of CalOptima Health's DTS has not changed; however, some of the timelines for the projects had to shift. Ms. Kim reported that she will be providing a full DTS update to the full Board at its June meeting.

Ms. Huang and Ms. Kim provided additional details and responded to committee members' comments and questions.

***Action: On motion of Director Corwin, seconded and carried, the committee recommended that the Board of Directors: 1.) Approve the CalOptima Health Fiscal Year 2024-25 Routine Capital and Digital Transformation Year Three Capital Budgets; and 2.) Authorize the expenditures and appropriate the funds for the following items, which shall be procured in accordance with policies approved by the Board of Directors: a.) Attachment A: Fiscal Year 2024-25 Routine Capital Budget by Project; b.) Attachment A1: Fiscal Year 2024-25 Digital Transformation Year Three Capital Budget by Project; and c.) Attachment A2: Update to the Digital Transformation Year One and Year Two Capital Budgets by Project. (Motion carried 3-0-0)***

The following items were accepted as presented.

8. March 2024 Financial Summary

9. Quarterly Operating and Capital Budget Update

10. Update on CalOptima Health Business Insurance Renewal for Policy Year 2024-25

Director Contratto commented that it is incredible that staff was able to get the business insurance renewal down by almost 7%. She noted that it is a tough market for business insurance.

Ms. Huang responded that she would like to take the opportunity to thank her team for their hard work on the business insurance renewal. CalOptima Health was able to get a major reduction in its worker's compensation insurance and even though it increased its cyber insurance coverage from \$20 million to \$30 million, the increase in the premium was only \$79,000. Ms. Huang added that this year was a successful renewal year and again thanked her staff and the broker CalOptima Health has been working with to get the insurance renewal to the point it is today.

11. CalAIM Program Summary

12. Quarterly Reports to the Finance and Audit Committee

- a. Net Asset Analysis
- b. Enrollment Trend Report
- c. Shared Risk Pool Performance Report
- d. Health Network Financial Report

**COMMITTEE MEMBER COMMENTS**

Committee members thanked staff for the work that went into preparing the FY 2024-25 budgets and the detail provided in the meeting materials and presentations.

Minutes of the Special Meeting of the  
Board of Directors' Finance and Audit Committee  
May 23, 2024  
Page 6

**ADJOURNMENT**

Hearing no further business, Chair Becerra adjourned the meeting at 4:49 p.m.

/s/ Sharon Dwiers  
Sharon Dwiers  
Clerk of the Board

*Approved: September 19, 2024*

## **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken October 3, 2024**

#### **Regular Meeting of the CalOptima Health Board of Directors**

#### **Consent Calendar**

4. Ratify Appointment to the CalOptima Health Board of Directors' Investment Advisory Committee

#### **Contact**

Nancy Huang, Chief Financial Officer, (657) 235-6935

#### **Recommended Actions**

Ratify appointment of James Meehan to the Board of Directors' Investment Advisory Committee for a two-year term, beginning October 6, 2022.

#### **Background**

At a Special Meeting of the CalOptima Health Board of Directors (Board) held on September 10, 1996, the Board authorized the creation of the CalOptima Health Investment Advisory Committee (IAC), established qualifications for committee members, and directed staff to proceed with the recruitment of the volunteer members of the Committee.

When creating the IAC, the Board specified that the Committee would consist of five (5) members; one (1) member would automatically serve by virtue of his or her position as CalOptima Health's Chief Financial Officer. The remaining four (4) members would be Orange County residents who possess experience in one (1) or more of the following areas: investment banking, investment brokerage and sales, investment management, financial management and planning, commercial banking, or financial accounting.

At the September 5, 2000, meeting, the Board approved expanding the composition of the IAC from five (5) members to seven (7) members in order to have more diverse opinions and backgrounds to advise CalOptima Health on its investment activities.

#### **Discussion**

After the April 25, 2022, meeting, an IAC Nominations Ad Hoc Committee (Ad Hoc Committee) was formed to review and recommend a candidate for a vacant seat on the IAC. The Ad Hoc Committee was comprised of IAC members David Hutchison, Rodney Johnson, Nancy Huang, and CalOptima Health staff. The recruitment process included asking for referrals from the current Board, IAC members, and CalOptima Health senior management. Staff received four (4) applications from interested candidates and submitted them to the Ad Hoc Committee for their review and recommendation. Prior to conducting virtual interviews in mid-July 2022, the Ad Hoc Committee evaluated all applications. The IAC considered the recommendation from Ad Hoc Committee at its July 25, 2022, meeting.

James Meehan is a current member of the Investment Committee of the Pacific Gas and Electric Company, which provides independent oversight and reporting of \$5 billion dollars in trust fund assets. Mr. Meehan has over forty (40) years of experience in the investment industry, with positions

as Managing Director/Partner at Pacific Alternative Asset Management Company, Senior Vice President at PIMCO, and President of JPM Financial Group. Mr. Meehan has a B.A. in Economics from the University of Notre Dame, an M.B.A. in Finance and Accounting from the University of San Diego and holds his FINRA Series 3, 6, 22, and 63 Licenses.

Mr. Meehan will provide leadership and service to CalOptima Health's investment oversight through his participation as an IAC member. He also has proven leadership and expertise in finance and accounting.

Due to an internal procedural error, staff inadvertently excluded this item from the subsequent Finance and Audit Committee and Board meeting agendas after the IAC approved the recommendation on July 25, 2022. Mr. Meehan has been serving on the IAC since October 6, 2022, and staff requests that the appointment of Mr. Meehan to the IAC be ratified. Since then, staff have adopted stronger oversight procedures to ensure agenda items move forward to subsequent meetings appropriately.

#### **Fiscal Impact**

There is no fiscal impact. An individual appointed to the IAC assists CalOptima Health in suggesting updates to and ensuring compliance with CalOptima Health's Board-approved Annual Investment Policy and monitors the performance of CalOptima Health's investments, investment advisory, and investment managers.

#### **Rationale for Recommendation**

The individual recommended for CalOptima Health's IAC has extensive experience that meets or exceeds the specified qualifications for membership on the IAC.

#### **Concurrence**

Troy R. Szabo, Outside Counsel, Kennaday Leavitt  
Board of Directors' Investment Advisory Committee  
Board of Directors' Finance and Audit Committee

#### **Attachment**

None

/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**



## **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken October 3, 2024**

#### **Regular Meeting of the CalOptima Health Board of Directors**

#### **Consent Calendar**

- 5 Ratify Reappointment and Committee Chair Appointment to the CalOptima Health Board of Directors' Investment Advisory Committee

#### **Contact**

Nancy Huang, Chief Financial Officer, (657) 235-6935

#### **Recommended Actions**

Ratify Rodney Johnson for the following:

1. Reappointment to the Board of Directors' Investment Advisory Committee for an amended two-year term effective October 6, 2022; and
2. Appointment to serve as Chair of the IAC for a two-year term, beginning October 6, 2022, and continuing until October 5, 2024, or until a successor is appointed.

#### **Background**

At a Special Meeting of the CalOptima Health Board of Directors (Board) held on September 10, 1996, the Board authorized the creation of the CalOptima Health Investment Advisory Committee (IAC), established qualifications for committee members, and directed staff to proceed with the recruitment of the volunteer members of the Committee.

When creating the IAC, the Board specified that the Committee would consist of five (5) members; one (1) member would automatically serve by virtue of his or her position as CalOptima Health's Chief Financial Officer. The remaining four (4) members would be Orange County residents who possess experience in one (1) or more of the following areas: investment banking, investment brokerage and sales, investment management, financial management and planning, commercial banking, or financial accounting.

At the September 5, 2000, meeting, the Board approved expanding the composition of the IAC from five (5) members to seven (7) members in order to have more diverse opinions and backgrounds to advise CalOptima Health on its investment activities.

#### **Discussion**

The candidate recommended for reappointment, Rodney Johnson, has consistently provided leadership and service to CalOptima Health through his long-time participation as an IAC member.

Mr. Johnson has served as a member of the IAC since June 6, 2013. Mr. Johnson has extensive experience working with public agencies. He is currently the Senior Director, Finance-Treasury for Los Angeles County Metropolitan Transportation. He previously worked as the Deputy Treasurer of the Orange County Transportation Authority. He has been responsible for daily analysis of short-term and long-term cash flow needs, executing investments, and overseeing five (5) different investment management firms. Prior to that, Mr. Johnson held positions at BNY Western Trust Company, Fund

Services Associates, Inc., and Muni Financial Services, Inc. Mr. Johnson has a M.P.A. from California State University, Long Beach and a B.A. from California State University, Fullerton.

Mr. Johnson received nominations from current IAC members to serve as the next Chair of the IAC.

The IAC approved to recommend Mr. Johnson for reappointment to the IAC and appointment as Chair of the IAC at the July 25, 2022, meeting. However, due to an internal procedural error, staff inadvertently excluded this item from the subsequent Finance and Audit Committee and Board meeting agendas after it received IAC approval. Mr. Johnson has continued to serve on the IAC and is currently serving as the Chair of the IAC. Staff recommend that Mr. Johnson's reappointment to the IAC and appointment as IAC Chair be ratified. Since then, staff have adopted stronger oversight procedures to ensure agenda items move forward to subsequent meetings appropriately.

**Fiscal Impact**

There is no fiscal impact. An individual appointed to the IAC assists CalOptima Health in suggesting updates to and ensuring compliance with CalOptima Health's Board-approved Annual Investment Policy, and monitors the performance of CalOptima Health's investments, investment advisor and investment managers.

**Rationale for Recommendation**

The individual recommended for CalOptima Health's IAC has extensive experience that meets or exceeds the specified qualifications for membership on the IAC. In addition, the candidate has long provided outstanding service as a member of the IAC.

**Concurrence**

Troy R. Szabo, Outside Counsel Kennaday Leavitt  
Board of Directors' Investment Advisory Committee  
Board of Directors' Finance and Audit Committee

**Attachment**

None

/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**

# **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

## **Action To Be Taken October 3, 2024**

### **Regular Meeting of the CalOptima Health Board of Directors**

#### **Consent Calendar**

6. Approve Reappointments to the CalOptima Health Board of Directors' Investment Advisory Committee

#### **Contact**

Nancy Huang, Chief Financial Officer, (657) 235-6935

#### **Recommended Actions**

Reappoint the following individuals to the Board of Directors' Investment Advisory Committee for two (2)-year terms beginning October 6, 2024:

1. Colleen Clark;
2. David Hutchison, and
3. James Meehan.

#### **Background**

At a Special Meeting of the CalOptima Health Board of Directors (Board) held on September 10, 1996, the Board authorized the creation of the CalOptima Health Investment Advisory Committee (IAC), established qualifications for committee members, and directed staff to proceed with the recruitment of the volunteer members of the IAC.

When creating the IAC, the Board stipulated that the IAC would consist of five (5) members, including one (1) member who would automatically serve by virtue of his or her position as CalOptima Health's Chief Financial Officer (CFO). The remaining four (4) members would be Orange County residents who possess experience in one (1) or more of the following areas: investment banking, investment brokerage and sales, investment management, financial management and planning, commercial banking, or financial accounting.

At the September 5, 2000, meeting, the Board approved expanding the composition of the IAC from five (5) members to seven (7) members in order to have more diverse opinions and backgrounds to advise CalOptima Health on its investment activities.

#### **Discussion**

The candidates recommended for reappointment have proven leadership and expertise in finance and accounting.

Colleen Clark has served as a member of the IAC since October 1, 2020, and has over twenty-seven (27) years of experience and knowledge of public finance, investments, accounting, and government and legislative processes. Ms. Clark was the Director of Public Finance for the County of Orange and worked as the Deputy Chief Executive Officer and CFO for the Orange County Great Park. Ms. Clark served as the CFO at the Transportation Corridor Agency in Irvine and is a retired Certified Public Accountant.

David Hutchison, CFA, has served as a member of the IAC since October 1, 2020, and currently works for Triad Investment Management where he is a Partner and Portfolio Manager. Mr. Hutchison has over twenty (20) years of investment experience and has previously held positions as President of Hutchison Capital, Investment Strategist for Chamberlain Group, and Senior Equity Analyst for Insight Capital Research & Management. He is a chartered financial analyst (CFA) charter holder and member of both CFA Institute and CFA Society Orange County.

James Meehan is a current member of the Investment Committee of the Pacific Gas and Electric Company, which provides independent oversight and reporting of \$5 billion in trust fund assets. Mr. Meehan has over forty (40) years of experience in the investment industry, with positions as Managing Director/Partner at Pacific Alternative Asset Management Company, Senior Vice President at PIMCO, and President of JPM Financial Group. Mr. Meehan has a B.A. in Economics from the University of Notre Dame, an M.B.A. in Finance and Accounting from the University of San Diego and holds his FINRA Series 3, 6, 22, and 63 licenses.

### **Fiscal Impact**

There is no fiscal impact. Individuals appointed to the IAC assist CalOptima Health in suggesting updates to and ensuring compliance with CalOptima Health's Board-approved Annual Investment Policy, and monitor the performance of CalOptima Health's investments, investment advisor, and investment managers.

### **Rationale for Recommendation**

The individuals recommended for CalOptima Health's IAC have extensive experience that meets or exceeds the specified qualifications for membership on the IAC.

### **Concurrence**

Troy R. Szabo, Outside General Counsel, Kennaday Leavitt  
Board of Directors' Investment Advisory Committee  
Board of Directors' Finance and Audit Committee

### **Attachment**

None

/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**

## **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken October 3, 2024**

#### **Regular Meeting of the CalOptima Health Board of Directors**

#### **Consent Calendar**

7. Approve Reappointment and Committee Chair Reappointment to the CalOptima Health Board of Directors' Investment Advisory Committee

#### **Contact**

Nancy Huang, Chief Financial Officer, (657) 235-6935

#### **Recommended Actions**

Reappoint Rodney Johnson:

1. To the Investment Advisory Committee for a two (2)-year term, effective October 6, 2024; and
2. To serve as Chair of the Investment Advisory Committee for a two (2)-year term, beginning October 6, 2024, and continuing until October 5, 2026, or until a successor is appointed.

#### **Background**

At a Special Meeting of the CalOptima Health Board of Directors (Board) held on September 10, 1996, the Board authorized the creation of the CalOptima Health Investment Advisory Committee (IAC), established qualifications for committee members, and directed staff to proceed with the recruitment of the volunteer members of the IAC.

When creating the IAC, the Board specified that the IAC would consist of five (5) members, including one (1) member who would automatically serve by virtue of his or her position as CalOptima Health's Chief Financial Officer. The remaining four (4) members would be Orange County residents who possess experience in one (1) or more of the following areas: investment banking, investment brokerage and sales, investment management, financial management and planning, commercial banking, or financial accounting.

At the September 5, 2000, meeting, the Board approved expanding the composition of the IAC from five (5) members to seven (7) members in order to have more diverse opinions and backgrounds to advise CalOptima Health on its investment activities.

#### **Discussion**

The candidate recommended for reappointment, Rodney Johnson, has consistently provided leadership and service to CalOptima Health through his long-time participation as an IAC member.

Mr. Johnson has served as a member of the IAC since June 6, 2013, and has over thirty (30) years of experience in the field of public finance. He is currently the Treasurer for Los Angeles County Metropolitan Transportation. Mr. Johnson previously worked as the Deputy Treasurer of the Orange County Transportation Authority and has extensive public and private sector experience specializing in multiple areas of municipal finance, defined contribution, and defined benefit retirement plans. His responsibilities include all aspects of municipal debt issuance and administration, investment of public funds, and creation, implementation, and management of public policy. Mr. Johnson has an

M.P.A. from California State University, Long Beach and a B.A. from California State University, Fullerton.

**Fiscal Impact**

There is no fiscal impact. An individual appointed to the IAC assists CalOptima Health in suggesting updates to and ensuring compliance with CalOptima Health's Board-approved Annual Investment Policy, and monitors the performance of CalOptima Health's investments, investment advisors, and investment managers.

**Rationale for Recommendation**

The individual recommended for CalOptima Health's IAC has extensive experience that meets or exceeds the specified qualifications for membership on the IAC.

**Concurrence**

Troy R. Szabo, Outside General Counsel, Kennaday Leavitt  
Board of Directors' Investment Advisory Committee  
Board of Directors' Finance and Audit Committee

**Attachment**

None

/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**



# **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken October 3, 2024**

**Regular Meeting of the CalOptima Health Board of Directors**

## **Consent Calendar**

8. Ratify Amendments to CalOptima Health's Primary and Secondary Agreements with the California Department of Health Care Services

## **Contact**

Nancy Huang, Chief Financial Officer, (657) 235-6935

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

## **Recommended Action**

Ratify Amendments between the California Department of Health Care Services and CalOptima Health related to Calendar Year 2023 rate changes.

## **Background**

As a County Organized Health System, CalOptima Health contracts with the Department of Health Care Services (DHCS) to provide health care services to Medi-Cal beneficiaries in Orange County. In December 2016, CalOptima Health entered into a four-(4) year agreement with the DHCS for the Primary Agreement for Medi-Cal services. Amendments to this agreement are summarized in the attached appendix, including Amendment 62, which extended the previous Primary Agreement to December 31, 2023. The Primary Agreement contains, among other terms and conditions, the payment rates CalOptima Health receives from DHCS to provide health care services.

## **Discussion**

### **Calendar Year (CY) 2023 Primary Agreement Rates**

The mainstream capitation rates for January 1, 2023, through December 31, 2023, for CalOptima Health's Primary Agreement were first sent to CalOptima Health as draft rates in September 2022 and as final rates in December 2022.

On May 13 and May 29, 2024, DHCS provided CalOptima Health with updated final CY 2023 rates. The updated final CY 2023 rates include the following updates:

- **Enrollment**
  - Updated CY 2023 enrollment counts from projected counts based on actual enrollment observed with runout through July 2022 to actual counts based on enrollment observed through December 2023.
- **Base Data**
  - For CY 2023 Unsatisfactory Immigration Status (UIS) rate development, the UIS base data was collected in total across both federal and state-only services, and federal percentages separately developed by category of aid and category of service were used to delineate the UIS base data into federally eligible and state-only services.
  - Extension of the 10% payment level increase for hospice room and board services.

- Population Acuity
  - Updated population acuity adjustment methodology by leveraging the methodology and data analysis used for the CY 2024 Population Acuity Adjustment, credibility blended with the original process used for CY 2023 rates with updates for actual enrollment instead of projected enrollment.
  - Updated relative acuity assumptions that rely upon the updated analysis based on actual State Fiscal Year 2021-2022 encounter data experience, risk scores of members who were disenrolled in July-September 2023 and actual CY 2023 enrollment data.
- Programmatic Changes
  - Adjustments impacted by updates to the assumed federal percentage development for the outpatient facility and transportation categories of service for the (1) undocumented 50+ expansion, and (2) Assembly Bill 97 Buybacks.
  - Inclusion of continuous glucose monitoring (effective January 1, 2022) to account for the expansion of this benefit for members aged 21 and over with Type 1 diabetes and confirmation of the partially carved-out status of this benefit under Medi-Cal Rx.
- Managed Care Organization (MCO) Tax
  - Updated MCO tax add-on per member per month to reflect the MCO tax amount applicable to the April 2023 to December 2023 time period.

### **Calendar Year (CY) 2023 Secondary Agreement Rates**

The Secondary Agreement rates for January 1, 2023, through December 31, 2023, were first sent to CalOptima Health as final rates in December 2022 and as updated final rates in August 2024.

DHCS provided the finalized amendments to the previous Primary and Secondary Agreements that ended on December 31, 2023, to CalOptima Health for signature on Wednesday, August 7, 2024. DHCS requested that CalOptima Health sign and return the amendments no later than Wednesday, August 21, 2024. In order to meet DHCS's deadline, CalOptima Health procured the Chair's signature on Thursday, August 8, 2024, and returned the signed amendments to DHCS. As such, staff requests the CalOptima Health Board of Directors ratify the Board Chair's execution of the amendments with the DHCS.

The anticipated impact of these updated final CY 2023 rate changes is identified in the Fiscal Impact section.

### **Fiscal Impact**

The recommended action has no material fiscal impact beyond what was incorporated in CalOptima Health's Fiscal Year (FY) 2022-23 and FY 2023-24 financials. Staff included estimated rates during the fiscal year reporting based on rate updates provided by DHCS.

### **Rationale for Recommendation**

DHCS develops capitation rates according to base data reported by CalOptima Health through the rate development template process and adjusted for trends and program changes. Execution of the contract amendments will ensure revenues, expenses, and cash payment are consistent with the approved budget to support CalOptima Health operations.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachment**

1. [Appendix Summary of Amendments to Primary and Secondary Agreements with DHCS](#)

/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**

## APPENDIX TO AGENDA ITEM #8

The following is a summary of amendments to the Primary Agreement (23-30235) approved by the CalOptima Health Board of Directors (Board) to date:

| Amendments to Primary Agreement  | Board Approval   |
|--|------------------|
| <b>Primary Agreement 23-30235</b> provides language and benefit changes effective January 1, 2024. | December 7, 2023 |
| <b>A-01</b> incorporates Calendar Year (CY) 2024 capitation rates.                                 | March 7, 2024    |
| <b>A-02</b> incorporates language and benefit changes effective January 1, 2024.                   | August 1, 2024   |

The following is a summary of amendments to the Primary Agreement (08-85214) approved by the CalOptima Health Board of Directors (Board) to date:

| Amendments to Primary Agreement  | Board Approval    |
|--|-------------------|
| <b>A-01</b> provided language changes related to Indian Health Services, home and community-based services, and addition of aid codes effective January 1, 2009.   | October 26, 2009  |
| <b>A-02</b> provided rate changes that reflected implementation of the gross premiums tax authorized by AB 1422 (2009) for the period January 1, 2009, through June 30, 2009.  | October 26, 2009  |
| <b>A-03</b> provided revised capitation rates for the period July 1, 2009, through June 30, 2010; and rate increases to reflect the gross premiums tax authorized by AB 1422 (2009) for the period July 1, 2009, through June 30, 2010.  | January 7, 2010   |
| <b>A-04</b> included the necessary contract language to conform to AB X3 (2009), to eliminate nine (9) Medi-Cal optional benefits.   | July 8, 2010      |
| <b>A-05</b> provided revised capitation rates for the period July 1, 2010, through June 30, 2011, including rate increases to reflect the gross premium tax authorized by AB 1422 (2009), the hospital quality assurance fee (QAF) authorized by AB 1653 (2010), and adjustments for maximum allowable cost pharmacy pricing.                      | November 4, 2010  |
| <b>A-06</b> provided revised capitation rates for the period July 1, 2010, through June 30, 2011, for funding for legislatively mandated rate adjustments to Long Term Care facilities effective August 1, 2010; and rate increases to reflect the gross premiums tax on the adjusted revenues for the period July 1, 2010, through June 30, 2011. | September 1, 2011 |
| <b>A-07</b> included a rate adjustment that reflected the extension of the supplemental funding to hospitals authorized in AB 1653 (2010), as well as an Intergovernmental Transfer (IGT) program for Non-Designated Public Hospitals (NDPHs) and Designated Public Hospitals (DPHs).  | November 3, 2011  |

| <b>Amendments to Primary Agreement</b>   | <b>Board Approval</b> |
|--|-----------------------|
| <b>A-08</b> provided revised capitation rates for the period July 1, 2010, through June 30, 2011, for funding related to the Intergovernmental Transfer (IGT) Agreement between CalOptima and the University of California, Irvine.  | March 3, 2011         |
| <b>A-09</b> included contract language and supplemental capitation rates related to the addition of the Community Based Adult Services (CBAS) benefit in managed care plans.   | June 7, 2012          |
| <b>A-10</b> included contract language and capitation rates related to the transition of Healthy Families Program (HFP) subscribers into CalOptima's Medi-Cal program  | December 6, 2012      |
| <b>A-11</b> provided capitation rates related to the transition of HFP subscribers into CalOptima's Medi-Cal program.  | April 4, 2013         |
| <b>A-12</b> provided capitation rates for the period July 1, 2011 to June 30, 2012.  | April 4, 2013         |
| <b>A-13</b> provided capitation rates for the period July 1, 2012 to June 30, 2013   | June 6, 2013          |
| <b>A-14</b> extended the Primary Agreement until December 31, 2014   | June 6, 2013          |
| <b>A-15</b> included contract language related to the mandatory enrollment of seniors and persons with disabilities, requirements related to the Balanced Budget Amendment of 1997 (BBA) and Health Insurance Portability and Accountability Act (HIPAA) Omnibus Rule                            | October 3, 2013       |
| <b>A-16</b> provided revised capitation rates for the period July 1, 2012, through June 30, 2013 and revised capitation rates for the period January 1, 2013, through June 30, 2014 for Phases 1, 2 and 3 transition of Healthy Families Program (HFP) children to the Medi-Cal program          | November 7, 2013      |
| <b>A-17</b> included contract language related to implementation of the Affordable Care Act, expansion of Medi-Cal, the integration of the managed care mental health and substance use benefits and revised capitation rates for the period July 1, 2013 through June 30, 2014.                 | December 5, 2013      |
| <b>A-18</b> provided revised capitation rates for the period July 1, 2013, through June 30, 2014.  | June 5, 2014          |
| <b>A-19</b> extended the Primary Agreement until December 31, 2015 and included language that incorporates provisions related to <b>Medicare Improvements for Patients and Providers Act</b> (MIPPA)-compliant contracts and eligibility criteria for Dual Eligible Special Needs Plans (D-SNPs) | August 7, 2014        |
| <b>A-20</b> provided revised capitation rates for the period July 1, 2012, through June 30, 2013, for funding related to the Intergovernmental Transfer (IGT) Agreement between CalOptima and the University of California, Irvine and Optional Targeted Low-Income Child Members                | September 4, 2014     |
| <b>A-21</b> provided revised 2013-2014 capitation rates.   | November 7, 2013      |
| <b>A-22</b> revised capitation rates for Fiscal Year (FY) 2013-14 and added an aid code to implement Express Lane/CalFresh Eligibility   | November 6, 2014      |

| <b>Amendments to Primary Agreement</b>  | <b>Board Approval</b>                                |
|---|--|
| <b>A-23</b> revised ACA 1202 rates for January – June 2014, established base capitation rates for FY 2014-2015, added an aid code related to the OTLIC and AIM programs, and contained language revisions related to supplemental payments for coverage of Hepatitis C medications. | December 4, 2014                                     |
| <b>A-24</b> revises capitation rates to include SB 239 Hospital Quality Assurance Fees for the period January 1, 2014 to June 30, 2014.   | May 7, 2015  |
| <b>A-25</b> extends the contract term to December 31, 2016. DHCS is obtaining a continuation of the services identified in the original agreement.  | May 7, 2015  |
| <b>A-26</b> adjusts the 2013-2014 Intergovernmental Transfer (IGT) rates.   | May 7, 2015  |
| <b>A-27</b> adjusts 2013-2014 capitation rates for Optional Expansion and SB 239.   | May 7, 2015  |
| <b>A-28</b> incorporates language requirements and supplemental payments for BHT into primary agreement.  | October 2, 2014                                      |
| <b>A-29</b> added optional expansion rates for January- June 2015; also added updates to MLR language.  | April 2, 2015  |
| <b>A-30</b> incorporates language regarding Provider Preventable Conditions (PPC), determination of rates, and adjustments to 2014-2015 capitation rates with respect to Intergovernmental Transfer (IGT) Rate Range and Hospital Quality Assurance Fee (QAF).                      | December 1, 2016                                     |
| <b>A-31</b> extends the Primary Agreement with DHCS to December 31, 2020.   | December 1, 2016                                     |
| <b>A-32</b> incorporates base rates for July 2015 to June 2016 with Behavioral Health Treatment (BHT) and Hepatitis–C supplemental payments, and Partial Dual/Medi-Cal only rates, and added aid codes 4U, and 2P–2U as covered aid codes.  | February 2, 2017                                     |
| <b>A-33</b> incorporates base rates for July 2016 to June 2017.   | February 2, 2017                                     |
| <b>A-34</b> incorporates revised Adult Optional Expansion rates for January 2015 to June 2015. These rates were revised to include the impact of the Hospital Quality Assurance Fee (HQAF) required by Senate Bill (SB) 239.  | June 1, 2017   |
| <b>A-35</b> incorporates Managed Long–Term Services and Supports (MLTSS) into CalOptima’s Primary Agreement with the DHCS.  | March 6, 2014<br>February 2, 2017                    |
| <b>A-36</b> incorporates revised base rates for July 2015 to June 2016.   | December 7, 2017                                     |
| <b>A-37</b> incorporates revised base rates for July 2016 to June 2017.   | February 7, 2019                                     |
| <b>A-38</b> incorporates full dual rates for Calendar Year (CY) 2015  | August 1, 2019                                       |
| <b>A-39</b> incorporates full dual rates for Calendar Year (CY) 2016  | August 1, 2019                                       |
| <b>A-40</b> incorporates Final Rule contract language.  | June 1, 2017<br>February 6, 2020                     |
| <b>A-41</b> incorporates base rates for July 2017 to June 2018, Transportation, American Indian Health Program, Mental Health Parity, CCI updates and Adult Expansion Risk Corridor language for SFY 2017-18.   | December 7, 2017<br>June 7, 2018<br>February 6, 2020 |



| <b>Amendments to Primary Agreement</b>   | <b>Board Approval</b>                               |
|--|---|
| <b>A-42</b> incorporated revised base rates for July 2017 to June 2018, directed payments language and mental health parity documentation requirements.  | August 1, 2019                                      |
| <b>A-43</b> incorporates revises Hospital Quality Assurance Fee (HQAF) rates for January 1, 2017 to June 30, 2017.   | August 1, 2019                                      |
| <b>A-44</b> incorporates full dual rates for Calendar Year (CY) 2017.  | August 1, 2019                                      |
| <b>A-45</b> incorporates the new requirements of the 2018 Final Rule Amendment, Behavioral Health Treatment (BHT) and State Fiscal Year (SFY) 2018 – 19 capitation rates   | June 7, 2018<br>August 1, 2019<br>August 6, 2020    |
| <b>A-46</b> incorporates full dual rates for Calendar Year (CY) 2018.  | August 1, 2019                                      |
| <b>A-47</b> incorporates full dual rates for Calendar Year (CY) 2019.  | October 1, 2020                                     |
| <b>A-48</b> incorporates new Bridge Period, Health Homes Program (HHP) and Whole Child Model (WCM) language and adds 2019 – 2020 capitation rates  | June 7, 2018<br>October 1, 2020<br>February 4, 2021 |
| <b>A-49</b> extends the Primary Agreement with DHCS to December 31, 2021   | November 5, 2020                                    |
| <b>A-50</b> incorporates full dual rates for Calendar Year (CY) 2020.  | February 4, 2021                                    |
| <b>A-51</b> incorporates full dual rates for Calendar Year (CY) 2021.  | February 4, 2021                                    |
| <b>A-52</b> incorporates Calendar Year (CY) 2021 base amendment contract language.   | October 7, 2021                                     |
| <b>A-53</b> incorporates Calendar Year (CY) 2021 fall amendment contract language.   | October 7, 2021                                     |
| <b>A-54</b> extends the Primary Agreement with DHCS to December 31, 2022.  | October 7, 2021                                     |
| <b>A-55</b> incorporates full dual rates for Calendar Year (CY) 2022.  | March 3, 2022                                       |
| <b>A-56</b> incorporates updated Bridge Period (July 1, 2019 – December 31, 2020) capitation payment rates that are now split into rates for Satisfactory Immigration Status (SIS) and Unsatisfactory Immigration Status (UIS) members, and includes new corresponding rate tables that split each existing category into a SIS and UIS version. | October 1, 2020                                     |
| <b>A-57</b> incorporates Calendar Year (CY) 2022 risk mitigation language.   | March 3, 2022                                       |
| <b>A-58</b> incorporates the COVID Vaccination Incentive Program.  | March 3, 2022                                       |
| <b>A-59</b> incorporates new Calendar Year (CY) 2022 capitation rates and benefit changes implemented in CY 2022   | August 5, 2021<br>March 3, 2022<br>August 4, 2022   |
| <b>A-60</b> incorporates new benefits changes for Calendar Year (CY) 2022.   | August 4, 2022                                      |
| <b>A-61</b> incorporates new benefit changes for Calendar Year (CY) 2022.  | May 4, 2023   |
| <b>A-62</b> extends the Primary Agreement with DHCS to December 31, 2023.  | May 5, 2022   |
| <b>A-63</b> incorporates new benefits changes for Calendar Year (CY) 2023.   | February 2, 2023                                    |
| <b>A-64</b> incorporates updated Calendar Year (CY) 2021 capitation payment rates that are now split into rates for Satisfactory Immigration Status (SIS) members and Unsatisfactory Immigration Status (UIS) members.   | Not applicable due to non – substantive changes.    |
| <b>A-65</b> incorporates updated Calendar Year (CY) 2022 Public Health Emergency (PHE) capitation rates.   | November 2, 2023                                    |

| <b>Amendments to Primary Agreement</b>  | <b>Board Approval</b>                            |
|---|--|
| <b>A-66</b> incorporates updated Calendar Year 2022 Capitation Payment rates that are now split into rates for Satisfactory Immigration Status (SIS) members and Unsatisfactory Immigration Status (UIS) members and includes new corresponding rate tables that split each existing category into a SIS version and UIS version. | Not applicable due to non – substantive changes. |
| <b>A-67</b> incorporates Calendar Year (CY) 2023 capitation rates and new benefits for CY 2023.   | December 7, 2023                                 |
| <b>A-68</b> incorporates revised Calendar Year (CY) 2022 CCI Full Dual capitation rates.  | June 1, 2023                                     |
| <b>A-69</b> incorporates updated Calendar Year (CY) 2023 capitation rates.  | October 3, 2024                                  |

The following is a summary of amendments to the Secondary Agreement (23-30267) approved by the CalOptima Health Board of Directors (Board) to date:

| <b>Amendments to Secondary Agreement</b>   | <b>Board Approval</b> |
|--|-----------------------|
| <b>Agreement 23 – 30267</b> covers specific state – supported services to CalOptima Health’s members enrolled under CalOptima Health’s Primary Agreement (23 – 30235). | December 7, 2023      |
| <b>A-01</b> incorporates Calendar Year (CY) 2024 capitation rates.   | March 7, 2024         |

The following is a summary of amendments to the Secondary Agreement (08-85221) approved by the CalOptima Health Board of Directors (Board) to date:

| <b>Amendments to Secondary Agreement</b>  | <b>Board Approval</b>   |
|---|---|
| <b>A-01</b> implemented rate amendments to conform to rate amendments contained in the Primary Agreement with DHCS (08-85214).  | July 8, 2010  |
| <b>A-02</b> implemented rate adjustments to reflect a decrease in the statewide average cost for Sensitive Services for the rate period July 1, 2010 through June 30, 2011.   | August 4, 2011  |
| <b>A-03</b> extended the term of the Secondary Agreement to December 31, 2014.  | June 6, 2013  |
| <b>A-04</b> incorporates rates for the periods July 1, 2011 through June 30, 2012, and July 1, 2012 through June 30, 2013 as well as extends the current term of the Secondary Agreement to December 31, 2015   | January 5, 2012 (FY 11-12 and FY 12-13 rates)<br><br>May 1, 2014 (term extension) |
| <b>A-05</b> incorporates rates for the periods July 1, 2013 through June 30, 2014, and July 1, 2014 through June 30, 2015. For the period July 1, 2014 through June 30, 2015, Amendment A-05 also adds funding for the Medi-Cal expansion population for services provided through the Secondary Agreement. | December 4, 2014  |
| <b>A-06</b> incorporates rates for the period July 1, 2015 onward. A-06 also extends the term of the Secondary Agreement to December 31, 2016.  | May 7, 2015 (term extension)  |

|   |   |
|---|---|
|   | Ratification of rates requested April 7, 2016 |
| <b>A-07</b> extends the Secondary Agreement with the DHCS to December 31, 2020.   | December 1, 2016                              |
| <b>A-08</b> incorporates Adult & Family/Optional Targeted Low–Income Child and Adult Expansion rates for July 2016 to June 2017 and July 2017 to June 2018. | December 6, 2018                              |
| <b>A-09</b> incorporates updated Calendar Year (CY) 2022 Public Health Emergency (PHE) capitation rates.  | November 2, 2023                              |
| <b>A-10</b> extends the Secondary Agreement with DHCS to December 31, 2021  | November 5, 2020                              |
| <b>A-12</b> extends the Secondary Agreement with DHCS to December 31, 2022.   | October 7, 2021                               |

The following is a summary of amendments to the Secondary Agreement (22-20494) approved by the CalOptima Health Board of Directors (Board) to date:

|   |                  |
|---|------------------|
| <b>Agreement 22-20494</b> incorporates both Hyde services (“Private Services”) and the new Unsatisfactory Immigration Status members from January 1, 2023 to December 31, 2023. | December 1, 2022 |
| <b>A-01</b> incorporates rates for CY 2023 for Hyde services (now referred to as “Private Services”) and the new Unsatisfactory Immigration Status (UIS) members.               | December 1, 2022 |
| <b>A-02</b> incorporates updated Calendar Year (CY) 2023 capitation rates.  | October 3, 2024  |

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

| <b>Amendments to Agreement 16-93274</b>                                    | <b>Board Approval</b>                            |
|--|--|
| <b>A-01</b> extends the Agreement 16-93274 with DHCS to December 31, 2018. | August 3, 2017                                   |
| <b>A-02</b> extends the Agreement 16–93274 with DHCS to December 31, 2019  | June 7, 2018                                     |
| <b>A-03</b> extends the Agreement 16–93274 with DHCS to December 31, 2020  | May 2, 2019                                      |
| <b>A-04</b> extends the Agreement 16–93274 with DHCS to December 31, 2021  | June 4, 2020                                     |
| <b>A-05</b> extends the Agreement 16–93274 with DHCS to December 31, 2022. | June 3, 2021                                     |
| <b>A-06</b> extends Agreement 16 – 93274 with DHCS to December 31, 2023.   | May 5, 2022                                      |
| <b>A-07</b> extends Agreement 16 – 93274 with DHCS to December 31, 2023.   | October 6, 2022                                  |
| <b>A-08</b> extends Agreement 16 – 93274 with DHCS to December 31, 2023.   | Not applicable due to non – substantive changes. |
| <b>A-09</b> extends Agreement 16 – 93274 with DHCS to December 31, 2024.   | May 4, 2023                                      |

|   |             |
|---|-------------|
| <b>A-10</b> extends Agreement 16 – 93274 with DHCS to December 31, 2025 | May 2, 2024 |
|---|-------------|

The following is a summary of amendments to Agreement 17–94488 approved by the CalOptima Health Board of Directors (Board) to date:

| <b>Amendments to Agreement 17-94488</b>   | <b>Board Approval</b> |
|---|-----------------------|
| <b>A-01</b> enables DHCS to fund the development of palliative care policies and procedures (P&Ps) to implement California Senate Bill (SB) 1004. | December 7, 2017      |

The following is a summary of amendments to CalOptima Health’s Agreement for Disclosure and Use of DHCS Data (2023 Post – Expiration Data Use Agreement (DUA)) and 2024 Operational Readiness (OR) DUA.

| <b>Amendments to Data Use Agreement</b>  | <b>Board Approval</b> |
|--|-----------------------|
| <b>CY 2023 Data Use Agreement (DUA)</b> allows for the exchange of information between DHCS and CalOptima Health after the current contract expires on December 31, 2023.                      | November 2, 2023      |
| <b>CY 2024 Operational Readiness (OR) DUA</b> allows DHCS to initiate and execute the necessary data releases ahead of January 1, 2024 for DHCS to share necessary data with CalOptima Health. | November 2, 2023      |

## CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

**Action To Be Taken October 3, 2024**

**Regular Meeting of the CalOptima Health Board of Directors**

### **Consent Calendar**

9. Adopt Resolution No. 24-1003-01 Approving and Adopting Updated CalOptima Health Human Resources Policies

### **Contact**

Michael Hunn, Chief Executive Officer, (657) 900-1481

### **Recommended Actions**

Adopt Resolution No. 24-1003-01 approving updated CalOptima Health policies:

- a. GA.8018: Paid Time Off (PTO);
- b. GA.8022: Performance and Behavior Standards;
- c. GA.8025: Equal Employment Opportunity;
- d. GA.8027: Harassment, Discrimination, and Retaliation Prevention, and Attachment A
- e. GA.8036: Education Reimbursement;
- f. ~~GA.8037: Leave of Absence;~~
- g. GA.8038: Personal Leave of Absence;
- h. GA.8044: Telework Program;
- i. ~~GA.8051: Hiring of Relatives; and~~
- j. GA.8056: Paid Holidays.

Rev. 10/03/2024

### **Background**

Near CalOptima Health's inception, the Board of Directors (Board) delegated authority to the Chief Executive Officer 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.

### **Discussion**

Staff includes the list of revised policies for Board approval and a summary of changes for the updated policies below.

**GA.8018: Paid Time Off (PTO):** This policy provides managers and supervisors with appropriate guidelines to administer CalOptima Health's Paid Time Off (PTO) benefit.

| Policy Section | Proposed Change  | Rationale   | Impact                          |
|----------------|--|---|---------------------------------|
| II.C.3         | Add language for situations where a prior employee (who was eligible for Paid Sick Leave) is rehired and clarify that unused Paid Sick Leave or equivalent PTO will be reinstated. | To comply with Senate Bill (SB) 616 requirements in the most efficient manner of maintaining a single bank of Paid Sick Leave | Ensures compliance with SB 616. |

|   |   |   |  |
|---|---|---|--|
|   |   | or PTO per employee by employee eligibility type.   |  |
| II.H  | Remove language regarding using half of annual accrued PTO under Labor Code Section 233 and other minor text edits. Also, remove examples at end of the paragraph that begins with “For example, the right of an employee on a Leave of Absence...”                 | Regular employees are not subject to the Labor Code Section 233 restriction. Minor text edits for clarity. Examples removed as they conflict with the purpose of this policy and recent changes clearly specifying use of the PTO for any reason. | Provides a clear and consistent message on the use of PTO.                               |
| II.I  | Remove reference to Paid Sick Leave law in the section discussing <u>Unscheduled PTO</u> .  | Improves clarity and aligns with practice.  | Provides clarity.  |
| II.N.1.a & d, X                                       | Update with new Glossary Term: PTO Exhaustion.  | Provides clarity and reduces duplicative text within body of policy.  | Provides clear understanding of PTO Exhaustion in this, and other related policies.      |
| III.A.  | Remove Paid Sick Leave Time from this section.  | The table is specific to PTO Requests not Paid Sick Leave.  | Provides clarity.  |
| III. D. Table. Human Resources Department, 2nd bullet | Revise the Human Resources Department responsibility section to change language regarding donation conversion to “convert PTO hour donated to dollars at the base rate of pay of the donor, then convert dollars to PTO hours at the recipient’s base rate of pay.” | Provides clarity for both PTO donors and recipients of how the hours will be converted.   | Provides clarity and consistency with process.   |
| III.E.  | Add a new procedure table for Reinstatement or Conversion of Paid Sick Leave upon Rehire.   | Provides process for how to handle rehired employees who previously met the eligibility requirement for Paid Sick Leave and are rehired within (1) year.  | Provides guidance on actions that need to be taken in the event of an applicable rehire. |



**GA.8022: Performance and Behavior Standards:** This policy outlines an approach that can be used, at CalOptima Health’s discretion, depending on the nature of the issues that are to be addressed and the extent of such issues, to help correct and/or improve employee performance and behavior through corrective action or termination when employee performance and/or behavior is/are not meeting expectations and/or fails to follow CalOptima Health’s policies and procedures.

| <b>Policy Section</b>  | <b>Proposed Change</b>   | <b>Rationale</b>  | <b>Impact</b>   |
|------------------------|--|---|---|
| II.D.                  | Add “in a fair and consistent manner” to how corrective action will be issued and replaced “skip the entire corrective action process altogether” with “terminate employment immediately”.   | Aligns with practice and provides clarity, including that, when appropriate, CalOptima Health can issue termination without prior warning.  | Provides clarity.   |
| II.E.                  | Edit list of possible reasons to initiate corrective actions as described in the Employee Handbook.  | Adds to the policy the comprehensive list of reasons listed in the Employee Handbook. The policy is the authority on employee performance and behavior standards, and including this information in policy provides clarity and transparency. | Provides clarity, transparency and alignment with practice.           |
| II.H                   | Split corrective action into two groups: informal and formal.  | Clarifies what is considered formal corrective action that can impact Good Standing and what is informal corrective action that does not impact Good Standing.  | Provides clarity on corrective action impact on Good Standing status. |
| II.J                   | Add language regarding immediate placement of an employee on administrative leave prior to initiating an investigation if they present a danger to themselves or other employees, demonstrate extreme misconduct, and/or engage in an egregious act. | Aligns with practice and supports a safe workplace environment for all employees.   | Supports a safe working environment for all employees.                |
| III.Table.Supervisor.5 | Add language to the supervisor responsibilities section to direct staff to participate in an   | Provides clarity on supervisor responsibility in  | Provides clarity and aligns with practice.                            |

|                      |  |  |  |
|----------------------|--|--|--|
|                      | investigation “into their performance, behavior, or potential violation of CalOptima Health policy or procedure.”  | encouraging employee investigation participation.  |  |
| III.Table.Employee.2 | Add language on employee’s requirement to participate in corrective action process in good faith to ensure “they have a clear understanding of which performance and/or behavioral areas require improvement.” | Provides clarity   | Provides clarity and aligns with practice. |
| III.Table.Employee.3 | Rewrite section for clarity on why employees are required to acknowledge any issued corrective action and expectations on their role in addressing the issues presented on the corrective action.              | Provides clarity and aligns with practice.   | Provides clarity and aligns with practice. |
| X.                   | Add glossary terms for Formal Corrective Action and Informal Corrective Action.  | Terms added to policy to clarify corrective action impact on Good Standing status for purposes of program eligibility that requires Good Standing. | Provides clarity and transparency.         |

**GA.8025: Equal Employment Opportunity: Policy:** This policy outlines CalOptima Health’s approach to Equal Employment Opportunity (EEO).

| <b>Policy Section</b> | <b>Proposed Change</b>  | <b>Rationale</b>   | <b>Impact</b>   |
|-----------------------|---|--|---|
| Throughout            | Add “Harassment” along with existing “Discrimination”.  | Aligns terms with California Civil Rights Department guidance on California Fair Employment and Housing Act as referenced in government code section. Harassment is already a glossary term. | Supports CalOptima Health’s adherence to California requirements. |
| II.B                  | Change “CalOptima Health prohibits unlawful Discrimination against...” to “CalOptima Health prohibits actual or perceived | Clarifies language and adds accuracy.  | Provides clarity.   |

|          |   |  |  |
|----------|---|--|--|
|          | unlawful Discrimination and Harassment.”  |  |  |
| II.B.1-7 | Update the protected categories covered under this policy.                            | Aligns the policy with California Civil Rights Department guidance on California Fair Employment and Housing Act as referenced in government code section. | Maintains compliance with California requirements. |
| II.F     | Replace “discipline” with “corrective action” and “layoff” with “reduction in force”. | Reflects current terminology and practices in policies GA.8022 and GA.8047.  | Provides clarity and consistency.                  |

**GA.8027: Harassment, Discrimination, and Retaliation Prevention:** This policy outlines CalOptima Health’s zero tolerance for Discrimination, Harassment, and Retaliation and sets forth a procedure for promptly investigating complaints thereof.

| Policy Section            | Proposed Change  | Rationale                                    | Impact                                  |
|---------------------------|--|--|---|
| II.A., II.C., II.I.3., V. | Add CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations.             | Cross-references to policy for compliance.   | Provides clarity with related policies. |
| IV. Attachments           | Add “Incident” to reflect full title of form: “Employee Incident / Complaint Intake Form”. | To clearly identify the document attachment. | Provides clarity.                       |

**GA.8036: Education Reimbursement:** This policy describes CalOptima Health’s pre-approval process for the educational reimbursement program established to offer repayment of reasonable educational and professional development expenses to eligible employees for work-related courses and/or programs, including courses offering credits towards professional licensure or certification requirements.

| Policy Section | Proposed Change  | Rationale  | Impact   |
|----------------|--|--|--|
| II.B.          | Revise section to reflect that both individual courses and degree programs are eligible for reimbursement. | Provides clarification that both individual courses and degree programs can be considered for eligibility. | Aligns policy with existing practice and expands eligibility of individual courses to program reimbursement. |
| II.C.          | Replace “supervisor” with “department” in  | Aligns policy with practice and expands leaders who can  | Allows department approval of  |

|                          |   |   |   |
|--------------------------|---|---|---|
|                          | reimbursement approval request.   | approve reimbursement requests.   | reimbursement request that is not limited to employee's direct supervisor.  |
| II.F.                    | Add "based on course end date" in relation to calculation of annual maximum reimbursement available within the fiscal year.                 | Aligns policy with practice and clarifies to which fiscal year the reimbursement will apply based on course end date.                               | Ensures that reimbursement requests are applied to the correct fiscal year and allow for better tracking for employees participating in program.    |
| III.Table.Employee.1.b   | Add language to the procedure for employees requesting reimbursement and specify the consequence for a late submission to their supervisor. | Provides clarity on what is considered late submission that would result in request denial.   | Provides clarity on the procedure for submitting requests for supervisor approval and importance of timing based on start date of the course.       |
| III.Table.Employee.4.a.i | Add language to the procedure regarding how forms received late due to delayed department approval will still be accepted.                  | Provides clarity on what is considered late submission.   | Provides clarity on the practice of accepting forms received late because of delayed department approval if all other actions are completed timely. |
| III.Table.Employee.5.a-c | Add clarifying language regarding documentation proving cost of tuition, payment made by the employee, and successful completion.           | Provides clarity for employee on required documentation for proof of payment, including official documents provided by the educational institution. | Ensures that employees understand which documents will be considered as proof of payment for  |

|                        |   |   |  |
|------------------------|---|---|--|
|                        |   |   | reimbursement requests.  |
| III.Table.Supervisor.2 | Add language for supervisor to certify that employee has completed at least one hundred eighty (180) days of continuing employment in a full or part-time position. | Aligns policy with practice and certification form.                 | Requires that supervisor certify length of employment of requesting employee before approving reimbursement. |
| III.Table.Accounting.1 | Add “according to IRS guidelines” to statement regarding issuing payment.   | Aligns with statement on IRS guidelines included in section II.C.1. | Reinforces that education reimbursement payments will be processed in accordance with IRS guidelines.        |

**GA.8037: Leave of Absence:** This policy outlines the general rules and restrictions applicable to a Leave of Absence (LOA). Rev. 10/03/2024

| Policy Section | Proposed Change  | Rationale   | Impact  |
|----------------|--|---|---|
| II.E.11        | Update to reflect new glossary term, PTO Exhaustion, to define what constitutes exhausting all PTO accruals.                                     | Provides clarity on term used multiple times in policy without repeating the definition throughout. | Provides clarity for term used in multiple policies.  |
| II.E.16        | Minor text edits to clarify information of reproductive loss and align policy with language edits in Employee Handbook.                          | Provides clarity and consistency.   | Provides clarity for staff who experience a reproductive loss event.                          |
| III.B          | Remove language regarding electing not to use PTO (added to new section below), and update to reflect new glossary term, PTO Exhaustion.         | Provides clarity and conciseness. Allows for better consistency in implementing the policy.         | Provides clarity and consistency in other policies.   |
| III.C          | Add section specific to the use of PTO on leaves, including when it must be used, timing, increments, and coordination with disability benefits. | Sets clear expectations for employees. Allows for better consistency in implementing the policy.    | Promotes clear understanding for employees on the use of PTO in relation to leave of absence. |
| III.D          | Add language regarding Flex Holiday hours for those on LOA (on December 31) to be added upon   | For consistency with CalOptima Health Policy GA.8056: Paid Holidays.                                | Provides consistency with other policies and  |

|        |   |  |  |
|--------|---|--|--|
|        | <del>return to active status, or not added if the employee separates employment without returning to active status from their LOA.</del>  |  | <del>clarity for employees.</del>                                |
| III.E  | <del>Move Benefit Income from “not eligible” list to “may be eligible” list of Supplemental Compensation during LOA.</del>  | <del>Aligns with practice.</del>   | <del>Provides clarity on practice.</del>                         |
| III.J. | <del>Section rewritten to (i) encompass Status of Employee Benefits during PDL, FMLA, CFRA, Military Service or Workers’ Compensation LOA, including when an employee is eligible for employer contributions; (ii) outline when the employee is responsible for both employee and employer premium payments for coverage under COBRA; (iii) specify consequences of failure to pay premiums when the employee is responsible for both employee and employer portions; and (iv) reinstatement of benefits after return to work from a LOA.</del> | <del>Sets clear expectations for employees and allows for better consistency in implementing the policy.</del> | <del>Provides clarity and consistency.</del>                     |
| X      | Add Glossary Term: PTO Exhaustion.  | <del>Provides clarity and reduces duplicative text within body of policy.</del>                                | <del>Provides clarity and consistency with other policies.</del> |

**GA.8038: Personal Leave of Absence:** This policy outlines CalOptima Health’s Leave of Absence (LOA) guidelines for Personal Leave.

| Policy Section | Proposed Change   | Rationale   | Impact   |
|----------------|---|---|--|
| II.B           | Add: “A Personal LOA granted as a disability accommodation is not subject to the ninety (90) day limit.”                              | Clarifies exception to 90-day limit on Personal LOA to comply with disability accommodation requirements. | Ensures compliance with disability accommodation requirements. |
| II.D.1         | Add California Fair Employment and Housing Act (FEHA) and reference to new CalOptima Health Policy GA.8063: Disability Accommodation. | Provides clarity and aligns with the CalOptima Health Policy GA.8063.                                     | Provides clarity and alignment with other policies.            |



|                     |  |   |  |
|---------------------|--|---|--|
| II.D.3 and II.D.3.a | Add language regarding specifics of use of PTO on Personal LOA, coordination of PTO with Disability Benefits, and clarify that the use of PTO does not adjust the start date of Personal LOA.  | Provides clarity on how PTO must be applied and impact of PTO use when on Personal LOA. Allows for better consistency in implementing the policy.                                 | Provides clarity for applying PTO on Personal LOA.                     |
| II.D.8 and II.D.8.a | Add additional language of “reaches PTO Exhaustion, or has elected not to utilize accrued PTO while receiving disability benefits” to clarify when CalOptima Health would cease paying for group health insurance premiums. Also, add language regarding benefit coverage when an employee returns to work and then subsequently resumes a Personal LOA. | Provides clarity for employees on what to expect in terms of benefit coverage and premium payments during Personal LOA. Allows for better consistency in implementing the policy. | Sets clear expectations on status of employee benefits while on leave. |
| II.D.9              | Add language clarifying eligibility for Flex Holiday hours for employees on Personal LOA on December 31 upon return to active status and ineligibility for those who separate employment without returning to active status.   | Provides clarity for employees on what to expect if they are on an approved Personal LOA on December 31. Aligns with CalOptima Health Policy GA.8056.                             | Provides clarity on Flex holiday in relation to leaves.                |
| II.D.10             | Add language regarding supplemental compensation eligibility when on a Personal LOA, add Benefit Income as an eligible supplemental compensation, and define “Continuous LOA.”   | Aligns with language in CalOptima Health Policy GA.8037: Leave of Absence.  | Provides clarity and consistency with other policies.                  |
| X                   | Add Glossary Term: PTO Exhaustion.   | Provides clarity and reduces duplicative text within body of policy.  | Provides clarity and consistency with other policies.                  |

**GA.8044: Telework Program:** This policy describes guidelines for a flexible work arrangement that: (1) permits eligible employees to perform their work from Remote Work Locations unless business needs require otherwise; (2) supports recruitment and retention of skilled employees; and (3) promotes a culture of managing by results.

| Policy Section | Proposed Change   | Rationale  | Impact   |
|----------------|---|--|--|
| II.B           | Minor text edits in reference to the eligibility list (of job classifications that have been evaluated and identified as eligible for Telework).  | To provides clarity within the policy.   | Provides clarity.  |
| II.C.          | Add that an “An employee working in a telework-eligible job classification may request full or partial telework” contingent on management approval based on a review of business needs.   | Strengthens language around management’s ability to evaluate eligibility to meet business and performance needs.   | Ensures employees understand that telework is ultimately up to management discretion.  |
| II.E.          | Remove section limiting Full Telework up to 50% of budgeted FTE headcount.  | Enhances recruitment and retention efforts by removing limit of full telework assignments authorized; better aligns CalOptima Health telework policy with similar agencies who do not place limits on full telework assignments. | Supports CalOptima Health recruitment and retention efforts and aligns the agency with similar agencies.<br><br>Places focus for eligibility on appropriateness of telework for position and department. |
| II.E.          | Add language regarding out-of-state telework: “Effective May 2024, new out of state Telework assignments will not be authorized. Employees with prior authorization for out of state Telework may continue to work from their approved remote location at the discretion of the CEO.” | Reiterates CalOptima Health’s commitment to hiring from local talent; puts into policy a practice previously incorporated into guidelines. Reduces confusion and provides clear guidance for future out-of-state requests.       | Provides clarity and consistency regarding requests for out-of-state telework.   |

**GA.8051: Hiring of Relatives:** This policy outlines CalOptima Health’s guidelines for hiring relatives.

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| Policy Section | Proposed Change  | Rationale                                    | Impact                          |
|----------------|--|--|---------------------------------|
| II.A           | Replace list of protected characteristics with reference to list | Reduces redundancy and aligns to the primary | Limits future policy changes as |

|       |   |   |  |
|-------|---|---|--|
|       | in CalOptima Health Policy GA.8025: Equal Employment Opportunity.   | policy for this list. Has potential to reduce future edits as this list changes over time.  | updates occur to the list of protected characteristics as described in policy GA.8025. |
| III.A | Remove or replace language regarding supervisory role: <ul style="list-style-type: none"> <li>• Removed: “suspend”.</li> <li>• Replaced: “discharge” with “terminate”; “discipline” with “corrective action”; and “responsibility to direct them” with “has responsibility to direct their work.”</li> </ul>  | Aligns with language used in other CalOptima Health HR policies.  | Provides clarity and consistency with other policies.                                  |
| III.B | Add language regarding applicant/employee disclosing if a position would have them assigned to report to a relative or non-relative of the same residence.  | Provides clarity for employee/applicant on their responsibility to promptly disclose this information.                                  | Provides clarity.  |
| III.C | Reduce the amount of time employees have to make a decision from 30 to 10 business days when (1) a relationship is established after the employees’ start employment with CalOptima Health, (2) a determination has been made that the potential for adverse impact does exist, and (3) CalOptima Health has provided the employees with an opportunity to decide which employee shall be reassigned, transferred, or terminated from employment. | Thirty business days is excessive (6 weeks and reducing the time to resolve the conflict also reduces the potential for adverse impact. | Reduces risk of adverse impact.  |

**GA.8056: Paid Holidays:** This policy establishes the paid holiday schedule for CalOptima Health employees.

| Policy Section | Proposed Change  | Rationale   | Impact  |
|----------------|--|---|---|
| II.B – II.B.1  | Add holiday pay eligibility requirements regarding working or being paid for scheduled workdays before and after a paid holiday, holidays in relation to LOA entitlements. | To document in the policy practices that are already in place, but originally included in the Employee Handbook. These practices have | Provides clarity and documentation of practice. |

|        |   |   |   |
|--------|---|---|---|
|        |   | been removed from the prior Employee Handbook. The handbook is not intended to include all policy detail, but rather to summarize key points. |   |
| III.C. | Add language about holiday pay for regular part-time employees. | Provides clarification on the calculation of holiday pay for regular part-time employees.   | Provides clarity for holiday pay for regular part-time employees. |

### **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 2024-25 Operating Budget.

### **Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

### **Attachments**

1. Adopt Resolution No. 24-1003-01 Approving and Adopting Updated CalOptima Health Human Resources Policies
2. GA.8018: Paid Time Off (PTO)
3. GA.8022: Performance and Behavior Standards
4. GA.8025: Equal Employment Opportunity
5. GA.8027: Harassment, Discrimination, and Retaliation Prevention, and Attachment A
6. GA.8036: Education Reimbursement
7. ~~GA.8037: Leave of Absence~~
8. GA.8038: Personal Leave of Absence
9. GA.8044: Telework Program
10. ~~GA.8051: Hiring of Relatives~~
11. GA.8056: Paid Holidays

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/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**

## RESOLUTION NO. 24-1003-01

### RESOLUTION OF THE BOARD OF DIRECTORS ORANGE COUNTY HEALTH AUTHORITY d.b.a. CalOptima Health

#### APPROVE UPDATED CALOPTIMA HEALTH POLICIES

**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**, staff has revised certain policies and now presents those revised policies to the Board of Directors for approval.

#### **NOW, THEREFORE, BE IT RESOLVED:**

Section 1. That the Board of Directors hereby approves and adopts the following updated CalOptima Health policies:

- GA.8018: Paid Time Off (PTO);
- GA.8022: Performance and Behavior Standards;
- GA.8025: Equal Employment Opportunity;
- GA.8027: Harassment, Discrimination, and Retaliation Prevention, and Attachment A
- GA.8036: Education Reimbursement;
- ~~GA.8037: Leave of Absence;~~
- GA.8038: Personal Leave of Absence;
- GA.8044: Telework Program;
- ~~GA.8051: Hiring of Relatives; and~~
- GA.8056: Paid Holidays.

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APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima Health this 3rd day of October 2024.

RESOLUTION NO. 24-1003-01

Page 2

AYES:

NOES:

ABSENT:

ABSTAIN:

/s/ \_\_\_\_\_

Title: Chair, Board of Directors

Printed Name and Title: Isabel Becerra, Chair, CalOptima Health Board of Directors

Attest:

/s/ \_\_\_\_\_

Sharon Dwiers, Clerk of the Board



Policy: GA.8018  
Title: **Paid Time Off (PTO)**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 10/27/2011

Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy provides managers and supervisors with appropriate guidelines to administer CalOptima Health's Paid Time Off (PTO) benefit.

## II. POLICY

- A. CalOptima Health provides PTO, a work-life balance benefit, to all eligible employees to enable them to take time off from work for activities such as rest, recreation, recovery from injury and illness or other personal activities. -CalOptima Health believes this time is valuable for employees in order to enhance productivity and make the work experience more personally satisfying. CalOptima Health provides employees with additional hours of PTO as months of service are accumulated.
- B. Full-Time, Part-Time, and Limited Term Employees who are regularly scheduled to work more than twenty (20) hours per week are eligible to accrue PTO. An eligible employee may use accrued PTO hours to take time off from work for any reason. - CalOptima Health encourages employees to maintain work-life balance by utilizing PTO benefits for rest and recreation throughout the year. Employees who satisfy eligibility requirements set out in CalOptima Health's respective policies and applicable federal and state laws may be granted other types of leaves of absence. -Unless otherwise prohibited by law, such leaves may require employees to use accrued PTO before transitioning to unpaid leave.
- C. California Healthy Workplaces, Healthy Families Act of 2014 ("Paid Sick Leave"), requires CalOptima Health to provide ~~paid sick leave~~Paid Sick Leave to eligible employees. CalOptima Health already provides employees who are eligible to accrue PTO, as specified in Section III.B. above, a sufficient amount of PTO that can be used for sick leave that satisfies the accrual, carryover, and use requirements under the Paid Sick Leave law. For all other employees who are not eligible to accrue PTO as specified in Section II.B. above, such as As-Needed Employees, who work thirty (30) or more days within one (1) year from the start of their date of employment, the following provisions shall apply:
1. For eligible employees, CalOptima Health shall provide the full amount of forty (40) hours, or five (5) days, whichever is greater, of ~~paid sick leave~~Paid Sick Leave at the commencement of employment and then at the beginning of each calendar year thereafter. As such, the employee



will not accrue any additional ~~paid sick leave~~Paid Sick Leave and will not carry over any unused sick leave hours to the following year.

2. Upon satisfying a ninety (90) day employment period, employees may use accrued sick leave for preventative care or diagnosis, and care or treatment of an existing health condition of the employee or the employee's family member. ~~The Paid Sick Leave law defines a "family member" as a Child, Parent, Spouse, Registered Domestic Partner, grandparent, grandchild, sibling or Designated Person. Employees are limited to one Designated Person per twelve (12) month period and shall identify the Designated Person at the time~~ ~~paid sick leave~~Paid Sick Leave is requested. Eligible employees may also use accrued ~~paid sick leave~~Paid Sick Leave for specified purposes if the employee is a victim of domestic violence, sexual assault, or stalking.
3. Paid sick leave will not be treated the same as PTO. Upon termination, resignation, retirement, or other separation from employment, CalOptima Health will not pay out employees for unused ~~paid sick leave~~Paid Sick Leave time accrued under the Paid Sick Leave law. ~~In addition, accrued~~ ~~paid sick leave~~Paid Sick Leave time ~~hours is~~are not eligible for cash out. If an employee separates and is then rehired by CalOptima Health within one (1) year from the date of separation, the previously accrued and unused ~~paid sick leave~~Paid Sick Leave time ~~hours (or equivalent PTO if rehired as a regular employee)~~ will be reinstated. ~~An employee rehired within one (1) year from the date of separation may not be subject to the Paid Sick Leave law's ninety (90)-day waiting period, if such condition was previously satisfied, and may use their~~ ~~paid sick leave~~Paid Sick Leave time immediately upon rehire, if eligible.

D. **PTO Accrual:** An eligible employee begins accruing PTO on their hire date, based on hours paid each pay period (excluding overtime for Non-Exempt Employees), and months of Continuous Service in accordance with the accrual schedule provided below, with the following exceptions:

1. If an employee is rehired by CalOptima Health within ninety (90) calendar days from the date of separation, the employee's PTO accrual rate will include prior months of Continuous Service. ~~For those employees who are rehired beyond ninety (90) calendar days after separation, the Chief Executive Officer will have the discretion to approve deviations of up to a maximum of eighty (80) accrued hours per year from the date of rehire.~~
2. On rare occasions and on a case-by-case basis, the Chief Executive Officer may approve deviations of up to a maximum of one hundred twenty (120) hours accrued per year from the accrual schedule below.
3. The CEO may authorize one-time PTO of up to a maximum of eight (8) hours per employee per incident, in cases of local emergencies or unforeseen circumstances necessitating time off for the immediate protection, welfare and safety of the employee or CalOptima Health property.

#### **Annual Paid Time Off Benefits Accrual Schedule (Effective the Pay Period that Includes January 2, 2024)**

In the accrual table below, the total hours accrued is based on the number of hours paid, prorated for employees who work less than a full-time schedule, and calculated up to a maximum of eighty (80) hours for the biweekly pay period. The increase in PTO accrual will take effect at the end of the pay period following completion of thirty-six (36) months or one hundred twenty (120) months of service as required in the table below.

| Months of Continuous Service | Hours of PTO Accrued<br>(Biweekly pay period) | Annual<br>Hourly Accrual |
|------------------------------|---|--------------------------|
| Up to 36 Months              | 7.0769  | 184                      |
| 36+ Months to 120 Months     | 8.6154  | 224                      |
| 120+ Months                  | 10.1538                                       | 264                      |

Note: 36 Months = 3 years; 120 months = 10 years

- E. **Maximum Accrual:** -Limits are imposed on the amount of PTO that can be maintained in an employee's PTO account. - If available, PTO is not used by the end of the benefit year [benefit year is the twelve (12) month period from hire date], employees may carry unused time off into subsequent years, up to the maximum accrual amount specified herein. -The maximum amount permitted in an employee's PTO account is equal to two (2) times the employee's Annual Accrual (see chart above). -If an employee reaches their maximum PTO accrual amount, the employee will stop accruing PTO.
- F. **PTO Accrual during Leaves of Absence:** - PTO does not accrue when absent from work in connection with an approved or unapproved unpaid Leave of Absence, including, but not limited to, workers' compensation leave, or short/long term disability. -PTO accruals recommence when the employee returns to work from an unpaid Leave of Absence.
- G. **PTO Scheduling:** -Scheduling of PTO is to be done in a manner compatible with CalOptima Health's operational requirements. -In order to minimize the impact of an employee's absence, planned time off should be submitted by an employee to their immediate supervisor for approval at least two (2) weeks before the requested time off. -Advance approval by the supervisor is subject to the condition that the employee has sufficient time available in the employee's PTO account at the time the employee uses the PTO. -Supervisors have authority to approve or deny PTO requests based on business needs, and CalOptima Health will not be responsible for any expenses incurred by an employee if the request for PTO is not approved. Each department may have special scheduling requirements and procedures for requesting PTO; therefore, employees should check with their immediate supervisor in advance, except for purposes of sick leave. In rare cases, an Executive may authorize the rescission of approved PTO to address urgent, emergent, or emergency situations. Notification to the employee will be made as soon as the need is known.
- H. **PTO for Leaves of Absence Pursuant to Family and Medical Leave Act (FMLA), California Family Rights Act (CFRA), Pregnancy Disability Leave (PDL), Paid Sick Leave, and Other Leaves:** CalOptima Health is required to provide time off to eligible employees in accordance with applicable laws. Accrued PTO will automatically be used to pay employees for any period of time taken off under the FMLA, and/or the CFRA in accordance with CalOptima Health Policy GA.8040: Family Medical and Care Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence. -Use of PTO for any period of time taken off under PDL is at the discretion of the employee. -Accrued PTO will be automatically used towards ~~paid sick leave~~ **Paid Sick Leave** for preventative care, or care of an existing health condition for the employee, or a family member as described in CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence, or for specified purposes if the employee is a victim of domestic violence, sexual assault, or stalking. ~~In addition, employees may use half of their annual accrued PTO for preventive care, or care of an existing health condition for the employee, or a family member as permitted under Labor Code, Section 233.~~ -Accrued PTO shall also be automatically used for time-off for Child-Related Activities, subject to the limitations under Labor Code, Section 230.8. -At the employee's discretion, PTO may also be used to supplement an

employee's income, up to one hundred percent (100%) if an employee is receiving ~~short/long term disability benefits during an approved unpaid Leave of Absence. Leave rights discussed herein may overlap and shall not create greater rights than permitted under applicable laws. For example, the right of an employee on a Leave of Absence for their own serious health condition, or the serious health condition of their eligible family member, under FMLA and CFRA may coincide with their rights under the Paid Sick Leave law, such that they shall only be entitled to the maximum amount of time off permitted under FMLA/CFRA or the Paid Sick Leave law, whichever is greater. As another example, an employee who has exhausted all of their accrued PTO shall not be entitled to additional paid leave under either Acts or under the Paid Sick Leave law.~~ disability benefits during an approved Leave of Absence. Leave rights discussed herein may overlap.

- I. **Unscheduled PTO:-** Regardless of the reason for an unscheduled absence, an employee shall notify their immediate supervisor in accordance with CalOptima Health Policy GA.8059: Attendance and Timekeeping. -Notification of an unscheduled absence does not make the absence authorized.- An employee shall enter the PTO request into the timekeeping system as soon as reasonably possible, and the employee's PTO account will be deducted accordingly. ~~Excessive use of unscheduled PTO above and beyond what is allowed under the Paid Sick Leave law may result in discipline, up to and including termination.~~ -If an employee is absent for six (6) consecutive days or more on personal and unprotected sick time, a doctor's note is required on the first day back. Excessive use of unscheduled PTO may result in discipline, up to and including termination.
- J. **Holidays Occurring During PTO:-** If an observed CalOptima Health holiday occurs during an employee's scheduled PTO, the employee's PTO account will not be deducted for that holiday day, unless the full-time Non-Exempt Employee is on a 9/80 schedule pursuant to CalOptima Health Policy GA.8020: 9/80 Work Schedule. In this case, the employee has the option of using one (1) hour of accrued PTO or making up the time if approved by their supervisor.
- K. **Maximum Annual Cash Out:-** An election period will be held each year at about the same time as CalOptima Health's annual open enrollment period. During this time, each employee may elect, for the following year, to convert to cash PTO hours up to the full amount that the employee will be eligible to accrue at the time of cash out in the next calendar year. Once the election period closes, but in no event after December 31 of the year prior to payment of the cash out, the request for PTO cash out cannot be revoked. Requests for cash out will be paid out once per calendar year as determined by the Human Resources Department, provided that all of the following criteria are met: (1) the employee made the election during the applicable open enrollment period, (2) -the employee has actually accrued the requested amount of hours in the same year and by the time the cash out is made, and (3) a minimum of one hundred (100) accrued PTO hours remain in the employee's PTO account after cash out. ~~If the employee's election to cash out is for more hours than are eligible, the cash out will be limited to the number of eligible PTO hours at the time the cash out is made. Cashed out PTO will be paid at the employee's current hourly rate at the time the PTO cash out is scheduled to be paid, subject to all applicable taxes and deductions.~~
- L. **Cash Out for Financial Hardship:-** If during the year an employee experiences a personal financial hardship, the employee can cash out their accrued PTO hours. Cash out for financial hardships are limited to one per calendar year. Documentation verifying the financial hardship must be provided to the Human Resources Department. -The number of hours an employee can request for a financial hardship is subject to the requirement that a minimum of one hundred (100) accrued PTO hours remain in the employee's PTO account after cash out. -Financial hardships must represent an immediate and heavy financial need and there must be no other resources readily available to handle that financial need. -Financial hardships shall be limited to the following reasons:

1. Expenses for, or necessary, to obtain non-reimbursed medical care for employee or immediate family members;
2. Payment for the purchase of a primary residence;
3. Payment of tuition, related education fees, and room and board expenses for postsecondary education for the employee, or the employee's spouse (or ~~registered domestic partner~~, ~~children~~ Registered Domestic Partner), a Child, or dependents;
4. Payments necessary to prevent the employee from eviction or foreclosure;
5. Expenses for the repair of damage to an employee's primary residence for damages from natural disasters; or
6. Expenses for the burial, funeral, or memorial for an employee's deceased Parent, spouse (or Registered Domestic Partner), Child, or dependents.

M. **PTO Pay/Flex Pay on Termination:** -Employees are expected to give at least two (2) weeks' written notice prior to resigning from their employment. -Notice of resignation is expected to be a "working" notice to allow an opportunity for productive work time to complete projects, or train whoever will be assuming the employee's responsibilities. -For that reason, employees should avoid using accrued PTO during the two (2) week period preceding their last scheduled day of work and/or coordinate the use of PTO ~~time~~ hours to provide at least two (2) "working" weeks. - In no event shall CalOptima Health permit an employee to use their accrued PTO beyond the last day worked by an employee, unless the employee was on an approved Leave of Absence, or unless otherwise required by law. -Upon termination of employment, the employee is paid all accrued unused PTO and Flex Holiday time at the employee's base rate of pay, subject to all applicable taxes, at the time of the termination. -According to California Labor Code, Section 220(b), as a public agency, CalOptima Health is not required to pay wages immediately upon termination. CalOptima Health will pay the employee on the next regularly scheduled pay day.

N. **PTO Donation Program:** -At the discretion of the Human Resources Department, a PTO Donation Program may be implemented. -Employees may donate accrued PTO hours to assist another CalOptima Health employee ("recipient employee") when a recipient employee, or their family member, qualifies as having a Catastrophic Illness or Injury. -Donations are completely voluntary, and donors will remain anonymous to the recipient employee.

1. To be eligible to receive PTO donations, a recipient employee must meet all the following criteria:
  - a. Have a Catastrophic Illness or Injury, which shall mean a medically verified, life threatening or debilitating illness, injury or condition which is monumental, unusual, unexpected, immediate in nature or have a family member with such illness, injury or condition, which requires the employee take a Prolonged Absence which will result in a substantial loss of income to the employee because the employee will have ~~exhausted~~ ~~all reached~~ PTO ~~available~~ Exhaustion apart from the PTO Donation Program. - Family members referenced above shall include an employee's spouse or Registered Domestic Partner, Child, or Parent;
  - b. Have worked for CalOptima Health for at least ninety (90) days and be eligible to accrue PTO hours under this Policy;

- 1 c. Be in Good Standing (no written warnings or corrective action plans within the last six (6)  
2 months, and the most recent performance evaluation shows the employee is meeting the  
3 performance standards);
- 4 ~~Exhausted all of their own~~
- 5 d. ~~Reached~~ PTO ~~time~~ Exhaustion;
- 6
- 7 e. Completed a written request and authorization form including medical documentation to be  
8 approved by the Human Resources Department;
- 9
- 10 f. Have the scheduled time off or Leave of Absence (LOA) approved by CalOptima Health in  
11 accordance with CalOptima Health's ~~Leave of Absence~~ LOA and Personal ~~Leave of~~  
12 ~~Absence~~ LOA Policies; and
- 13
- 14 g. Have not resigned or been terminated from employment prior to or during the employee's  
15 time off or Leave of Absence.
- 16
- 17 2. To donate, a donor Employee must meet all the following criteria:
- 18
- 19 a. Donate and surrender a minimum of one (1) hour, in increments of one (1) hour.
- 20
- 21 b. Maintain a minimum balance of one hundred (100) accrued PTO hours in the donor  
22 employee's PTO account after donation.
- 23
- 24 c. Submit a form authorizing the donation and acknowledging that the donated PTO ~~time~~  
25 ~~hours have~~ been surrendered to CalOptima Health for the benefit of another employee  
26 and is no longer a benefit to the donor employee.
- 27
- 28 3. PTO donation pay rate. PTO hours donated shall be converted to dollars at the hourly rate of  
29 the donor. The dollars shall then be converted to PTO at the hourly rate of the recipient of the  
30 donation. For example, if a donor employee is regularly paid \$25.00 per hour and donates eight  
31 (8) hours of PTO to a recipient employee who is regularly paid \$20.00 per hour, the recipient  
32 employee will receive ten (10) hours of paid leave, paid at \$20.00 per hour (8 hours x \$25.00 =  
33 \$200 value, and \$200 value/\$20.00 per hour = 10 hours). The appropriate hours of PTO will  
34 then be added to the recipient's PTO account for use during the payroll period(s) in with the  
35 employee is in need of catastrophic leave. The recipient employee is responsible for the tax  
36 burden of the donation.
- 37
- 38 4. PTO donation processing. Each donation will be processed in the order received, in which case  
39 the first donor employee's PTO would be converted and applied to the recipient employee's  
40 PTO bank for the first payroll period in which the donations are being utilized. The second  
41 donor employee's PTO may then be used and applied to the recipient employee's PTO bank for  
42 the same or next payroll period. Subsequent donations will be similarly processed. If any forms  
43 authorizing the donation of hours remain at the end of the recipient employee's catastrophic  
44 leave, the unprocessed forms shall be returned to the donor.
- 45
- 46 5. Disability or workers' compensation. -If a recipient employee is receiving short term or long  
47 term disability or workers' compensation benefits, the recipient employee may coordinate the  
48 donated PTO hours with these benefits to supplement the recipient employee's income ~~up~~ to  
49 receive one hundred percent (100%) of the employee's salary. - For instance, if the recipient  
50 employee is receiving sixty percent (60%) of their income from short term disability,  
51 CalOptima Health will allow the recipient employee to use the donated PTO hours to



supplement ~~up to~~ the forty percent (40%) difference in compensation, bringing the recipient employee's total monthly income to one hundred percent (100%) of their earnings.

6. The recipient employee must submit an application and all necessary documentation to the Human Resources Department to be a recipient of the donated PTO and must give CalOptima Health permission to issue an all-staff email announcing the opportunity to donate PTO. -The email will identify the recipient employee and any other information expressly authorized by the recipient employee. From the date of sending the announcement, there will be a four (4) week period for donor employees to submit their donations.
7. In submitting an application, the recipient employee will be required to indemnify, defend, and hold CalOptima Health harmless from any claims, liability, or actions concerning the disclosure of health information authorized by the recipient employee.
8. This PTO Donation program is completely voluntary on the part of CalOptima Health and may be amended or terminated by the Human Resources Department at any time at its sole discretion.

### III. PROCEDURE

#### A. PTO ~~or Paid Sick Leave Time~~ Request for Time Off:

| Responsible Party | Action   |
|-------------------|--|
| Employee          | <ul style="list-style-type: none"><li>Request PTO <del>or paid sick leave</del> at least two (2) weeks in advance, where possible, using CalOptima Health's time-keeping system. If the need for time off is foreseeable, employee must provide reasonable advance notice. If not, the employee must provide notice as soon as practicable. (If using PTO <del>or paid sick leave</del> for illness or preventative treatment, enter time away from work request as PTO Sick).</li></ul> |
| Supervisor        | <ul style="list-style-type: none"><li>Review all requests and approve, or deny, the request.</li></ul>   |

#### B. PTO Request to Cash Out:

| Responsible Party | Action  |
|-------------------|---|
| Employee          | <ul style="list-style-type: none"><li>Request PTO cash out for the following year during the designated election period</li></ul> |
| Payroll           | <ul style="list-style-type: none"><li>Review all requests and approve or deny the request.</li></ul>                              |

#### C. PTO Request for Donations (Recipient Employee):

| Responsible Party          | Action  |
|----------------------------|---|
| Recipient Employee         | <ul style="list-style-type: none"><li>Request a Leave of Absence.</li><li>Complete a written request and authorization form including supporting medical documentation to be submitted to the Human Resources Department for approval, if eligible.</li></ul>   |
| Human Resources Department | <ul style="list-style-type: none"><li>Receive request and authorization form from recipient employee and review for completeness and eligibility.</li><li>Within ten (10) days of receipt of all necessary material provide notice to recipient employee whether or not Human Resources approves or rejects the employee's request. Where approved, send out email request to all</li></ul> |

| Responsible Party | Action   |
|-------------------|--|
|                   | CalOptima Health employees consistent with permissible information provided by the recipient employee. |

D. PTO Request to Donate (Donor Employee):

| Responsible Party                 | Action  |
|-----------------------------------|---|
| <b>Donor Employee</b>             | <ul style="list-style-type: none"> <li>Submit a form authorizing the donation and designating the number of hours surrendered to CalOptima Health for the benefit of a recipient employee.</li> <li>Sign an acknowledgement that the donated PTO <del>time-hours</del> has been surrendered to CalOptima Health for the benefit of a recipient employee and is no longer a benefit to the donor employee.</li> </ul>  |
| <b>Human Resources Department</b> | <ul style="list-style-type: none"> <li>Receive donation form from donor employee and review for completeness and eligibility.</li> <li>Within ten (10) days of receipt of all necessary material provide notice to donor employee whether or not Human Resources approves or rejects the employee's request Where approved, <del>transfer the</del>convert PTO hour(s) donated <del>PTO hours to</del> dollars at the base rate of pay of the <del>recipient employee on an hour for donor, then convert dollars to PTO hour-basis(s) at the recipient employee's</del>recipient's base rate of pay.</li> </ul> |

E. Reinstatement or Conversion of Paid Sick Leave upon Rehire

| Responsible Party                        | Action  |
|--|---|
| <b><u>Human Resources Department</u></b> | <ul style="list-style-type: none"> <li><u>Identify staff who are rehired within one (1) year from date of separation and previously met the eligibility criteria for Paid Sick Leave.</u> <ul style="list-style-type: none"> <li><u>If rehired as an employee who continues to meet Paid Sick Leave eligibility criteria, determine if employee has previously accrued and unused Paid Sick Leave time to be reinstated, and follow process for reinstatement.</u></li> <li><u>If rehired as a regular employee who is eligible to accrue PTO, determine if employee has previously accrued and unused Paid Sick Leave time to be converted to PTO, and follow process for conversion.</u></li> </ul> </li> </ul> |

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. California Labor Code, §§230.8, 233-234, and 245-249 *et seq.*
- B. CalOptima Health Employee Handbook
- C. CalOptima Health Policy GA.8037: Leave of Absence
- D. CalOptima Health Policy GA.8038: Personal Leave of Absence
- E. CalOptima Health Policy GA.8040: FMLA and CFRA Leaves of Absence
- F. CalOptima Health Policy GA.8041: Workers' Compensation ~~Leave of Absence~~Program
- G. CalOptima Health Policy GA.8059: Attendance and Timekeeping
- H. Cash Out PTO for Financial Hardship Request Form
- I. Government Code § 12945.2 *et seq.* (CFRA)



- J. PTO Donation Program –Request and Authorization Form – Recipient Employee  
K. PTO Donation Program –Donation and Authorization Form – Donor Employee  
L. Title 2, California Code of Regulations § 11035 et. seq. (Pregnancy Regulations)  
M. Title 2, California Code of Regulations § 11087 et seq. (CFRA Regulations)  
N. Title 29, Code of Federal Regulations (C.F.R.) Part 825 et seq. (FMLA Regulations)  
O. Title 29, United States Code section 2601 et seq. (FMLA)

#### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

#### VII. BOARD ACTIONS

| Date              | Meeting   |
|-------------------|---|
| 05/01/2014        | Regular Meeting of the CalOptima Board of Directors               |
| 08/07/2014        | Regular Meeting of the CalOptima Board of Directors               |
| 06/04/2015        | Regular Meeting of the CalOptima Board of Directors               |
| 12/03/2015        | Regular Meeting of the CalOptima Board of Directors               |
| 02/02/2017        | Regular Meeting of the CalOptima Board of Directors               |
| 12/03/2020        | Regular Meeting of the CalOptima Board of Directors               |
| 12/01/2022        | Regular Meeting of the CalOptima Health Board of Directors        |
| 11/02/2023        | Regular Meeting of the CalOptima Health Board of Directors        |
| <u>10/03/2024</u> | <u>Regular Meeting of the CalOptima Health Board of Directors</u> |

#### VIII. REVISION HISTORY

| Action         | Date              | Policy         | Policy Title               | Program(s)            |
|----------------|-------------------|----------------|----------------------------|-----------------------|
| Effective      | 10/27/2011        | GA.8018        | Paid Time Off (PTO)        | Administrative        |
| Revised        | 03/26/2014        | GA.8018        | Paid Time Off (PTO)        | Administrative        |
| Revised        | 05/01/2014        | GA.8018        | Paid Time Off (PTO)        | Administrative        |
| Revised        | 08/07/2014        | GA.8018        | Paid Time Off (PTO)        | Administrative        |
| Revised        | 06/04/2015        | GA.8018        | Paid Time Off (PTO)        | Administrative        |
| Revised        | 12/03/2015        | GA.8018        | Paid Time Off (PTO)        | Administrative        |
| Revised        | 02/02/2017        | GA.8018        | Paid Time Off (PTO)        | Administrative        |
| Revised        | 12/03/2020        | GA.8018        | Paid Time Off (PTO)        | Administrative        |
| Revised        | 12/01/2022        | GA.8018        | Paid Time Off (PTO)        | Administrative        |
| Revised        | 01/01/2024        | GA.8018        | Paid Time Off (PTO)        | Administrative        |
| <u>Revised</u> | <u>10/03/2024</u> | <u>GA.8018</u> | <u>Paid Time Off (PTO)</u> | <u>Administrative</u> |

1 IX. GLOSSARY  
2

| Term                           | Definition   |
|--------------------------------|--|
| As-Needed                      | Employees called to work sporadically on an as-needed basis. These employees may not have regularly scheduled hours and do not earn any benefits. As-Needed employees are employed for an indefinite duration and must work less than one thousand (1,000) hours per fiscal year.  |
| Catastrophic Illness or Injury | A medically verified, life threatening or debilitating illness, injury or condition which is monumental, unusual, unexpected, immediate in nature, and expected to preclude the employee from returning to work for an extended period of time. Typically, not covered: common and short-term illness such as colds, flu, allergies, and headaches, or work-related illness or injury covered by Workers' Compensation benefits.   |
| Child                          | For the purposes of this policy, a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis. The definition of child is applicable regardless of age or dependency status.   |
| Child-Related Activities       | Participation in activities at child's school or day care facility as permitted under Labor Code section 230.8, which includes: finding, enrolling, or reenrolling a child in a school or with a licensed child care provider; child care provider or school, emergency; request for child to be picked up from school/child care or an attendance policy that prohibits the child from attending or requires the child to be picked up from the school or child care provider; behavioral/discipline problems; closure or unexpected unavailability of school (excluding planned holidays); a natural disaster; or to participate in activities of the school or licensed child care provider of their child, if the employee, prior to taking the time off, gives reasonable notice to CalOptima Health. |
| Continuous Service             | A period of employment with one (1) employer, which begins with the day on which the employee starts work and ends with the date of resignation or dismissal. All service, regardless of hours worked, counts toward calculating continuous service.   |
| Designated Person              | A term used to describe an individual related to the employee by blood or whose association with the employee is equivalent to a family relationship.  |
| Exempt Employee                | Employees who are exempt from the overtime provisions of the federal Fair Labor Standards Act (FLSA) and state regulations governing wages and salaries. Exempt status is determined by the duties and responsibilities of the position and is defined by Human Resources for each position.   |
| Full-Time Employee             | An employee who works sixty (60) to eighty (80) hours per pay period.  |
| Good Standing                  | The employee has at least a satisfactory level of performance on their most recent evaluation and has not received written corrective action within the last six (6) months.   |
| Leave of Absence (LOA)         | A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.  |
| Limited Term Employee          | Employees who are hired to work a full-time schedule on special-assignments that last a period of less than six (6) months. Limited Term employees do not become regular employees as a result of the passage of time.   |

| Term                                  | Definition  |
|---------------------------------------|---|
| Non-Exempt Employee                   | Non-Exempt status applies to all employees who are not identified by Human Resources as exempt. -Non-Exempt employees are paid on an hourly basis and are eligible for overtime compensation.- Although an employee's classification may qualify for applicable federal exemptions from the FLSA exemption criteria, the position may nevertheless be designated as non-exempt.                       |
| Paid Sick Leave                       | Paid Sick Leave covers the provisions of the Healthy Workplaces, Healthy Families Act of 2014 (California Labor Code §245-249) and Kin Care (California Labor Code §233-234)  |
| <u>Paid Time Off (PTO) Exhaustion</u> | <u>Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.</u>  |
| Parent                                | For the purposes of this policy, the biological, adoptive, step or foster parent of an employee or the employee's spouse or <del>registered domestic partner</del> <u>Registered Domestic Partner</u> , or an individual who stands or stood in loco parentis to an employee when the employee was a child. California Healthy Workplaces, Healthy Families Act of 2014 also includes parents-in-law. |
| Part-Time Employees                   | Employees that regularly work less than thirty (30) hours per week.   |
| Prolonged Absence                     | Under the PTO Donation Program, a prolonged absence is one that incapacitates the employee or their family member for at least twenty-one (21) consecutive calendar days. -May include intermittent absences that are related to the same illness, injury or condition.   |
| Registered Domestic Partner           | Registered domestic partners can be any couples, regardless of their sex. Only domestic partners who have registered with the State of California – or who formed a substantially equivalent legal union in another jurisdiction – qualify as Registered Domestic Partners.   |

1



Policy: GA.8018  
Title: **Paid Time Off (PTO)**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 10/27/2011  
Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy provides managers and supervisors with appropriate guidelines to administer CalOptima Health's Paid Time Off (PTO) benefit.

## II. POLICY

- A. CalOptima Health provides PTO, a work-life balance benefit, to all eligible employees to enable them to take time off from work for activities such as rest, recreation, recovery from injury and illness or other personal activities. CalOptima Health believes this time is valuable for employees in order to enhance productivity and make the work experience more personally satisfying. CalOptima Health provides employees with additional hours of PTO as months of service are accumulated.
- B. Full-Time, Part-Time, and Limited Term Employees who are regularly scheduled to work more than twenty (20) hours per week are eligible to accrue PTO. An eligible employee may use accrued PTO hours to take time off from work for any reason. CalOptima Health encourages employees to maintain work-life balance by utilizing PTO benefits for rest and recreation throughout the year. Employees who satisfy eligibility requirements set out in CalOptima Health's respective policies and applicable federal and state laws may be granted other types of leaves of absence. Unless otherwise prohibited by law, such leaves may require employees to use accrued PTO before transitioning to unpaid leave.
- C. California Healthy Workplaces, Healthy Families Act of 2014 ("Paid Sick Leave"), requires CalOptima Health to provide Paid Sick Leave to eligible employees. CalOptima Health already provides employees who are eligible to accrue PTO, as specified in Section III.B. above, a sufficient amount of PTO that can be used for sick leave that satisfies the accrual, carryover, and use requirements under the Paid Sick Leave law. For all other employees who are not eligible to accrue PTO as specified in Section II.B. above, such as As-Needed Employees, who work thirty (30) or more days within one (1) year from the start of their date of employment, the following provisions shall apply:
1. For eligible employees, CalOptima Health shall provide the full amount of forty (40) hours, or five (5) days, whichever is greater, of Paid Sick Leave at the commencement of employment and then at the beginning of each calendar year thereafter. As such, the employee will not accrue any additional Paid Sick Leave and will not carry over any unused sick leave hours to the following year.

2. Upon satisfying a ninety (90) day employment period, employees may use accrued sick leave for preventative care or diagnosis, and care or treatment of an existing health condition of the employee or the employee's family member. The Paid Sick Leave law defines a "family member" as a Child, Parent, Spouse, Registered Domestic Partner, grandparent, grandchild, sibling or Designated Person. Employees are limited to one Designated Person per twelve (12) month period and shall identify the Designated Person at the time Paid Sick Leave is requested. Eligible employees may also use accrued Paid Sick Leave for specified purposes if the employee is a victim of domestic violence, sexual assault, or stalking.
3. Paid sick leave will not be treated the same as PTO. Upon termination, resignation, retirement, or other separation from employment, CalOptima Health will not pay out employees for unused Paid Sick Leave accrued under the Paid Sick Leave law. In addition, accrued Paid Sick Leave hours are not eligible for cash out. If an employee separates and is then rehired by CalOptima Health within one (1) year from the date of separation, the previously accrued and unused Paid Sick Leave hours (or equivalent PTO if rehired as a regular employee) will be reinstated. An employee rehired within one (1) year from the date of separation may not be subject to the Paid Sick Leave law's ninety (90)-day waiting period, if such condition was previously satisfied, and may use their Paid Sick Leave hours immediately upon rehire, if eligible.

**D. PTO Accrual:** An eligible employee begins accruing PTO on their hire date, based on hours paid each pay period (excluding overtime for Non-Exempt Employees), and months of Continuous Service in accordance with the accrual schedule provided below, with the following exceptions:

1. If an employee is rehired by CalOptima Health within ninety (90) calendar days from the date of separation, the employee's PTO accrual rate will include prior months of Continuous Service. For those employees who are rehired beyond ninety (90) calendar days after separation, the Chief Executive Officer will have the discretion to approve deviations of up to a maximum of eighty (80) accrued hours per year from the date of rehire.
2. On rare occasions and on a case-by-case basis, the Chief Executive Officer may approve deviations of up to a maximum of one hundred twenty (120) hours accrued per year from the accrual schedule below.
3. The CEO may authorize one-time PTO of up to a maximum of eight (8) hours per employee per incident, in cases of local emergencies or unforeseen circumstances necessitating time off for the immediate protection, welfare and safety of the employee or CalOptima Health property.

**Annual Paid Time Off Benefits Accrual Schedule  
(Effective the Pay Period that Includes January 2, 2024)**

In the accrual table below, the total hours accrued is based on the number of hours paid, prorated for employees who work less than a full-time schedule, and calculated up to a maximum of eighty (80) hours for the biweekly pay period. The increase in PTO accrual will take effect at the end of the pay period following completion of thirty-six (36) months or one hundred twenty (120) months of service as required in the table below.

| Months of Continuous Service | Hours of PTO Accrued<br>(Biweekly pay period) | Annual<br>Hourly Accrual |
|------------------------------|---|--------------------------|
| Up to 36 Months              | 7.0769  | 184                      |
| 36+ Months to 120 Months     | 8.6154  | 224                      |

| Months of Continuous Service | Hours of PTO Accrued<br>(Biweekly pay period) | Annual<br>Hourly Accrual |
|------------------------------|---|--------------------------|
| 120+ Months                  | 10.1538                                       | 264                      |

Note: 36 Months = 3 years; 120 months = 10 years

- E. **Maximum Accrual:** Limits are imposed on the amount of PTO that can be maintained in an employee's PTO account. If available, PTO is not used by the end of the benefit year [benefit year is the twelve (12) month period from hire date], employees may carry unused time off into subsequent years, up to the maximum accrual amount specified herein. The maximum amount permitted in an employee's PTO account is equal to two (2) times the employee's Annual Accrual (see chart above). If an employee reaches their maximum PTO accrual amount, the employee will stop accruing PTO.
- F. **PTO Accrual during Leaves of Absence:** PTO does not accrue when absent from work in connection with an approved or unapproved unpaid Leave of Absence, including, but not limited to, workers' compensation leave, or short/long term disability. PTO accruals recommence when the employee returns to work from an unpaid Leave of Absence.
- G. **PTO Scheduling:** Scheduling of PTO is to be done in a manner compatible with CalOptima Health's operational requirements. In order to minimize the impact of an employee's absence, planned time off should be submitted by an employee to their immediate supervisor for approval at least two (2) weeks before the requested time off. Advance approval by the supervisor is subject to the condition that the employee has sufficient time available in the employee's PTO account at the time the employee uses the PTO. Supervisors have authority to approve or deny PTO requests based on business needs, and CalOptima Health will not be responsible for any expenses incurred by an employee if the request for PTO is not approved. Each department may have special scheduling requirements and procedures for requesting PTO; therefore, employees should check with their immediate supervisor in advance, except for purposes of sick leave. In rare cases, an Executive may authorize the rescission of approved PTO to address urgent, emergent, or emergency situations. Notification to the employee will be made as soon as the need is known.
- H. **PTO for Leaves of Absence Pursuant to Family and Medical Leave Act (FMLA), California Family Rights Act (CFRA), Pregnancy Disability Leave (PDL), Paid Sick Leave, and Other Leaves:** CalOptima Health is required to provide time off to eligible employees in accordance with applicable laws. Accrued PTO will automatically be used to pay employees for any period of time taken off under the FMLA, and/or the CFRA in accordance with CalOptima Health Policy GA.8040: Family Medical and Care Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence. Use of PTO for any period of time taken off under PDL is at the discretion of the employee. Accrued PTO will be automatically used towards Paid Sick Leave for preventative care, or care of an existing health condition for the employee, or a family member as described in CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence, or for specified purposes if the employee is a victim of domestic violence, sexual assault, or stalking. Accrued PTO shall also be automatically used for time-off for Child-Related Activities, subject to the limitations under Labor Code, Section 230.8. At the employee's discretion, PTO may also be used to supplement an employee's income, up to one hundred percent (100%) if an employee is receiving disability benefits during an approved Leave of Absence. Leave rights discussed herein may overlap.
- I. **Unscheduled PTO:** Regardless of the reason for an unscheduled absence, an employee shall notify their immediate supervisor in accordance with CalOptima Health Policy GA.8059: Attendance and



Timekeeping. Notification of an unscheduled absence does not make the absence authorized. An employee shall enter the PTO request into the timekeeping system as soon as reasonably possible, and the employee's PTO account will be deducted accordingly. If an employee is absent for six (6) consecutive days or more on personal and unprotected sick time, a doctor's note is required on the first day back. Excessive use of unscheduled PTO may result in discipline, up to and including termination.

J. **Holidays Occurring During PTO:** If an observed CalOptima Health holiday occurs during an employee's scheduled PTO, the employee's PTO account will not be deducted for that holiday day, unless the full-time Non-Exempt Employee is on a 9/80 schedule pursuant to CalOptima Health Policy GA.8020: 9/80 Work Schedule. In this case, the employee has the option of using one (1) hour of accrued PTO or making up the time if approved by their supervisor.

K. **Maximum Annual Cash Out:** An election period will be held each year at about the same time as CalOptima Health's annual open enrollment period. During this time, each employee may elect, for the following year, to convert to cash PTO hours up to the full amount that the employee will be eligible to accrue at the time of cash out in the next calendar year. Once the election period closes, but in no event after December 31 of the year prior to payment of the cash out, the request for PTO cash out cannot be revoked. Requests for cash out will be paid out once per calendar year as determined by the Human Resources Department, provided that all of the following criteria are met: (1) the employee made the election during the applicable open enrollment period, (2) the employee has actually accrued the requested amount of hours in the same year and by the time the cash out is made, and (3) a minimum of one hundred (100) accrued PTO hours remain in the employee's PTO account after cash out. If the employee's election to cash out is for more hours than are eligible, the cash out will be limited to the number of eligible PTO hours at the time the cash out is made. Cashed out PTO will be paid at the employee's current hourly rate at the time the PTO cash out is scheduled to be paid, subject to all applicable taxes and deductions.

L. **Cash Out for Financial Hardship:** If during the year an employee experiences a personal financial hardship, the employee can cash out their accrued PTO hours. Cash out for financial hardships are limited to one per calendar year. Documentation verifying the financial hardship must be provided to the Human Resources Department. The number of hours an employee can request for a financial hardship is subject to the requirement that a minimum of one hundred (100) accrued PTO hours remain in the employee's PTO account after cash out. Financial hardships must represent an immediate and heavy financial need and there must be no other resources readily available to handle that financial need. Financial hardships shall be limited to the following reasons:

1. Expenses for, or necessary, to obtain non-reimbursed medical care for employee or immediate family members;
2. Payment for the purchase of a primary residence;
3. Payment of tuition, related education fees, and room and board expenses for postsecondary education for the employee, or the employee's spouse (or Registered Domestic Partner), a Child, or dependents;
4. Payments necessary to prevent the employee from eviction or foreclosure;
5. Expenses for the repair of damage to an employee's primary residence for damages from natural disasters; or



6. Expenses for the burial, funeral, or memorial for an employee's deceased Parent, spouse (or Registered Domestic Partner), Child, or dependents.

**M. PTO Pay/Flex Pay on Termination:** Employees are expected to give at least two (2) weeks' written notice prior to resigning from their employment. Notice of resignation is expected to be a "working" notice to allow an opportunity for productive work time to complete projects, or train whoever will be assuming the employee's responsibilities. For that reason, employees should avoid using accrued PTO during the two (2) week period preceding their last scheduled day of work and/or coordinate the use of PTO hours to provide at least two (2) "working" weeks. In no event shall CalOptima Health permit an employee to use their accrued PTO beyond the last day worked by an employee, unless the employee was on an approved Leave of Absence, or unless otherwise required by law. Upon termination of employment, the employee is paid all accrued unused PTO and Flex Holiday time at the employee's base rate of pay, subject to all applicable taxes, at the time of the termination. According to California Labor Code, Section 220(b), as a public agency, CalOptima Health is not required to pay wages immediately upon termination. CalOptima Health will pay the employee on the next regularly scheduled pay day.

**N. PTO Donation Program:** At the discretion of the Human Resources Department, a PTO Donation Program may be implemented. Employees may donate accrued PTO hours to assist another CalOptima Health employee ("recipient employee") when a recipient employee, or their family member, qualifies as having a Catastrophic Illness or Injury. Donations are completely voluntary, and donors will remain anonymous to the recipient employee.

1. To be eligible to receive PTO donations, a recipient employee must meet all the following criteria:

- a. Have a Catastrophic Illness or Injury, which shall mean a medically verified, life threatening or debilitating illness, injury or condition which is monumental, unusual, unexpected, immediate in nature or have a family member with such illness, injury or condition, which requires the employee take a Prolonged Absence which will result in a substantial loss of income to the employee because the employee will have reached PTO Exhaustion apart from the PTO Donation Program. Family members referenced above shall include an employee's spouse or Registered Domestic Partner, Child, or Parent;
- b. Have worked for CalOptima Health for at least ninety (90) days and be eligible to accrue PTO hours under this Policy;
- c. Be in Good Standing (no written warnings or corrective action plans within the last six (6) months, and the most recent performance evaluation shows the employee is meeting the performance standards);
- d. Reached PTO Exhaustion;
- e. Completed a written request and authorization form including medical documentation to be approved by the Human Resources Department;
- f. Have the scheduled time off or Leave of Absence (LOA) approved by CalOptima Health in accordance with CalOptima Health's LOA and Personal LOA Policies; and
- g. Have not resigned or been terminated from employment prior to or during the employee's time off or Leave of Absence.

2. To donate, a donor Employee must meet all the following criteria:
  - a. Donate and surrender a minimum of one (1) hour, in increments of one (1) hour.
  - b. Maintain a minimum balance of one hundred (100) accrued PTO hours in the donor employee's PTO account after donation.
  - c. Submit a form authorizing the donation and acknowledging that the donated PTO hours have been surrendered to CalOptima Health for the benefit of another employee and is no longer a benefit to the donor employee.
3. PTO donation pay rate. PTO hours donated shall be converted to dollars at the hourly rate of the donor. The dollars shall then be converted to PTO at the hourly rate of the recipient of the donation. For example, if a donor employee is regularly paid \$25.00 per hour and donates eight (8) hours of PTO to a recipient employee who is regularly paid \$20.00 per hour, the recipient employee will receive ten (10) hours of paid leave, paid at \$20.00 per hour (8 hours x \$25.00 = \$200 value, and \$200 value/\$20.00 per hour = 10 hours). The appropriate hours of PTO will then be added to the recipient's PTO account for use during the payroll period(s) in which the employee is in need of catastrophic leave. The recipient employee is responsible for the tax burden of the donation.
4. PTO donation processing. Each donation will be processed in the order received, in which case the first donor employee's PTO would be converted and applied to the recipient employee's PTO bank for the first payroll period in which the donations are being utilized. The second donor employee's PTO may then be used and applied to the recipient employee's PTO bank for the same or next payroll period. Subsequent donations will be similarly processed. If any forms authorizing the donation of hours remain at the end of the recipient employee's catastrophic leave, the unprocessed forms shall be returned to the donor.
5. Disability or workers' compensation. If a recipient employee is receiving short term or long term disability or workers' compensation benefits, the recipient employee may coordinate the donated PTO hours with these benefits to supplement the recipient employee's income to receive one hundred percent (100%) of the employee's salary. For instance, if the recipient employee is receiving sixty percent (60%) of their income from short term disability, CalOptima Health will allow the recipient employee to use the donated PTO hours to supplement the forty percent (40%) difference in compensation, bringing the recipient employee's total monthly income to one hundred percent (100%) of their earnings.
6. The recipient employee must submit an application and all necessary documentation to the Human Resources Department to be a recipient of the donated PTO and must give CalOptima Health permission to issue an all-staff email announcing the opportunity to donate PTO. The email will identify the recipient employee and any other information expressly authorized by the recipient employee. From the date of sending the announcement, there will be a four (4) week period for donor employees to submit their donations.
7. In submitting an application, the recipient employee will be required to indemnify, defend, and hold CalOptima Health harmless from any claims, liability, or actions concerning the disclosure of health information authorized by the recipient employee.
8. This PTO Donation program is completely voluntary on the part of CalOptima Health and may be amended or terminated by the Human Resources Department at any time at its sole discretion.

### III. PROCEDURE

#### A. PTO Request for Time Off:

| Responsible Party | Action   |
|-------------------|--|
| Employee          | <ul style="list-style-type: none"><li>Request PTO at least two (2) weeks in advance, where possible, using CalOptima Health's time-keeping system. If the need for time off is foreseeable, employee must provide reasonable advance notice. If not, the employee must provide notice as soon as practicable. (If using PTO for illness or preventative treatment, enter time away from work request as PTO Sick).</li></ul> |
| Supervisor        | <ul style="list-style-type: none"><li>Review all requests and approve, or deny, the request.</li></ul>   |

#### B. PTO Request to Cash Out:

| Responsible Party | Action  |
|-------------------|---|
| Employee          | <ul style="list-style-type: none"><li>Request PTO cash out for the following year during the designated election period</li></ul> |
| Payroll           | <ul style="list-style-type: none"><li>Review all requests and approve or deny the request.</li></ul>                              |

#### C. PTO Request for Donations (Recipient Employee):

| Responsible Party          | Action   |
|----------------------------|--|
| Recipient Employee         | <ul style="list-style-type: none"><li>Request a Leave of Absence.</li><li>Complete a written request and authorization form including supporting medical documentation to be submitted to the Human Resources Department for approval, if eligible.</li></ul>  |
| Human Resources Department | <ul style="list-style-type: none"><li>Receive request and authorization form from recipient employee and review for completeness and eligibility.</li><li>Within ten (10) days of receipt of all necessary material provide notice to recipient employee whether or not Human Resources approves or rejects the employee's request. Where approved, send out email request to all CalOptima Health employees consistent with permissible information provided by the recipient employee.</li></ul> |

#### D. PTO Request to Donate (Donor Employee):

| Responsible Party | Action  |
|-------------------|---|
| Donor Employee    | <ul style="list-style-type: none"><li>Submit a form authorizing the donation and designating the number of hours surrendered to CalOptima Health for the benefit of a recipient employee.</li><li>Sign an acknowledgement that the donated PTO hours has been surrendered to CalOptima Health for the benefit of a recipient employee and is no longer a benefit to the donor employee.</li></ul> |

| Responsible Party          | Action   |
|----------------------------|--|
| Human Resources Department | <ul style="list-style-type: none"> <li>Receive donation form from donor employee and review for completeness and eligibility.</li> <li>Within ten (10) days of receipt of all necessary material provide notice to donor employee whether or not Human Resources approves or rejects the employee's request Where approved, convert PTO hour(s) donated to dollars at the base rate of pay of the donor, then convert dollars to PTO hour(s) at the recipient's base rate of pay.</li> </ul> |

E. Reinstatement or Conversion of Paid Sick Leave upon Rehire

| Responsible Party          | Action   |
|----------------------------|--|
| Human Resources Department | <ul style="list-style-type: none"> <li>Identify staff who are rehired within one (1) year from date of separation and previously met the eligibility criteria for Paid Sick Leave. <ul style="list-style-type: none"> <li>If rehired as an employee who continues to meet Paid Sick Leave eligibility criteria, determine if employee has previously accrued and unused Paid Sick Leave time to be reinstated, and follow process for reinstatement.</li> <li>If rehired as a regular employee who is eligible to accrue PTO, determine if employee has previously accrued and unused Paid Sick Leave time to be converted to PTO, and follow process for conversion.</li> </ul> </li> </ul> |

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. California Labor Code, §§230.8, 233-234, and 245-249 *et seq.*
- B. CalOptima Health Employee Handbook
- C. CalOptima Health Policy GA.8037: Leave of Absence
- D. CalOptima Health Policy GA.8038: Personal Leave of Absence
- E. CalOptima Health Policy GA.8040: FMLA and CFRA Leaves of Absence
- F. CalOptima Health Policy GA.8041: Workers' Compensation Program
- G. CalOptima Health Policy GA.8059: Attendance and Timekeeping
- H. Cash Out PTO for Financial Hardship Request Form
- I. Government Code § 12945.2 *et seq.* (CFRA)
- J. PTO Donation Program –Request and Authorization Form – Recipient Employee
- K. PTO Donation Program –Donation and Authorization Form – Donor Employee
- L. Title 2, California Code of Regulations § 11035 *et. seq.* (Pregnancy Regulations)
- M. Title 2, California Code of Regulations § 11087 *et seq.* (CFRA Regulations)
- N. Title 29, Code of Federal Regulations (C.F.R.) Part 825 *et seq.* (FMLA Regulations)
- O. Title 29, United States Code section 2601 *et seq.* (FMLA)

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTIONS

| Date       | Meeting  |
|------------|--|
| 05/01/2014 | Regular Meeting of the CalOptima Board of Directors        |
| 08/07/2014 | Regular Meeting of the CalOptima Board of Directors        |
| 06/04/2015 | Regular Meeting of the CalOptima Board of Directors        |
| 12/03/2015 | Regular Meeting of the CalOptima Board of Directors        |
| 02/02/2017 | Regular Meeting of the CalOptima Board of Directors        |
| 12/03/2020 | Regular Meeting of the CalOptima Board of Directors        |
| 12/01/2022 | Regular Meeting of the CalOptima Health Board of Directors |
| 11/02/2023 | Regular Meeting of the CalOptima Health Board of Directors |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

### VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title        | Program(s)     |
|-----------|------------|---------|---------------------|----------------|
| Effective | 10/27/2011 | GA.8018 | Paid Time Off (PTO) | Administrative |
| Revised   | 03/26/2014 | GA.8018 | Paid Time Off (PTO) | Administrative |
| Revised   | 05/01/2014 | GA.8018 | Paid Time Off (PTO) | Administrative |
| Revised   | 08/07/2014 | GA.8018 | Paid Time Off (PTO) | Administrative |
| Revised   | 06/04/2015 | GA.8018 | Paid Time Off (PTO) | Administrative |
| Revised   | 12/03/2015 | GA.8018 | Paid Time Off (PTO) | Administrative |
| Revised   | 02/02/2017 | GA.8018 | Paid Time Off (PTO) | Administrative |
| Revised   | 12/03/2020 | GA.8018 | Paid Time Off (PTO) | Administrative |
| Revised   | 12/01/2022 | GA.8018 | Paid Time Off (PTO) | Administrative |
| Revised   | 01/01/2024 | GA.8018 | Paid Time Off (PTO) | Administrative |
| Revised   | 10/03/2024 | GA.8018 | Paid Time Off (PTO) | Administrative |

1 IX. GLOSSARY  
2

| Term                           | Definition   |
|--------------------------------|--|
| As-Needed                      | Employees called to work sporadically on an as-needed basis. These employees may not have regularly scheduled hours and do not earn any benefits. As-Needed employees are employed for an indefinite duration and must work less than one thousand (1,000) hours per fiscal year.  |
| Catastrophic Illness or Injury | A medically verified, life threatening or debilitating illness, injury or condition which is monumental, unusual, unexpected, immediate in nature, and expected to preclude the employee from returning to work for an extended period of time. Typically, not covered: common and short-term illness such as colds, flu, allergies, and headaches, or work-related illness or injury covered by Workers' Compensation benefits.   |
| Child                          | For the purposes of this policy, a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis. The definition of child is applicable regardless of age or dependency status.   |
| Child-Related Activities       | Participation in activities at child's school or day care facility as permitted under Labor Code section 230.8, which includes: finding, enrolling, or reenrolling a child in a school or with a licensed child care provider; child care provider or school, emergency; request for child to be picked up from school/child care or an attendance policy that prohibits the child from attending or requires the child to be picked up from the school or child care provider; behavioral/discipline problems; closure or unexpected unavailability of school (excluding planned holidays); a natural disaster; or to participate in activities of the school or licensed child care provider of their child, if the employee, prior to taking the time off, gives reasonable notice to CalOptima Health. |
| Continuous Service             | A period of employment with one (1) employer, which begins with the day on which the employee starts work and ends with the date of resignation or dismissal. All service, regardless of hours worked, counts toward calculating continuous service.   |
| Designated Person              | A term used to describe an individual related to the employee by blood or whose association with the employee is equivalent to a family relationship.  |
| Exempt Employee                | Employees who are exempt from the overtime provisions of the federal Fair Labor Standards Act (FLSA) and state regulations governing wages and salaries. Exempt status is determined by the duties and responsibilities of the position and is defined by Human Resources for each position.   |
| Full-Time Employee             | An employee who works sixty (60) to eighty (80) hours per pay period.  |
| Good Standing                  | The employee has at least a satisfactory level of performance on their most recent evaluation and has not received written corrective action within the last six (6) months.   |
| Leave of Absence (LOA)         | A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.  |
| Limited Term Employee          | Employees who are hired to work a full-time schedule on special-assignments that last a period of less than six (6) months. Limited Term employees do not become regular employees as a result of the passage of time.   |



| <b>Term</b>                    | <b>Definition</b>   |
|--------------------------------|---|
| Non-Exempt Employee            | Non-Exempt status applies to all employees who are not identified by Human Resources as exempt. Non-Exempt employees are paid on an hourly basis and are eligible for overtime compensation. Although an employee's classification may qualify for applicable federal exemptions from the FLSA exemption criteria, the position may nevertheless be designated as non-exempt. |
| Paid Sick Leave                | Paid Sick Leave covers the provisions of the Healthy Workplaces, Healthy Families Act of 2014 (California Labor Code §245-249) and Kin Care (California Labor Code §233-234)  |
| Paid Time Off (PTO) Exhaustion | Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.   |
| Parent                         | For the purposes of this policy, the biological, adoptive, step or foster parent of an employee or the employee's spouse or Registered Domestic Partner, or an individual who stands or stood in loco parentis to an employee when the employee was a child. California Healthy Workplaces, Healthy Families Act of 2014 also includes parents-in-law.                        |
| Part-Time Employees            | Employees that regularly work less than thirty (30) hours per week.   |
| Prolonged Absence              | Under the PTO Donation Program, a prolonged absence is one that incapacitates the employee or their family member for at least twenty-one (21) consecutive calendar days. May include intermittent absences that are related to the same illness, injury or condition.  |
| Registered Domestic Partner    | Registered domestic partners can be any couples, regardless of their sex. Only domestic partners who have registered with the State of California – or who formed a substantially equivalent legal union in another jurisdiction – qualify as Registered Domestic Partners.   |



Policy: GA.8022  
 Title: **Performance and Behavior Standards**  
 Department: ~~CalOptima Health~~ Administrative Human Resources  
 Section: ~~Administrative Human Resources~~ Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ ~~OneCare Connect~~  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy outlines an approach that can be used, at CalOptima Health's discretion, depending on the nature of the issues that are to be addressed and the extent of such issues, to help correct and/or improve employee performance and behavior through corrective action or termination when employee performance and/or behavior is/are not meeting expectations, and/or fails to follow CalOptima Health's policies and procedures.

## II. POLICY

- A. As a public agency, CalOptima Health abides by its core values of Collaboration, Accountability, Respect, Excellence, and Stewardship and expects employees to be committed to ethical conduct, excellent service, consistent attendance, positive teamwork, and compliance with CalOptima Health policies and procedures. Appropriate conduct is expected at all times while employees are on duty and/or on CalOptima Health property.
- B. Employment with CalOptima Health is at will. -As at-will employees, CalOptima Health employees may be terminated at any time, with or without cause, and with or without advance notice.
- C. In cases involving conduct that is a serious violation of policy, performance issue(s), or behavioral problem(s), or where the conduct cannot be corrected, ~~prompt~~immediate termination from employment may result.
- D. Prior to issuing formal corrective action, depending on the severity or correctability of the issue, in certain circumstances at the discretion of CalOptima Health's management, CalOptima Health may elect to informally discuss and coach employees regarding their conduct or performance in order to provide the employee with an opportunity to correct or improve their performance and/or behavior. Corrective action does not apply to all performance issues or undesirable behaviors and will be issued on a case-by-case basis in a fair and consistent manner. CalOptima Health may issue any one of the corrective actions without regard to any particular order, repeat any one of the corrective actions, or ~~skip the entire corrective action process altogether~~immediately terminate employment.

E. CalOptima Health reserves the right to initiate corrective action or termination for various reasons, including, but not limited to: ~~poor job~~

1. Unsatisfactory work quality, or quantity;

2. Failure to meet performance; ~~poor attendance; creating conflict with standards;~~

3. Behavioral-based problems that impact productivity, quality, service, or teamwork;

4. Excessive and/or habitual absenteeism, tardiness, or abuse of break and lunch privileges;

5. Insubordination, dishonesty, or negligence in the performance of duties;

6. Harassment or abusive conduct toward co-workers, supervisors, Members or visitors, or others encountered in the workplace;

7. Failure to return, damaging or unauthorized use of CalOptima Health-owned property or equipment; ~~violation~~

8. Failure to pass a post-employment drug/alcohol, financial/credit, criminal background, or other position required background check;

9. Failure to maintain a license, certification, or educational qualification required by the employee's position;

10. Failure to follow instructions, policies, regulations, laws, or CalOptima Health policies and procedures;

11. Failure to follow established safety regulations;

12. Violation of CalOptima Health's Code of Conduct; and/or ~~violation~~

13. Violation of any other CalOptima Health policy.

E.F. The type of ~~the~~ corrective action will depend on multiple factors, including, but not limited to the nature of the offense, taking into consideration an employee's past performance and employment record, where applicable, and may range from ~~coaching-counseling~~ to immediate termination. -Corrective action ~~should will~~ be assessed in a fair and consistent manner ~~in partnership with Human Resources (HR).~~

F.G. Employees are not guaranteed a right to corrective action prior to termination.

G.H. When used, the corrective action process may in some, but not all, cases ~~include~~consist of:

1. Informal Corrective Action, including:

a. ~~Coaching-Counseling~~ discussion;

b. Documented Counseling Memo;

2. Formal Corrective Action, including:

~~e.a.~~ Written Warning;

~~d.b.~~ Performance Improvement Plan;

~~e.c.~~ Final Warning;

~~f.d.~~ Demotion; and/or

~~g.e.~~ Termination-;

~~H.I.~~ Although one (1) or more of these corrective actions may be taken in connection with a particular employee, no formal order or system is necessary. -An employee may, of course, resign at any time. The employee may be demoted as necessary. CalOptima Health may also terminate the employment relationship at any time without following any particular series of corrective actions depending on the individual circumstances surrounding the performance, behavior, or misconduct.

~~I.J.~~ CalOptima Health may place an employee on administrative leave with or without pay while ~~Human Resources (HR)~~ conducts ~~their~~an investigation and/or a final determination is pending, and/or when there is a risk to CalOptima Health if the employee is permitted to continue in their role. -If an employee for any reason represents a danger to themselves or other employees, demonstrates extreme misconduct and/or engages in an egregious act, CalOptima Health has the right to immediately remove the employee ~~pending and place them on administrative leave with or without pay prior to initiating an~~ investigation into the alleged misconduct. This will allow HR to conduct a full, fair investigation while minimizing any risks to the organization and others. -An employee may be required to fully reimburse CalOptima Health for any salary provided during their administrative leave, as required, pursuant to California Government Code, Section 53243.

### III. PROCEDURE

| Responsible Party | Action   |
|-------------------|--|
| Supervisor        | <ol style="list-style-type: none"><li>Partner with <del>Human Resources (HR)</del> to discuss the employee issue.</li><li>Partner with HR to properly document performance and/or behavior issue, and if applicable determine <u>the appropriate</u> corrective action.</li><li>Discuss issue(s) with employee and <del>make sure</del>ensure the employee signs and dates the appropriate <u>corrective action</u> form.</li><li>Return the signed <u>corrective action</u> form to HR to file in employee's personnel record.</li><li>Participate in and/or direct staff member(s) to participate in, <del>the</del>any investigation <u>into their performance, behavior, or potential violation of CalOptima Health policy or procedure</u>, where applicable.</li></ol> |
| Employee          | <ol style="list-style-type: none"><li>Employees are expected to take personal responsibility to fulfill the duties and responsibilities of their positions, as outlined in their job descriptions and as directed by their supervisors <del>and</del>. <u>They are expected to</u> make immediate and sustained improvement in <del>work</del>performance and behavior when <del>presented with</del>issued corrective action. Employees are responsible for reviewing, understanding and abiding by CalOptima Health policies, procedures, core values, and Code of Conduct.</li><li>Employees are required to cooperate and participate in <del>this</del>good faith in <u>the corrective action</u> process, so they have a clear understanding</li></ol>                 |

| Responsible Party    | Action  |
|----------------------|---|
|                      | <p><del>regarding where they need to improve, if applicable. of which performance and/or behavioral areas require improvement.</del></p> <p>3. Employees <del>acknowledge the applicable</del> <u>sign any</u> corrective action form <del>by signing issued to them to acknowledge that the respective issues were discussed and presented to the employee and that they demonstrate a commitment to adhere. After being issued corrective action, employees are required to and correct or improve the their performance or behavioral issue. The employee as described in the corrective action. Employees may submit a written rebuttal response for consideration/reconsideration of the corrective action; however, a written rebuttal response does not change the employee's responsibility to acknowledge receipt of the corrective action and demonstration of demonstrate improvement, where applicable.</del></p> <p>4. Employees are required to cooperate in <del>a reasonable</del> <u>an administrative</u> investigation by CalOptima Health (if applicable). <u>Any failure to cooperate in good faith in a formal investigation may result in corrective action.</u></p> |
| Human Resources (HR) | <p>1. Partner with Supervisor to help plan <del>Coaching discussion and counseling</del> <u>appropriate corrective action</u> to address employee's performance/behavior issues.</p> <p>2. Assist Supervisor in properly documenting performance/behavior issues and partner in communicating these issues to the employee, if applicable.</p> <p>3. Assist in completing corrective action and/or termination documentation.</p> <p>4. Securely house and file all related forms and written correspondence in employee's personnel record.</p> <p>a. —If issued to the employee, copies of Documented Counseling Memos, Written Warnings, Performance Improvement Plans, Final Warnings, and Termination Communication Memos are all held in the employee personnel file.</p>   |

#### IV. ATTACHMENT(S)

Not Applicable

**V. REFERENCE(S)**

- A. CalOptima Health Code of Conduct
- B. CalOptima Health Employee Handbook
- C. California Government Code, §53243
- D. Sample Documented Counseling Memo Template
- E. Sample Written Warning Template
- F. Sample Performance Improvement Plan
- G. Sample Final Warning Template
- H. Sample Termination Communication Memo Template

**VI. REGULATORY AGENCY APPROVAL(S)**

None to Date

**VII. BOARD ACTION(S)**

| Date              | Meeting   |
|-------------------|---|
| 01/05/2012        | Regular Meeting of the CalOptima Board of Directors               |
| 08/07/2014        | Regular Meeting of the CalOptima Board of Directors               |
| 08/02/2018        | Regular Meeting of the CalOptima Board of Directors               |
| 09/01/2022        | Regular Meeting of the CalOptima Health Board of Directors        |
| <u>10/03/2024</u> | <u>Regular Meeting of the CalOptima Health Board of Directors</u> |

**VIII. REVISION HISTORY**

| Action         | Date              | Policy         | Policy Title                              | Program(s)            |
|----------------|-------------------|----------------|---|-----------------------|
| Effective      | 01/05/2012        | GA.8022        | Progressive Discipline                    | Administrative        |
| Revised        | 08/07/2014        | GA.8022        | Progressive Discipline                    | Administrative        |
| Revised        | 08/02/2018        | GA.8022        | Performance and Behavior Standards        | Administrative        |
| Revised        | 09/01/2022        | GA.8022        | Performance and Behavior Standards        | Administrative        |
| <u>Revised</u> | <u>10/03/2024</u> | <u>GA.8022</u> | <u>Performance and Behavior Standards</u> | <u>Administrative</u> |

## IX. GLOSSARY

| Term  | Definition   |
|---|--|
| <del>Coaching</del><br><u>Counseling</u> Memo | Oral discussion(s) between supervisor and employee with the purpose of notifying <del>the employee and/or</del> clarifying substandard employee performance/behavior or policy violation and exploration of possible causes. Goal is to change behavior. An informal written record of the <del>coaching</del> <u>counseling</u> discussion, noting the date and recommended action is completed and held by the supervisor. |
| Demotion                                      | A change of employee's position to one at a lower Salary Schedule pay grade, whether in the same or a different department. A demotion may be either voluntary or involuntary.   |
| Documented Counseling Memo                    | <del>A Written Counseling Memo</del> <u>An informal documentation of counseling</u> issued to an employee to <del>formally</del> document substandard performance/behavior or policy violation specifically identifying areas requiring improvement.   |
| Final Warning                                 | <del>Notification</del> <u>A formal notification</u> to an employee that their performance/behavior or violation(s) of CalOptima Health policy is at a very critical stage in their employment and that continued lack of improvement may result in termination.   |
| <u>Formal Corrective Action</u>               | <u>A corrective action that places an employee in not good standing status where participation in an action/activity requires good standing eligibility for a period of time described in that policy or procedure.</u>  |
| <u>Informal Corrective Action</u>             | <u>A corrective action that does not affect good standing.</u>   |
| Member  | A beneficiary enrolled in a CalOptima Health program.  |
| Performance Improvement Plan                  | <del>The plan is</del> <u>A formal action</u> used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.   |
| Termination                                   | The end of the employment relationship.  |
| Termination Communication Memo                | Documentation of a decision to end the employment relationship from the employee's Department leadership to Human Resources.   |
| Written Warning                               | <del>A Written Warning</del> <u>formal notification</u> issued to an employee documenting <del>substandard</del> <u>unsatisfactory</u> employee performance/behavior or policy violation.  |

Policy: GA.8022  
Title: **Performance and Behavior Standards**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy outlines an approach that can be used, at CalOptima Health's discretion, depending on the nature of the issues that are to be addressed and the extent of such issues, to help correct and/or improve employee performance and behavior through corrective action or termination when employee performance and/or behavior is/are not meeting expectations, and/or fails to follow CalOptima Health's policies and procedures.

## II. POLICY

- A. As a public agency, CalOptima Health abides by its core values of Collaboration, Accountability, Respect, Excellence, and Stewardship and expects employees to be committed to ethical conduct, excellent service, consistent attendance, positive teamwork, and compliance with CalOptima Health policies and procedures. Appropriate conduct is expected at all times while employees are on duty and/or on CalOptima Health property.
- B. Employment with CalOptima Health is at will. As at-will employees, CalOptima Health employees may be terminated at any time, with or without cause, and with or without advance notice.
- C. In cases involving conduct that is a serious violation of policy, performance issue(s), or behavioral problem(s), or where the conduct cannot be corrected, immediate termination from employment may result.
- D. Prior to issuing formal corrective action, depending on the severity or correctability of the issue, in certain circumstances at the discretion of CalOptima Health's management, CalOptima Health may elect to informally discuss and coach employees regarding their conduct or performance in order to provide the employee with an opportunity to correct or improve their performance and/or behavior. Corrective action does not apply to all performance issues or undesirable behaviors and will be issued on a case-by-case basis in a fair and consistent manner. CalOptima Health may issue any one of the corrective actions without regard to any particular order, repeat any one of the corrective actions, or immediately terminate employment.
- E. CalOptima Health reserves the right to initiate corrective action or termination for various reasons, including, but not limited to:
1. Unsatisfactory work quality, or quantity;



2. Failure to meet performance standards;
  3. Behavioral-based problems that impact productivity, quality, service, or teamwork;
  4. Excessive and/or habitual absenteeism, tardiness, or abuse of break and lunch privileges;
  5. Insubordination, dishonesty, or negligence in the performance of duties;
  6. Harassment or abusive conduct toward co-workers, supervisors, Members, visitors, or others encountered in the workplace;
  7. Failure to return, damaging or unauthorized use of CalOptima Health-owned property or equipment;
  8. Failure to pass a post-employment drug/alcohol, financial/credit, criminal background, or other position required background check;
  9. Failure to maintain a license, certification, or educational qualification required by the employee's position;
  10. Failure to follow instructions, policies, regulations, laws, or CalOptima Health policies and procedures;
  11. Failure to follow established safety regulations;
  12. Violation of CalOptima Health's Code of Conduct; and/or
  13. Violation of any other CalOptima Health policy
- F. The type of corrective action will depend on multiple factors, including, but not limited to the nature of the offense, taking into consideration an employee's past performance and employment record, where applicable, and may range from counseling to immediate termination. Corrective action will be assessed in a fair and consistent manner in partnership with Human Resources (HR).
- G. Employees are not guaranteed a right to corrective action prior to termination.
- H. When used, the corrective action process may in some, but not all, cases consist of:
1. Informal Corrective Action, including:
    - a. Counseling discussion;
    - b. Documented Counseling Memo;
  2. Formal Corrective Action, including:
    - a. Written Warning;
    - b. Performance Improvement Plan;
    - c. Final Warning;
    - d. Demotion; and/or

e. Termination.

- I. Although one (1) or more of these corrective actions may be taken in connection with a particular employee, no formal order or system is necessary. An employee may, of course, resign at any time. The employee may be demoted as necessary. CalOptima Health may also terminate the employment relationship at any time without following any particular series of corrective actions depending on the individual circumstances surrounding the performance, behavior, or misconduct.
- J. CalOptima Health may place an employee on administrative leave with or without pay while HR conducts an investigation and/or a final determination is pending, and/or when there is a risk to CalOptima Health if the employee is permitted to continue in their role. If an employee for any reason represents a danger to themselves or other employees, demonstrates extreme misconduct and/or engages in an egregious act, CalOptima Health has the right to immediately remove the employee and place them on administrative leave with or without pay prior to initiating an investigation into the alleged misconduct. This will allow HR to conduct a full, fair investigation while minimizing any risks to the organization and others. An employee may be required to fully reimburse CalOptima Health for any salary provided during their administrative leave, as required, pursuant to California Government Code, Section 53243.

III. PROCEDURE

| Responsible Party | Action   |
|-------------------|--|
| Supervisor        | <ol style="list-style-type: none"><li>1. Partner with HR to discuss the employee issue.</li><li>2. Partner with HR to properly document performance and/or behavior issue, and if applicable determine the appropriate corrective action.</li><li>3. Discuss issue(s) with employee and ensure the employee signs and dates the appropriate corrective action form.</li><li>4. Return the signed corrective action form to HR to file in employee's personnel record.</li><li>5. Participate in and/or direct staff member(s) to participate in, any investigation into their performance, behavior, or potential violation of CalOptima Health policy or procedure, where applicable.</li></ol>   |
| Employee          | <ol style="list-style-type: none"><li>1. Employees are expected to take personal responsibility to fulfill the duties and responsibilities of their positions, as outlined in their job descriptions and as directed by their supervisors. They are expected to make immediate and sustained improvement in performance and behavior when issued corrective action. Employees are responsible for reviewing, understanding and abiding by CalOptima Health policies, procedures, core values, and Code of Conduct.</li><li>2. Employees are required to cooperate and participate in good faith in the corrective action process, so they have a clear understanding of which performance and/or behavioral areas require improvement.</li><li>3. Employees sign any corrective action form issued to them to acknowledge that the respective issues were discussed. After being issued corrective action, employees are required to correct or improve their performance or behavioral issue as described in the corrective</li></ol> |

| Responsible Party           | Action  |
|-----------------------------|---|
|                             | <p>action. Employees may submit a written response for consideration/reconsideration of the corrective action; however, a written response does not change the employee's responsibility to acknowledge receipt of the corrective action and demonstrate improvement.</p> <p>4. Employees are required to cooperate in an administrative investigation by CalOptima Health (if applicable). Any failure to cooperate in good faith in a formal investigation may result in corrective action.</p>   |
| <b>Human Resources (HR)</b> | <p>1. Partner with Supervisor to help plan appropriate corrective action to address employee's performance/behavior issues.</p> <p>2. Assist Supervisor in properly documenting performance/behavior issues and partner in communicating these issues to the employee, if applicable.</p> <p>3. Assist in completing corrective action and/or termination documentation.</p> <p>4. Securely house and file all related forms and written correspondence in employee's personnel record.</p> <p>a. If issued to the employee, copies of Documented Counseling Memos, Written Warnings, Performance Improvement Plans, Final Warnings, and Termination Communication Memos are all held in the employee personnel file.</p> |

#### IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S)

- A. CalOptima Health Code of Conduct
- B. CalOptima Health Employee Handbook
- C. California Government Code, §53243
- D. Sample Documented Counseling Memo Template
- E. Sample Written Warning Template
- F. Sample Performance Improvement Plan
- G. Sample Final Warning Template
- H. Sample Termination Communication Memo Template

#### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

#### VII. BOARD ACTION(S)

| Date       | Meeting   |
|------------|---|
| 01/05/2012 | Regular Meeting of the CalOptima Board of Directors |
| 08/07/2014 | Regular Meeting of the CalOptima Board of Directors |
| 08/02/2018 | Regular Meeting of the CalOptima Board of Directors |

|            |  |
|------------|--|
| 09/01/2022 | Regular Meeting of the CalOptima Health Board of Directors |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

## VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title                       | Program(s)     |
|-----------|------------|---------|------------------------------------|----------------|
| Effective | 01/05/2012 | GA.8022 | Progressive Discipline             | Administrative |
| Revised   | 08/07/2014 | GA.8022 | Progressive Discipline             | Administrative |
| Revised   | 08/02/2018 | GA.8022 | Performance and Behavior Standards | Administrative |
| Revised   | 09/01/2022 | GA.8022 | Performance and Behavior Standards | Administrative |
| Revised   | 10/03/2024 | GA.8022 | Performance and Behavior Standards | Administrative |

1 IX. GLOSSARY

2

| Term                           | Definition   |
|--------------------------------|--|
| Counseling Memo                | Oral discussion(s) between supervisor and employee with the purpose of notifying the employee and/or clarifying substandard employee performance/behavior or policy violation and exploration of possible causes. Goal is to change behavior. An informal written record of the counseling discussion, noting the date and recommended action is completed and held by the supervisor. |
| Demotion                       | A change of employee's position to one at a lower Salary Schedule pay grade, whether in the same or a different department. A demotion may be either voluntary or involuntary.   |
| Documented Counseling Memo     | An informal documentation of counseling issued to an employee to document substandard performance/behavior or policy violation specifically identifying areas requiring improvement.   |
| Final Warning                  | A formal notification to an employee that their performance/behavior or violation(s) of CalOptima Health policy is at a very critical stage in their employment and that continued lack of improvement may result in termination.  |
| Formal Corrective Action       | A corrective action that places an employee in not good standing status where participation in an action/activity requires good standing eligibility for a period of time described in that policy or procedure.   |
| Informal Corrective Action     | A corrective action that does not affect good standing.  |
| Member                         | A beneficiary enrolled in a CalOptima Health program.  |
| Performance Improvement Plan   | A formal action used to document performance and behavioral deficiencies or issues and create an action plan with goals and due dates to help employees correct and/or improve performance and behavior while still holding them accountable for past performance.   |
| Termination                    | The end of the employment relationship.  |
| Termination Communication Memo | Documentation of a decision to end the employment relationship from the employee's Department leadership to Human Resources.   |
| Written Warning                | A formal notification issued to an employee documenting unsatisfactory employee performance/behavior or policy violation.  |

3



Policy: GA.8025  
Title: **Equal Employment Opportunity**  
Department: ~~Human Resources~~ **Administrative**  
Section: ~~Not Applicable~~ **Human Resources**

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to:  
☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy outlines CalOptima Health's approach to Equal Employment Opportunity (EEO).

## II. POLICY

A. CalOptima Health is an equal opportunity employer making employment decisions on the basis of merit and strives to employ qualified candidates most likely to succeed in the position.

B. CalOptima Health prohibits unlawful Discrimination and Harassment against any Employee, applicant for employment, or those applying for or engaged in a paid or unpaid internship or training program leading to employment with CalOptima Health based on one or more of the following protected categories:

1. Race (includes hair texture and hairstyles) or color;

2. Religion (includes religious dress and grooming practices) or religious creed;

3. National Origin (includes language restrictions and possession of a driver's license issued to undocumented immigrants), ancestry, or citizenship;

4. Disability (physical, developmental, mental health/psychiatric, HIV and AIDS);

4.5. Marital status or registered domestic partner status;

5.6. Medical condition (includes cancer, record or history of cancer, and genetic characteristics), genetic information, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), or domestic violence victim status;

6.7. Sex (includes pregnancy, childbirth, breastfeeding, reproductive loss event, or related medical conditions), Sex Stereotype, gender, Transitioning status, Gender Identity, Gender Expression, reproductive health decision making, or sexual orientation;

7.8. Age (forty (40) years and over);

8.9. Veteran and/or military status;

9.10. Political affiliation; and

10.11. Any other status protected by federal, state, or local laws.

- C. CalOptima Health also prohibits unlawful Discrimination and Harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has, or is perceived as having, any of those characteristics.
- D. CalOptima Health prohibits Retaliation against a person who engages reasonably and in good faith in activities protected under this policy. Reporting or assisting in reporting suspected violations of this policy and cooperating in investigations or proceedings arising out of an alleged violation of this policy are protected activities.
- E. CalOptima Health is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in CalOptima Health's operations and prohibits unlawful Discrimination and Harassment by any Employee of CalOptima Health.
- F. Equal employment opportunity will be extended to all persons in all aspects of the employer-Employee relationship, including recruitment, or recruitment advertising, hiring, training, promotion, rates of pay or other forms of compensation, benefits, transfer, corrective action, reduction in force, or termination, career development opportunities, and social and recreational programs.
- G. CalOptima Health shall also include equal employment opportunity language in every contract with contractors and vendors requiring such persons and firms doing business with CalOptima Health to comply with all federal, state, and local equal employment opportunity laws.
- H. It is the responsibility of every CalOptima Health Employee to adhere to this Policy.- Any Employee with questions regarding this Policy should discuss it with the Human Resources (HR) Department.

### III. PROCEDURE

- A. CalOptima Health Employees, applicants for employment, or those applying for or engaged in a paid or unpaid internship or training program leading to employment with CalOptima Health will not be denied employment opportunities in accordance with Section II.B. of this policy.
- B. Complaints
1. All applicants for employment, Employees, temporary Employees, volunteers, and paid and unpaid interns shall immediately report any incidents of Discrimination prohibited by this Policy to their supervisor, manager, and/or Human Resources representative for resolution in accordance with CalOptima Health Policy GA.8027: Harassment, Discrimination, and Retaliation Prevention.
  2. All complaints will be handled with confidentiality to the extent possible based on the circumstances and applicable laws. When an investigation is required, the most appropriate confidentiality will be utilized. Responses to complaints will be taken in a timely manner.



3. Supervisors and managers are required to immediately forward all complaints, oral and/or written, alleging violation(s) of this policy to Human Resources.
4. Employees, temporary Employees, volunteers, and paid and unpaid interns who violate this policy shall be subject to corrective action, up to and including termination.

**C. Retaliation**

1. CalOptima Health prohibits Retaliation against an Employee because the Employee has engaged in protected activity. Protected activities may include, but are not limited to, reporting or assisting in reporting suspected violations of this policy or other applicable laws and/or cooperating in investigations or proceedings arising out of an alleged violation of this policy or other applicable laws.
2. CalOptima Health shall not take any adverse action, based on the Employee's protected activity, that materially affects the terms and conditions of the Employee's employment status or is reasonably likely to deter the Employee from engaging in protected activity. Examples of Retaliation under this policy include, but are not limited to: demotion; suspension; reduction in pay; termination; denial of a merit salary increase; failure to hire or consider for hire; refusing to promote or consider for promotion because of reporting a violation of this policy; harassing another Employee for filing a complaint; denying employment opportunities for making a complaint or cooperating in an investigation; changing someone's work assignments; treating people differently such as denying an accommodation; not talking to an Employee when otherwise required by job duties; or otherwise excluding the Employee from job-related activities because of engagement in activities protected under this policy.

**IV. ATTACHMENT(S)**

Not Applicable

**V. REFERENCE(S)**

- A. CalOptima Health Employee Handbook
- B. CalOptima Health Policy GA.8027: Harassment, Discrimination, and Retaliation Prevention
- C. Government Code, §12920 and 12940 *et seq.*

**VI. REGULATORY AGENCY APPROVAL(S)**

None to Date

**VII. BOARD ACTION(S)**

| Date              | Meeting   |
|-------------------|---|
| 01/05/2012        | Regular Meeting of the CalOptima Board of Directors               |
| 05/01/2014        | Regular Meeting of the CalOptima Board of Directors               |
| 02/02/2017        | Regular Meeting of the CalOptima Board of Directors               |
| 06/04/2020        | Regular Meeting of the CalOptima Board of Directors               |
| 09/01/2022        | Regular Meeting of the CalOptima Health Board of Directors        |
| <u>10/03/2024</u> | <u>Regular Meeting of the CalOptima Health Board of Directors</u> |

VIII. REVISION HISTORY

| Action         | Date              | Policy         | Policy Title                        | Program(s)            |
|----------------|-------------------|----------------|-------------------------------------|-----------------------|
| Effective      | 01/05/2012        | GA.8025        | Equal Employment Opportunity        | Administrative        |
| Revised        | 02/01/2014        | GA.8025        | Equal Employment Opportunity        | Administrative        |
| Revised        | 02/02/2017        | GA.8025        | Equal Employment Opportunity        | Administrative        |
| Revised        | 06/04/2020        | GA.8025        | Equal Employment Opportunity        | Administrative        |
| Revised        | 09/01/2022        | GA.8025        | Equal Employment Opportunity        | Administrative        |
| <u>Revised</u> | <u>10/03/2024</u> | <u>GA.8025</u> | <u>Equal Employment Opportunity</u> | <u>Administrative</u> |

## IX. GLOSSARY

| Term              | Definition  |
|-------------------|---|
| Discrimination    | Unfair treatment of a person or group on the basis of a protected class.  |
| Employee          | Any and all employees of CalOptima Health, including all permanent and temporary employees, volunteers, and other employed personnel.   |
| Gender Expression | A person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex at birth.   |
| Gender Identity   | Each person's internal understanding of their gender, or the perceptions of a person's <a href="#">Gender Identity</a> , which may include male, female, a combination of male and female, neither male nor female, a gender different from the person's sex assigned at birth, or <a href="#">Transgender-</a> .   |
| Harassment        | Unwelcome verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual, based on a protected characteristic, that is so severe or pervasive as to create an intimidating, hostile, or offensive working environment.   |
| National Origin   | Includes, but is not limited to, the individual's or ancestors' actual or perceived: (1) physical, cultural, or linguistic characteristics associated with a <a href="#">National Origin</a> group; (2) marriage to or association with persons of a <a href="#">National Origin</a> group; (3) tribal affiliation; (4) membership in or association with an organization identified with or seeking to promote the interests of a <a href="#">National Origin</a> group; (5) attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a <a href="#">National Origin</a> group; (6) name that is associated with a <a href="#">National Origin</a> group; and (7) the basis of possessing a driver's license granted under Section 12801.9 of the Vehicle Code. |
| Retaliation       | Adverse employment action against an Employee because the Employee filed a complaint or engaged in a protected activity.  |
| Sex               | Includes the same definition as provided in Government Code section 12926 and Title 42 of the United States Code section 2000 e(k), which includes, but is not limited to, pregnancy, childbirth; breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, gender, <a href="#">Gender Identity</a> , and <a href="#">Gender Expression</a> .   |
| Sex Stereotype    | Includes, but is not limited to, an assumption about a person's appearance or behavior, gender roles, <a href="#">Gender Expression</a> , or <a href="#">Gender Identity</a> , or about an individual's ability or inability to perform certain kinds of work based on a myth, social expectation, or generalization about the individual's <a href="#">-Sex</a> .  |
| Transgender       | A general term that refers to a person whose <a href="#">Gender Identity</a> differs from the person's sex assigned at birth. A <a href="#">-Transgender</a> person may or may not have a <a href="#">Gender Expression</a> that is different from the social expectations of the sex assigned at birth. A <a href="#">-Transgender</a> person may or may not identify as "transsexual."  |
| Transitioning     | A process some <a href="#">-Transgender</a> people go through to begin living as the gender with which they identify, rather than the sex assigned to them at birth. This process may include, but is not limited to, changes in name and pronoun usage, facility usage, participation in employer-sponsored activities (e.g., sports teams, team-building projects, or volunteering), or undergoing hormone therapy, surgeries, or other medical procedures.   |



Policy: GA.8025  
Title: **Equal Employment Opportunity**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to:  
☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy outlines CalOptima Health's approach to Equal Employment Opportunity (EEO).

## II. POLICY

- A. CalOptima Health is an equal opportunity employer making employment decisions on the basis of merit and strives to employ qualified candidates most likely to succeed in the position.
- B. CalOptima Health prohibits unlawful Discrimination and Harassment against any Employee, applicant for employment, or those applying for or engaged in a paid or unpaid internship or training program leading to employment with CalOptima Health based on one or more of the following protected categories:
1. Race (includes hair texture and hairstyles) or color;
  2. Religion (includes religious dress and grooming practices) or religious creed;
  3. National Origin (includes language restrictions and possession of a driver's license issued to undocumented immigrants), ancestry, or citizenship;
  4. Disability (physical, developmental, mental health/psychiatric, HIV and AIDS);
  5. Marital status or registered domestic partner status;
  6. Medical condition (includes cancer, record or history of cancer, and genetic characteristics), genetic information, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), or domestic violence victim status;
  7. Sex (includes pregnancy, childbirth, breastfeeding, reproductive loss event, or related medical conditions), Sex Stereotype, gender, Transitioning status, Gender Identity, Gender Expression, reproductive health decision making, or sexual orientation;
  8. Age (forty (40) years and over);

9. Veteran and/or military status;

10. Political affiliation; and

11. Any other status protected by federal, state, or local laws.

C. CalOptima Health also prohibits unlawful Discrimination and Harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has, or is perceived as having, any of those characteristics.

D. CalOptima Health prohibits Retaliation against a person who engages reasonably and in good faith in activities protected under this policy. Reporting or assisting in reporting suspected violations of this policy and cooperating in investigations or proceedings arising out of an alleged violation of this policy are protected activities.

E. CalOptima Health is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in CalOptima Health's operations and prohibits unlawful Discrimination and Harassment by any Employee of CalOptima Health.

F. Equal employment opportunity will be extended to all persons in all aspects of the employer-Employee relationship, including recruitment, or recruitment advertising, hiring, training, promotion, rates of pay or other forms of compensation, benefits, transfer, corrective action, reduction in force, or termination, career development opportunities, and social and recreational programs.

G. CalOptima Health shall also include equal employment opportunity language in every contract with contractors and vendors requiring such persons and firms doing business with CalOptima Health to comply with all federal, state, and local equal employment opportunity laws.

H. It is the responsibility of every CalOptima Health Employee to adhere to this Policy. Any Employee with questions regarding this Policy should discuss it with the Human Resources (HR) Department.

### III. PROCEDURE

A. CalOptima Health Employees, applicants for employment, or those applying for or engaged in a paid or unpaid internship or training program leading to employment with CalOptima Health will not be denied employment opportunities in accordance with Section II.B. of this policy.

#### B. Complaints

1. All applicants for employment, Employees, temporary Employees, volunteers, and paid and unpaid interns shall immediately report any incidents of Discrimination prohibited by this Policy to their supervisor, manager, and/or Human Resources representative for resolution in accordance with CalOptima Health Policy GA.8027: Harassment, Discrimination, and Retaliation Prevention.

2. All complaints will be handled with confidentiality to the extent possible based on the circumstances and applicable laws. When an investigation is required, the most appropriate confidentiality will be utilized. Responses to complaints will be taken in a timely manner.

- 1 3. Supervisors and managers are required to immediately forward all complaints, oral and/or  
2 written, alleging violation(s) of this policy to Human Resources.  
3  
4 4. Employees, temporary Employees, volunteers, and paid and unpaid interns who violate this  
5 policy shall be subject to corrective action, up to and including termination.  
6

7 **C. Retaliation**  
8

- 9 1. CalOptima Health prohibits Retaliation against an Employee because the Employee has  
10 engaged in protected activity. Protected activities may include, but are not limited to, reporting  
11 or assisting in reporting suspected violations of this policy or other applicable laws and/or  
12 cooperating in investigations or proceedings arising out of an alleged violation of this policy or  
13 other applicable laws.  
14  
15 2. CalOptima Health shall not take any adverse action, based on the Employee's protected activity,  
16 that materially affects the terms and conditions of the Employee's employment status or is  
17 reasonably likely to deter the Employee from engaging in protected activity. Examples of  
18 Retaliation under this policy include, but are not limited to: demotion; suspension; reduction in  
19 pay; termination; denial of a merit salary increase; failure to hire or consider for hire; refusing to  
20 promote or consider for promotion because of reporting a violation of this policy; harassing  
21 another Employee for filing a complaint; denying employment opportunities for making a  
22 complaint or cooperating in an investigation; changing someone's work assignments; treating  
23 people differently such as denying an accommodation; not talking to an Employee when  
24 otherwise required by job duties; or otherwise excluding the Employee from job-related  
25 activities because of engagement in activities protected under this policy.  
26

27 **IV. ATTACHMENT(S)**  
28

29 Not Applicable  
30

31 **V. REFERENCE(S)**  
32

- 33 A. CalOptima Health Employee Handbook  
34 B. CalOptima Health Policy GA.8027: Harassment, Discrimination, and Retaliation Prevention  
35 C. Government Code, §12920 and 12940 *et seq.*  
36

37 **VI. REGULATORY AGENCY APPROVAL(S)**  
38

39 None to Date  
40

41 **VII. BOARD ACTION(S)**  
42

| Date       | Meeting  |
|------------|--|
| 01/05/2012 | Regular Meeting of the CalOptima Board of Directors        |
| 05/01/2014 | Regular Meeting of the CalOptima Board of Directors        |
| 02/02/2017 | Regular Meeting of the CalOptima Board of Directors        |
| 06/04/2020 | Regular Meeting of the CalOptima Board of Directors        |
| 09/01/2022 | Regular Meeting of the CalOptima Health Board of Directors |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

1 **VIII. REVISION HISTORY**

2

| Action    | Date       | Policy  | Policy Title                 | Program(s)     |
|-----------|------------|---------|------------------------------|----------------|
| Effective | 01/05/2012 | GA.8025 | Equal Employment Opportunity | Administrative |
| Revised   | 02/01/2014 | GA.8025 | Equal Employment Opportunity | Administrative |
| Revised   | 02/02/2017 | GA.8025 | Equal Employment Opportunity | Administrative |
| Revised   | 06/04/2020 | GA.8025 | Equal Employment Opportunity | Administrative |
| Revised   | 09/01/2022 | GA.8025 | Equal Employment Opportunity | Administrative |
| Revised   | 10/03/2024 | GA.8025 | Equal Employment Opportunity | Administrative |

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For 20241003 BOD Review ONLY



## IX. GLOSSARY

| Term              | Definition  |
|-------------------|---|
| Discrimination    | Unfair treatment of a person or group on the basis of a protected class.  |
| Employee          | Any and all employees of CalOptima Health, including all permanent and temporary employees, volunteers, and other employed personnel.   |
| Gender Expression | A person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex at birth.   |
| Gender Identity   | Each person's internal understanding of their gender, or the perceptions of a person's Gender Identity, which may include male, female, a combination of male and female, neither male nor female, a gender different from the person's sex assigned at birth, or Transgender.  |
| Harassment        | Unwelcome verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual, based on a protected characteristic, that is so severe or pervasive as to create an intimidating, hostile, or offensive working environment.   |
| National Origin   | Includes, but is not limited to, the individual's or ancestors' actual or perceived: (1) physical, cultural, or linguistic characteristics associated with a National Origin group; (2) marriage to or association with persons of a National Origin group; (3) tribal affiliation; (4) membership in or association with an organization identified with or seeking to promote the interests of a National Origin group; (5) attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a National Origin group; (6) name that is associated with a National Origin group; and (7) the basis of possessing a driver's license granted under Section 12801.9 of the Vehicle Code. |
| Retaliation       | Adverse employment action against an Employee because the Employee filed a complaint or engaged in a protected activity.  |
| Sex               | Includes the same definition as provided in Government Code section 12926 and Title 42 of the United States Code section 2000 e(k), which includes, but is not limited to, pregnancy, childbirth; breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, gender, Gender Identity, and Gender Expression.   |
| Sex Stereotype    | Includes, but is not limited to, an assumption about a person's appearance or behavior, gender roles, Gender Expression, or Gender Identity, or about an individual's ability or inability to perform certain kinds of work based on a myth, social expectation, or generalization about the individual's Sex.  |
| Transgender       | A general term that refers to a person whose Gender Identity differs from the person's sex assigned at birth. A Transgender person may or may not have a Gender Expression that is different from the social expectations of the sex assigned at birth. A Transgender person may or may not identify as "transsexual."  |
| Transitioning     | A process some Transgender people go through to begin living as the gender with which they identify, rather than the sex assigned to them at birth. This process may include, but is not limited to, changes in name and pronoun usage, facility usage, participation in employer-sponsored activities (e.g., sports teams, team-building projects, or volunteering), or undergoing hormone therapy, surgeries, or other medical procedures.  |



Policy: GA.8027  
Title: **Harassment, Discrimination, and Retaliation Prevention**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy outlines CalOptima Health's zero tolerance for Discrimination, Harassment, and Retaliation and sets forth a procedure for promptly investigating complaints thereof.

## II. POLICY

A. CalOptima Health is committed to providing a professional work environment that is free of Discrimination and Harassment based on one or more protected category(ies), and an environment free from Retaliation for participating in any protected activity(ies) covered by this policy and CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations.

A.B. CalOptima Health is committed to providing equal employment opportunities to all Employees and applicants for employment. Accordingly, CalOptima Health has adopted and shall maintain this ~~Harassment, Discrimination, and Retaliation Prevention~~ policy ~~designed~~ to encourage professional and respectful behavior and prevent discriminating, Harassing, or retaliatory conduct in our workplace. CalOptima Health shall implement appropriate corrective action(s), up to and including termination, in response to any violation of this policy ~~CalOptima Health's Harassment, Discrimination, and Retaliation Prevention Policy~~, even if the violation does not rise to the level of unlawful conduct.

B.C. CalOptima Health prohibits Discrimination and Harassment based on the following categories: race, color, hairstyle, religion, religious creed (including religious dress and grooming practices), national origin, ancestry, citizenship, physical or mental disability, medical condition (including cancer and genetic characteristics), genetic information, marital status, registered domestic partner status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), sex stereotype, gender, transitioning status, gender identity, gender expression, age (40 years and over), sexual orientation, veteran and/or military status, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, and any other status protected by state or federal law. In addition, CalOptima Health prohibits Retaliation against a person who engages reasonably and in good faith in activities protected under this policy in accordance with CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations. Reporting or assisting in reporting suspected violations of this policy and cooperating in investigations or proceedings arising out of an alleged violation of this policy are protected

activities.

C.D. All Employees are expected to assume responsibility for maintaining a work environment that is free from Discrimination, Harassment and Retaliation. The law prohibits supervisors, managers, and co-workers, as well as third parties with whom CalOptima Health Employees come into contact in the workplace, from engaging in unlawful Discrimination, Harassment and Retaliation. Employees are encouraged to promptly report conduct that they reasonably believe violates this policy so that CalOptima Health shall have an opportunity to address and resolve any concerns. Managers and supervisors are required to promptly report conduct that they believe violates this policy. CalOptima Health is committed to responding to alleged violations of this policy in a timely and fair manner and to taking appropriate action aimed at ending the prohibited conduct.

D.E. Complaints/reports under this policy must be based on a reasonable belief of misconduct and made in good faith. CalOptima Health will not tolerate intentional false accusations of Discrimination, Harassment, or Retaliation. A finding of any intentional false accusations is considered a violation of this policy and may result in corrective action up to and including termination.

E.F. This policy applies to agents, contractors, volunteers, job applicants, and Employees. In addition, this policy extends to conduct with a connection to an Employee's work, even when the conduct takes place away from CalOptima Health's premises, such as a business trip or business-related social function. Harassment, Discrimination, and/or Retaliation can occur between individuals in different work locations including but not limited to in person, working remotely, on virtual platforms, in messaging apps, and after working hours between personal cell phones. Remote work locations, virtual platforms, social media, and text/email communications are considered part of the workplace for purposes of this policy. CalOptima Health's policy prohibiting Discrimination against CalOptima Health Members is addressed in CalOptima Health Policy HH.1104: Complaints of Discrimination.

F.G. CalOptima Health shall take appropriate steps and implement processes to protect Employees from unlawful Discrimination, Harassment and Retaliation in the workplace, including:

1. Employees are encouraged to timely report and file a complaint regarding suspected or actual inappropriate conduct in violation of this policy and/or applicable laws, and, whenever possible, to put the complaint or concern in writing. Employees may designate the report or complaint as confidential, which may remain confidential to the extent possible based on the circumstances and applicable laws, except with respect to the investigation, which may not be completely confidential. Employees can file complaints directly with their immediate supervisor, manager, or the Human Resources Department.
2. Supervisors and managers are required to forward all complaints, oral and/or written, alleging violation(s) of this policy to the Human Resources Department.
3. The Human Resources Department or designee will review any report or complaint of inappropriate conduct in violation of this policy and will complete a timely, thorough, and impartial review and/or investigation, when appropriate, that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected.
4. Impacted parties are required to reasonably participate in the review and/or investigation of complaints alleging inappropriate conduct in violation of this policy.
5. The complainant and respondent will be timely informed of appropriate information related to the progress of the review or investigation, including the findings and closure of an

investigation.

6. If, at the end of the investigation, inappropriate conduct or violation(s) of this policy or applicable law are found, CalOptima Health shall take appropriate remedial measures.
7. Employees reporting inappropriate conduct, along with Employees participating in the investigation as witnesses, shall not be retaliated against for filing a complaint or participating in the investigation process.

**G.H.** Employees may also file a complaint directly with the United States Equal Employment Opportunity Commission (EEOC) or California Civil Rights Department (CRD) or other appropriate state or federal agency(ies). They may also file a civil action in the appropriate court, subject to applicable laws.

#### **H.I.** Prohibited Conduct

1. Discrimination: CalOptima Health prohibits Discrimination based on any one or more protected characteristics as described in Section II.B. of this policy. Prohibited Discrimination includes unequal treatment based upon the Employee or applicant's association with a member of these protected classes. Discrimination may include but is not necessarily limited to allowing the applicant's or Employee's protected category to be a factor in hiring, promotion, compensation, or other employment related decision, unless otherwise permitted by applicable law; and providing unwarranted assistance or withholding work-related assistance, cooperation, and/or information to applicants or Employees because of their protected category.
2. Harassment: CalOptima Health prohibits Harassing, disrespectful or unprofessional conduct, including Harassing, disrespectful or unprofessional conduct based on any one or more protected characteristics as described in Section II.B. of this policy. Prohibited Harassment can be verbal (such as slurs, jokes, insults, epithets, gestures, or teasing), visual (such as the posting or distribution of offensive posters, symbols, cartoons, drawings, computer displays, or emails), or physical (such as physically threatening another person, blocking someone's way, making physical contact in an unwelcome manner, etc.).
  - a. Sexual Harassment: CalOptima Health prohibits Discrimination and Harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), sex stereotype, sexual orientation, gender, gender identity, or gender expression. Sexually Harassing conduct need not be motivated by sexual desire and may include situations that began as reciprocal relationships, but that later cease to be reciprocal. Sexual Harassment may involve Harassment of a person of the same gender as the harasser, regardless of either person's sexual orientation or gender identity. Prohibited Sexual Harassment falls into two categories: (1) "*quid pro quo*" ("this for that") when someone conditions a job, promotion, or other work benefit based on submission to sexual advances or other conduct based on sex; or (2) "hostile work environment" when unwelcome comments or conduct based on sex unreasonably interferes with your work performance or creates an intimidating, hostile, or offensive work environment. Prohibited Sexual Harassment may include all the actions described above as Harassment, as well as other unwelcome sex-based conduct, such as, but not limited to:
    - i. Unwelcome or unsolicited sexual advances;
    - ii. Offering employment benefits in exchange for sexual favors;

- 1                   iii. Leering or gestures;
- 2
- 3                   iv. Displaying sexually suggestive objects, pictures, cartoons, or posters;
- 4
- 5                   v. Derogatory comments, epithets, slurs, or jokes;
- 6
- 7                   vi. Graphic comments, sexually degrading words, conversations regarding sexual
- 8                         activities, or suggestive or obscene messages or invitations; or
- 9
- 10                  vii. Physical touching or assault, as well as impeding or blocking movements, or other
- 11                         verbal or physical conduct of a sexual nature.
- 12
- 13                  b. Abusive Conduct: CalOptima Health prohibits conduct of an employer or Employee in
- 14                         the workplace, with malice, that a reasonable person would find hostile, offensive, and
- 15                         unrelated to an employer's legitimate business interests. Engaging in a pattern of one or
- 16                         more of the following behaviors meets the definition of abusive conduct under California
- 17                         law. The use of inappropriate language, put-downs, insults and name-calling, taunting,
- 18                         teasing, or making jokes about a co-worker when the intent is to embarrass and humiliate.
- 19                         Sabotaging another Employee's work or copying, plagiarizing, or stealing work from a
- 20                         co-worker and passing it off as one's own.
- 21

- 22                  3. Retaliation: CalOptima Health prohibits Retaliation against an Employee because the
- 23                         Employee has engaged in protected activity. Protected activities may include, but are not
- 24                         limited to, reporting or assisting in reporting suspected violations of this policy, [CalOptima](#)
- 25                         [Health Policy HH.3012: Non-Retaliation for Reporting Violations](#) or other applicable laws
- 26                         and/or cooperating in investigations or proceedings arising out of an alleged violation ~~of this~~
- 27                         policy or other applicable laws. CalOptima Health shall not take any adverse employment
- 28                         action, based on the Employee's protected activity, that materially affects the terms and
- 29                         conditions of the Employee's employment status or is reasonably likely to deter the
- 30                         Employee from engaging in protected activity. Examples of Retaliation under this policy
- 31                         include, but are not limited to: demotion; suspension; reduction in pay; termination; denial of
- 32                         a merit salary increase; failure to hire or consider for hire; refusing to promote or consider for
- 33                         promotion because of reporting a violation of this policy; Harassing another Employee for
- 34                         filing a complaint; denying employment opportunities for making a complaint or cooperating
- 35                         in an investigation; changing someone's work assignments; treating people differently such
- 36                         as denying an accommodation; not talking to an Employee when otherwise required by job
- 37                         duties; or otherwise excluding the Employee from job-related activities because of
- 38                         engagement in activities protected under this policy. Actual or threatened Retaliation for
- 39                         rejecting sexual advances or complaining about Sexual Harassment is also unlawful and a
- 40                         violation of this policy [and CalOptima Health Policy HH.3012: Non-Retaliation for](#)
- 41                         [Reporting Violations](#).
- 42

43                  I.J. CalOptima Health shall disseminate ~~the Harassment, Discrimination, and Retaliation~~

44                         Prevention this policy to all Employees and require them to acknowledge electronically that each

45                         individual has received and ~~understood~~ understands the policy. All legally required posters shall

46                         be posted in a prominent and accessible location in the workplace.

47

#### 48                  J.K. Training Requirements

49

- 50                  1. All non-management/non-supervisory Employees are required to attend Harassment
- 51                         prevention training for Employees (1 hour) within the first six (6) months of hire and at least
- 52                         every two (2) years thereafter.
- 53



2. All management/supervisory Employees must complete the Harassment prevention training for leaders (2 hours) within the first six (6) months of hire and at least every two (2) years thereafter. These trainings shall include prevention of abusive conduct in the workplace.

#### K.L. Addressing and Reporting Violations

1. Any Employee or applicant who experiences behavior that they believe violates this policy is encouraged to immediately tell the offending individual that the behavior is inappropriate and, if they feel comfortable doing so, to tell the offending individual to stop the behavior.
2. Any Employee witnessing Harassment is encouraged to report it. There are five (5) standard methods of intervention that can be used when anyone witnesses Harassment or Discrimination and wants to help. A witness:
  - a. Can interrupt the Harassment by engaging with the individual being Harassed and distracting them from the Harassing behavior;
  - a. Who feels unsafe interrupting on their own can ask a third party to help intervene in the Harassment;
  - b. Can document the Harassment incident to benefit a future investigation;
  - c. Might check in with the person who has been Harassed after the incident, let them know the behavior was not appropriate, and encourage the person to report it; and/or
  - d. If feeling safe, can advise the harasser that the behavior was inappropriate. Effective intervention focuses on de-escalation through words and non-physical actions.
3. The applicant, witness, or Employee should also immediately report the alleged violation to ~~his/her~~their supervisor, manager, or the Human Resources Department. They are free to contact the Human Resources Department and are not required to request supervisor or manager approval to do this. If the alleged offender is the Employee's supervisor or manager, the Employee should report the conduct to any other supervisor or manager or the Human Resources Department. A complaint may be brought forward verbally or in writing. Written complaints can be made using, but not limited to, the Employee Complaint Intake Form.
4. Supervisors or managers who learn of any potential violation of this policy are required to immediately report the matter to Human Resources and must follow instructions provided by Human Resources as to how best to proceed.
5. CalOptima Health shall promptly look into the facts and circumstances of any alleged violation, as appropriate. Even in the absence of a formal complaint, CalOptima Health may initiate an investigation where it has reason to believe that conduct that violates this policy has occurred. Moreover, even where a complainant conveys a request to withdraw their initial formal complaint, CalOptima Health may continue the investigation to ensure that the workplace is free from Harassment. Anonymous complaints shall also be investigated. The method will depend on the details provided in the anonymous complaint. If the complaint is sufficiently detailed, the investigation may be able to proceed in the same manner as any other complaint. If the information is more general, CalOptima Health may need to do an environmental assessment or survey to try to determine if misconduct has occurred. All investigations will be fair, impartial, timely, and completed by qualified personnel.
6. To the extent possible, CalOptima Health shall endeavor to keep the reporting of the applicant

or Employee's concerns confidential; however, complete confidentiality cannot be guaranteed when it interferes with CalOptima Health's ability to fulfill its obligations under this policy. All Employees are required to cooperate fully with any investigation. This includes, but is not limited to, maintaining an appropriate level of discretion regarding the investigation, and disclosing any and all information that may be pertinent to the investigation. Upon completion of the investigation, if misconduct is substantiated, CalOptima Health shall take appropriate corrective and preventive action calculated to end the conduct up to and including formal corrective action where warranted.

#### **L.M. Filing of Complaints Outside of CalOptima Health**

1. Employees and applicants may file formal complaints of Discrimination, Harassment, or Retaliation with the agencies listed below. Individuals who wish to pursue filing with these agencies should contact them directly to obtain further information about their processes and time limits.
  - a. **California Civil Rights Department**  
2218 Kausen Drive Suite 100  
Elk Grove CA 95758  
800-884-1684 (voice), 800-700-2320 (TTY) or California's Relay Service at 711  
[contact.center@calcivilrights.ca.gov](mailto:contact.center@calcivilrights.ca.gov) <https://calcivilrights.ca.gov/>
  - b. **U.S. Equal Employment Opportunity Commission**  
450 Golden Gate Avenue 5 West  
P.O Box 36025  
San Francisco CA 94102-3661  
1-800-669-4000 or 510-735-8909 (Deaf/hard-of-hearing callers only)  
<https://www.eeoc.gov/employees>
2. Employees or applicants who believe they have been the subject of Discrimination, Harassment or Retaliation for making a complaint or participating in an investigation of Discrimination or Harassment may file a complaint with the CRD within three (3) years of the last act of Discrimination, Harassment or Retaliation. CRD serves as a neutral factfinder and attempts to help the parties voluntarily resolve disputes. CRD may also file a civil complaint and seek court orders changing the employer's policies and practices, punitive damages, and attorney's fees and costs. Employees can also pursue the matter through a private lawsuit in civil court after a complaint has been filed and a Right-to-Sue Notice has been issued. Training developed by CRD can be accessed at the following link: <https://calcivilrights.ca.gov/>.

### **III. PROCEDURE**

| Responsible Party | Action   |
|-------------------|--|
| Employee          | <ul style="list-style-type: none"><li>Assume responsibility for a work environment free from Discrimination, Harassment and Retaliation.</li><li>Report the facts of any incident(s) of Discrimination or Harassment based on a protected characteristic or Retaliation based on a protected activity immediately to your supervisor, manager, or the Human Resources (HR) Department.</li><li>Cooperate in a reasonable inquiry or investigation into allegation(s) of Discrimination, Harassment or Retaliation.</li></ul> |



| Responsible Party | Action   |
|-------------------|--|
| Supervisor        | <ul style="list-style-type: none"> <li>▪ Gather all relevant facts from reporting Employee and report it immediately to the HR Department.</li> <li>▪ Cooperate in a reasonable inquiry or investigation into allegation(s) of Discrimination, Harassment or Retaliation.</li> <li>▪ Keep reports or complaints of Discrimination, Harassment, or Retaliation confidential, to the extent possible, and follow HR's direction and guidance.</li> </ul>   |
| Human Resources   | <ul style="list-style-type: none"> <li>▪ Upon receipt of a complaint, evaluate the reported misconduct and determine what level of review or investigation is needed and appropriate for the circumstances.</li> <li>▪ Request supporting documentation and/or additional statements from Employees and potential witnesses, where applicable.</li> <li>▪ If a determination is made that no further investigation is required, a closure notice shall be issued to the complainant documenting the decision.</li> <li>▪ If a determination is made that an investigation is required, complete an impartial, timely, and thorough investigation of the complaint, which may include interviewing the complaining party, responding party, and relevant witnesses. Review collected documents, exhibits or other evidence. Analyze the information, make credibility determinations when needed, reach reasonable conclusions based on the evidence collected, and make findings based on a preponderance of the evidence standard.</li> <li>▪ If misconduct is found, recommend appropriate remedial measures, along with preventive and/or corrective action, when it is warranted, to department leadership.</li> <li>▪ Timely inform the complainant of the conclusion of the investigation and any findings.</li> <li>▪ Timely inform the responding party of the conclusion of the investigation, any findings, and the final decision, if applicable, of remedial measures or preventive and/or corrective action.</li> <li>▪ HR will strive to maintain confidentiality during the investigation, but there is no guarantee of complete confidentiality. Only the parties who need to know shall be involved.</li> </ul> |

#### IV. ATTACHMENT(S)

A. Employee Incident / Complaint Intake Form

#### V. REFERENCE(S)

A. CalOptima Health Policy GA.8044: Telework Program

B. CalOptima Health Policy GA.8062: Social Media Conduct

C. CalOptima Health Policy HH.1104: Complaints of Discrimination

~~C.D.~~ CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations

~~D.E.~~ California Government Code, §§12926, 12935, 12940 *et seq.*, 12950, and 12950.1.

~~E.F.~~ Title 2, California Code of Regulations (C.C.R.), §§11008 *et seq.*, 11023, 11027.1(a) and (b),  
and  
1030(a)-(f)

~~F.G.~~ Title VII of the Civil Rights Act of 1964 (42, U.S.C., 2000e *et seq.*)

~~G.H.~~ CA Labor Code §§230 and 230.1 Rights of Victims of Domestic Violence, Sexual Assault, and Stalking

**VI. REGULATORY AGENCY APPROVAL(S)**

None to Date

**VII. BOARD ACTION(S)**

| Date              | Meeting   |
|-------------------|---|
| 01/05/2012        | Regular Meeting of the CalOptima Board of Directors               |
| 05/01/2014        | Regular Meeting of the CalOptima Board of Directors               |
| 11/03/2016        | Regular Meeting of the CalOptima Board of Directors               |
| 09/06/2018        | Regular Meeting of the CalOptima Board of Directors               |
| 06/02/2022        | Regular Meeting of the CalOptima Board of Directors               |
| 11/02/2023        | Regular Meeting of the CalOptima Health Board of Directors        |
| <u>10/03/2024</u> | <u>Regular Meeting of the CalOptima Health Board of Directors</u> |

**VIII. REVISION HISTORY**

| Action         | Date              | Policy         | Policy Title   | Program(s)            |
|----------------|-------------------|----------------|--|-----------------------|
| Effective      | 01/05/2012        | GA.8027        | Unlawful Harassment  | Administrative        |
| Revised        | 04/01/2014        | GA.8027        | Unlawful Harassment  | Administrative        |
| Revised        | 11/03/2016        | GA.8027        | Unlawful Harassment  | Administrative        |
| Revised        | 09/06/2018        | GA.8027        | Unlawful Harassment  | Administrative        |
| Revised        | 06/02/2022        | GA.8027        | Anti-Harassment  | Administrative        |
| Revised        | 11/02/2023        | GA.8027        | Harassment, Discrimination and Retaliation Prevention        | Administrative        |
| <u>Revised</u> | <u>10/03/2024</u> | <u>GA.8027</u> | <u>Harassment, Discrimination and Retaliation Prevention</u> | <u>Administrative</u> |

## IX. GLOSSARY

| Term                  | Definition  |
|-----------------------|---|
| Discrimination        | Unequal treatment of a person or group on the basis of a protected category.  |
| Employee              | Any and all Employees of CalOptima Health, including all permanent and temporary Employees, volunteers, and other employed personnel.   |
| Gender Expression     | A person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex assigned at birth.  |
| Gender Identity       | Each person's internal understanding of their gender, or the perceptions of a person's gender identity, which may include male, female, a combination of male and female, neither male nor female, a gender different from the person's sex assigned at birth, or transgender.  |
| Harassment            | Unwelcome verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual, based on a protected characteristic, that is so severe or pervasive as to create an intimidating, hostile, or offensive working environment.   |
| Member                | A beneficiary enrolled in a CalOptima Health Program.   |
| National Origin       | Includes, but is not limited to, the individual's or ancestors' actual or perceived: (1) physical, cultural, or linguistic characteristics associated with a national origin group; (2) marriage to or association with persons of a national origin group; (3) tribal affiliation; (4) membership in or association with an organization identified with or seeking to promote the interests of a national origin group; (5) attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a national origin group; (6) name that is associated with a national origin group; and (7) the basis of possessing a driver's license granted under Section 12801.9 of the Vehicle Code. |
| National Origin Group | Includes, but is not limited to, ethnic groups, geographic places of origin, and countries that are not presently in existence.   |
| Retaliation           | Adverse employment action against an Employee because the Employee filed a complaint or engaged in a protected activity.  |
| Sex                   | Includes the same definition as provided in Government Code section 12926 and Title 42 of the United States Code section 2000 e(k), which includes, but is not limited to, pregnancy, childbirth, breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, gender, gender identity, and gender expression.   |
| Sex Stereotype        | Includes, but is not limited to, an assumption about a person's appearance or behavior, gender roles, gender expression, or gender identity, or about an individual's ability or inability to perform certain kinds of work based on a myth, social expectation, or generalization about the individual's sex.  |
| Sexual Harassment     | Harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions, sex stereotype, gender, gender identity or gender expression) or conduct of a sexual nature.  |
| Transgender           | A general term that refers to a person whose gender identity differs from the person's sex assigned at birth. A transgender person may or may not have a gender expression that is different from the social expectations of the sex assigned at birth. A transgender person may or may not identify as "transsexual."  |

| Term          | Definition  |
|---------------|---|
| Transitioning | A process some transgender people go through to begin living as the gender with which they identify, rather than the sex assigned to them at birth. This process may include, but is not limited to, changes in name and pronoun usage, facility usage, participation in employer-sponsored activities ( <i>e.g.</i> , sports teams, team-building projects, or volunteering), or undergoing hormone therapy, surgeries, or other medical procedures. |

For 20241003 BOD Review Only



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Title: **Harassment, Discrimination, and Retaliation Prevention**  
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- C. CalOptima Health prohibits Discrimination and Harassment based on the following categories: race, color, hairstyle, religion, religious creed (including religious dress and grooming practices), national origin, ancestry, citizenship, physical or mental disability, medical condition (including cancer and genetic characteristics), genetic information, marital status, registered domestic partner status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), sex stereotype, gender, transitioning status, gender identity, gender expression, age (40 years and over), sexual orientation, veteran and/or military status, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, and any other status protected by state or federal law. In addition, CalOptima Health prohibits Retaliation against a person who engages reasonably and in good faith in activities protected under this policy in accordance with CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations. Reporting or assisting in reporting suspected violations of this policy and cooperating in investigations or proceedings arising out of an alleged violation of this policy are protected activities.
- D. All Employees are expected to assume responsibility for maintaining a work environment that is

1 free from Discrimination, Harassment and Retaliation. The law prohibits supervisors, managers, and  
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3 the workplace, from engaging in unlawful Discrimination, Harassment and Retaliation. Employees  
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18 takes place away from CalOptima Health's premises, such as a business trip or business-related  
19 social function. Harassment, Discrimination, and/or Retaliation can occur between individuals in  
20 different work locations including but not limited to in person, working remotely, on virtual  
21 platforms, in messaging apps, and after working hours between personal cell phones. Remote  
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- 30 1. Employees are encouraged to timely report and file a complaint regarding suspected or actual  
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  - 53 6. If, at the end of the investigation, inappropriate conduct or violation(s) of this policy or



applicable law are found, CalOptima Health shall take appropriate remedial measures.

7. Employees reporting inappropriate conduct, along with Employees participating in the investigation as witnesses, shall not be retaliated against for filing a complaint or participating in the investigation process.

H. Employees may also file a complaint directly with the United States Equal Employment Opportunity Commission (EEOC) or California Civil Rights Department (CRD) or other appropriate state or federal agency(ies). They may also file a civil action in the appropriate court, subject to applicable laws.

I. Prohibited Conduct

1. Discrimination: CalOptima Health prohibits Discrimination based on any one or more protected characteristics as described in Section II.B. of this policy. Prohibited Discrimination includes unequal treatment based upon the Employee or applicant's association with a member of these protected classes. Discrimination may include but is not necessarily limited to allowing the applicant's or Employee's protected category to be a factor in hiring, promotion, compensation, or other employment related decision, unless otherwise permitted by applicable law; and providing unwarranted assistance or withholding work-related assistance, cooperation, and/or information to applicants or Employees because of their protected category.
2. Harassment: CalOptima Health prohibits Harassing, disrespectful or unprofessional conduct, including Harassing, disrespectful or unprofessional conduct based on any one or more protected characteristics as described in Section II.B. of this policy. Prohibited Harassment can be verbal (such as slurs, jokes, insults, epithets, gestures, or teasing), visual (such as the posting or distribution of offensive posters, symbols, cartoons, drawings, computer displays, or emails), or physical (such as physically threatening another person, blocking someone's way, making physical contact in an unwelcome manner, etc.).
  - a. Sexual Harassment: CalOptima Health prohibits Discrimination and Harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), sex stereotype, sexual orientation, gender, gender identity, or gender expression. Sexually Harassing conduct need not be motivated by sexual desire and may include situations that began as reciprocal relationships, but that later cease to be reciprocal. Sexual Harassment may involve Harassment of a person of the same gender as the harasser, regardless of either person's sexual orientation or gender identity. Prohibited Sexual Harassment falls into two categories: (1) "*quid pro quo*" ("this for that") when someone conditions a job, promotion, or other work benefit based on submission to sexual advances or other conduct based on sex; or (2) "hostile work environment" when unwelcome comments or conduct based on sex unreasonably interferes with your work performance or creates an intimidating, hostile, or offensive work environment. Prohibited Sexual Harassment may include all the actions described above as Harassment, as well as other unwelcome sex-based conduct, such as, but not limited to:
    - i. Unwelcome or unsolicited sexual advances;
    - ii. Offering employment benefits in exchange for sexual favors;
    - iii. Leering or gestures;
    - iv. Displaying sexually suggestive objects, pictures, cartoons, or posters;



- v. Derogatory comments, epithets, slurs, or jokes;
  - vi. Graphic comments, sexually degrading words, conversations regarding sexual activities, or suggestive or obscene messages or invitations; or
  - vii. Physical touching or assault, as well as impeding or blocking movements, or other verbal or physical conduct of a sexual nature.
- b. Abusive Conduct: CalOptima Health prohibits conduct of an employer or Employee in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer's legitimate business interests. Engaging in a pattern of one or more of the following behaviors meets the definition of abusive conduct under California law. The use of inappropriate language, put-downs, insults and name-calling, taunting, teasing, or making jokes about a co-worker when the intent is to embarrass and humiliate. Sabotaging another Employee's work or copying, plagiarizing, or stealing work from a co-worker and passing it off as one's own.

3. Retaliation: CalOptima Health prohibits Retaliation against an Employee because the Employee has engaged in protected activity. Protected activities may include, but are not limited to, reporting or assisting in reporting suspected violations of this policy, CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations or other applicable laws and/or cooperating in investigations or proceedings arising out of an alleged violation or other applicable laws. CalOptima Health shall not take any adverse employment action, based on the Employee's protected activity, that materially affects the terms and conditions of the Employee's employment status or is reasonably likely to deter the Employee from engaging in protected activity. Examples of Retaliation under this policy include, but are not limited to: demotion; suspension; reduction in pay; termination; denial of a merit salary increase; failure to hire or consider for hire; refusing to promote or consider for promotion because of reporting a violation of this policy; Harassing another Employee for filing a complaint; denying employment opportunities for making a complaint or cooperating in an investigation; changing someone's work assignments; treating people differently such as denying an accommodation; not talking to an Employee when otherwise required by job duties; or otherwise excluding the Employee from job-related activities because of engagement in activities protected under this policy. Actual or threatened Retaliation for rejecting sexual advances or complaining about Sexual Harassment is also unlawful and a violation of this policy and CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations.

J. CalOptima Health shall disseminate this policy to all Employees and require them to acknowledge electronically that each individual has received and understands the policy. All legally required posters shall be posted in a prominent and accessible location in the workplace.

K. Training Requirements

- 1. All non-management/non-supervisory Employees are required to attend Harassment prevention training for Employees (1 hour) within the first six (6) months of hire and at least every two (2) years thereafter.
- 2. All management/supervisory Employees must complete the Harassment prevention training for leaders (2 hours) within the first six (6) months of hire and at least every two (2) years thereafter. These trainings shall include prevention of abusive conduct in the workplace.

## L. Addressing and Reporting Violations

1. Any Employee or applicant who experiences behavior that they believe violates this policy is encouraged to immediately tell the offending individual that the behavior is inappropriate and, if they feel comfortable doing so, to tell the offending individual to stop the behavior.
2. Any Employee witnessing Harassment is encouraged to report it. There are five (5) standard methods of intervention that can be used when anyone witnesses Harassment or Discrimination and wants to help. A witness:
  - a. Can interrupt the Harassment by engaging with the individual being Harassed and distracting them from the Harassing behavior;
  - a. Who feels unsafe interrupting on their own can ask a third party to help intervene in the Harassment;
  - b. Can document the Harassment incident to benefit a future investigation;
  - c. Might check in with the person who has been Harassed after the incident, let them know the behavior was not appropriate, and encourage the person to report it; and/or
  - d. If feeling safe, can advise the harasser that the behavior was inappropriate. Effective intervention focuses on de-escalation through words and non-physical actions.
3. The applicant, witness, or Employee should also immediately report the alleged violation to their supervisor, manager, or the Human Resources Department. They are free to contact the Human Resources Department and are not required to request supervisor or manager approval to do this. If the alleged offender is the Employee's supervisor or manager, the Employee should report the conduct to any other supervisor or manager or the Human Resources Department. A complaint may be brought forward verbally or in writing. Written complaints can be made using, but not limited to, the Employee Complaint Intake Form.
4. Supervisors or managers who learn of any potential violation of this policy are required to immediately report the matter to Human Resources and must follow instructions provided by Human Resources as to how best to proceed.
5. CalOptima Health shall promptly look into the facts and circumstances of any alleged violation, as appropriate. Even in the absence of a formal complaint, CalOptima Health may initiate an investigation where it has reason to believe that conduct that violates this policy has occurred. Moreover, even where a complainant conveys a request to withdraw their initial formal complaint, CalOptima Health may continue the investigation to ensure that the workplace is free from Harassment. Anonymous complaints shall also be investigated. The method will depend on the details provided in the anonymous complaint. If the complaint is sufficiently detailed, the investigation may be able to proceed in the same manner as any other complaint. If the information is more general, CalOptima Health may need to do an environmental assessment or survey to try to determine if misconduct has occurred. All investigations will be fair, impartial, timely, and completed by qualified personnel.
6. To the extent possible, CalOptima Health shall endeavor to keep the reporting of the applicant or Employee's concerns confidential; however, complete confidentiality cannot be guaranteed when it interferes with CalOptima Health's ability to fulfill its obligations under this policy. All Employees are required to cooperate fully with any investigation. This includes, but is not limited to, maintaining an appropriate level of discretion regarding the investigation, and

disclosing any and all information that may be pertinent to the investigation. Upon completion of the investigation, if misconduct is substantiated, CalOptima Health shall take appropriate corrective and preventive action calculated to end the conduct up to and including formal corrective action where warranted.

#### M. Filing of Complaints Outside of CalOptima Health

1. Employees and applicants may file formal complaints of Discrimination, Harassment, or Retaliation with the agencies listed below. Individuals who wish to pursue filing with these agencies should contact them directly to obtain further information about their processes and time limits.
  - a. **California Civil Rights Department**  
2218 Kausen Drive Suite 100  
Elk Grove CA 95758  
800-884-1684 (voice), 800-700-2320 (TTY) or California's Relay Service at 711  
[contact.center@calcivilrights.ca.gov](mailto:contact.center@calcivilrights.ca.gov) <https://calcivilrights.ca.gov/>
  - b. **U.S. Equal Employment Opportunity Commission**  
450 Golden Gate Avenue 5 West  
P.O Box 36025  
San Francisco CA 94102-3661  
1-800-669-4000 or 510-735-8909 (Deaf/hard-of-hearing callers only)  
<https://www.eeoc.gov/employees>
2. Employees or applicants who believe they have been the subject of Discrimination, Harassment or Retaliation for making a complaint or participating in an investigation of Discrimination or Harassment may file a complaint with the CRD within three (3) years of the last act of Discrimination, Harassment or Retaliation. CRD serves as a neutral factfinder and attempts to help the parties voluntarily resolve disputes. CRD may also file a civil complaint and seek court orders changing the employer's policies and practices, punitive damages, and attorney's fees and costs. Employees can also pursue the matter through a private lawsuit in civil court after a complaint has been filed and a Right-to-Sue Notice has been issued. Training developed by CRD can be accessed at the following link: <https://calcivilrights.ca.gov/>.

### III. PROCEDURE

| Responsible Party | Action   |
|-------------------|--|
| Employee          | <ul style="list-style-type: none"><li>▪ Assume responsibility for a work environment free from Discrimination, Harassment and Retaliation.</li><li>▪ Report the facts of any incident(s) of Discrimination or Harassment based on a protected characteristic or Retaliation based on a protected activity immediately to your supervisor, manager, or the Human Resources (HR) Department.</li><li>▪ Cooperate in a reasonable inquiry or investigation into allegation(s) of Discrimination, Harassment or Retaliation.</li></ul> |

| Responsible Party | Action   |
|-------------------|--|
| Supervisor        | <ul style="list-style-type: none"> <li>▪ Gather all relevant facts from reporting Employee and report it immediately to the HR Department.</li> <li>▪ Cooperate in a reasonable inquiry or investigation into allegation(s) of Discrimination, Harassment or Retaliation.</li> <li>▪ Keep reports or complaints of Discrimination, Harassment, or Retaliation confidential, to the extent possible, and follow HR's direction and guidance.</li> </ul>   |
| Human Resources   | <ul style="list-style-type: none"> <li>▪ Upon receipt of a complaint, evaluate the reported misconduct and determine what level of review or investigation is needed and appropriate for the circumstances.</li> <li>▪ Request supporting documentation and/or additional statements from Employees and potential witnesses, where applicable.</li> <li>▪ If a determination is made that no further investigation is required, a closure notice shall be issued to the complainant documenting the decision.</li> <li>▪ If a determination is made that an investigation is required, complete an impartial, timely, and thorough investigation of the complaint, which may include interviewing the complaining party, responding party, and relevant witnesses. Review collected documents, exhibits or other evidence. Analyze the information, make credibility determinations when needed, reach reasonable conclusions based on the evidence collected, and make findings based on a preponderance of the evidence standard.</li> <li>▪ If misconduct is found, recommend appropriate remedial measures, along with preventive and/or corrective action, when it is warranted, to department leadership.</li> <li>▪ Timely inform the complainant of the conclusion of the investigation and any findings.</li> <li>▪ Timely inform the responding party of the conclusion of the investigation, any findings, and the final decision, if applicable, of remedial measures or preventive and/or corrective action.</li> <li>▪ HR will strive to maintain confidentiality during the investigation, but there is no guarantee of complete confidentiality. Only the parties who need to know shall be involved.</li> </ul> |

#### IV. ATTACHMENT(S)

A. Employee Incident / Complaint Intake Form

#### V. REFERENCE(S)

- A. CalOptima Health Policy GA.8044: Telework Program
- B. CalOptima Health Policy GA.8062: Social Media Conduct
- C. CalOptima Health Policy HH.1104: Complaints of Discrimination
- D. CalOptima Health Policy HH.3012: Non-Retaliation for Reporting Violations
- E. California Government Code, §§12926, 12935, 12940 *et seq.*, 12950, and 12950.1.
- F. Title 2, California Code of Regulations (C.C.R.), §§11008 *et seq.*, 11023, 11027.1(a) and (b), and 1030(a)-(f)
- G. Title VII of the Civil Rights Act of 1964 (42, U.S.C., 2000e *et seq.*)
- H. CA Labor Code §§230 and 230.1 Rights of Victims of Domestic Violence, Sexual Assault, and Stalking

**VI. REGULATORY AGENCY APPROVAL(S)**

None to Date

**VII. BOARD ACTION(S)**

| Date       | Meeting  |
|------------|--|
| 01/05/2012 | Regular Meeting of the CalOptima Board of Directors        |
| 05/01/2014 | Regular Meeting of the CalOptima Board of Directors        |
| 11/03/2016 | Regular Meeting of the CalOptima Board of Directors        |
| 09/06/2018 | Regular Meeting of the CalOptima Board of Directors        |
| 06/02/2022 | Regular Meeting of the CalOptima Board of Directors        |
| 11/02/2023 | Regular Meeting of the CalOptima Health Board of Directors |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

**VIII. REVISION HISTORY**

| Action    | Date       | Policy  | Policy Title  | Program(s)     |
|-----------|------------|---------|---|----------------|
| Effective | 01/05/2012 | GA.8027 | Unlawful Harassment                                   | Administrative |
| Revised   | 04/01/2014 | GA.8027 | Unlawful Harassment                                   | Administrative |
| Revised   | 11/03/2016 | GA.8027 | Unlawful Harassment                                   | Administrative |
| Revised   | 09/06/2018 | GA.8027 | Unlawful Harassment                                   | Administrative |
| Revised   | 06/02/2022 | GA.8027 | Anti-Harassment                                       | Administrative |
| Revised   | 11/02/2023 | GA.8027 | Harassment, Discrimination and Retaliation Prevention | Administrative |
| Revised   | 10/03/2024 | GA.8027 | Harassment, Discrimination and Retaliation Prevention | Administrative |

1 IX. GLOSSARY  
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| Term                  | Definition  |
|-----------------------|---|
| Discrimination        | Unequal treatment of a person or group on the basis of a protected category.  |
| Employee              | Any and all Employees of CalOptima Health, including all permanent and temporary Employees, volunteers, and other employed personnel.   |
| Gender Expression     | A person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex assigned at birth.  |
| Gender Identity       | Each person's internal understanding of their gender, or the perceptions of a person's gender identity, which may include male, female, a combination of male and female, neither male nor female, a gender different from the person's sex assigned at birth, or transgender.  |
| Harassment            | Unwelcome verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual, based on a protected characteristic, that is so severe or pervasive as to create an intimidating, hostile, or offensive working environment.   |
| Member                | A beneficiary enrolled in a CalOptima Health Program.   |
| National Origin       | Includes, but is not limited to, the individual's or ancestors' actual or perceived: (1) physical, cultural, or linguistic characteristics associated with a national origin group; (2) marriage to or association with persons of a national origin group; (3) tribal affiliation; (4) membership in or association with an organization identified with or seeking to promote the interests of a national origin group; (5) attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a national origin group; (6) name that is associated with a national origin group; and (7) the basis of possessing a driver's license granted under Section 12801.9 of the Vehicle Code. |
| National Origin Group | Includes, but is not limited to, ethnic groups, geographic places of origin, and countries that are not presently in existence.   |
| Retaliation           | Adverse employment action against an Employee because the Employee filed a complaint or engaged in a protected activity.  |
| Sex                   | Includes the same definition as provided in Government Code section 12926 and Title 42 of the United States Code section 2000 e(k), which includes, but is not limited to, pregnancy, childbirth, breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, gender, gender identity, and gender expression.   |
| Sex Stereotype        | Includes, but is not limited to, an assumption about a person's appearance or behavior, gender roles, gender expression, or gender identity, or about an individual's ability or inability to perform certain kinds of work based on a myth, social expectation, or generalization about the individual's sex.  |
| Sexual Harassment     | Harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions, sex stereotype, gender, gender identity or gender expression) or conduct of a sexual nature.  |
| Transgender           | A general term that refers to a person whose gender identity differs from the person's sex assigned at birth. A transgender person may or may not have a gender expression that is different from the social expectations of the sex assigned at birth. A transgender person may or may not identify as "transsexual."  |

| Term          | Definition  |
|---------------|---|
| Transitioning | A process some transgender people go through to begin living as the gender with which they identify, rather than the sex assigned to them at birth. This process may include, but is not limited to, changes in name and pronoun usage, facility usage, participation in employer-sponsored activities ( <i>e.g.</i> , sports teams, team-building projects, or volunteering), or undergoing hormone therapy, surgeries, or other medical procedures. |

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For 20241003 BOD Review Only



**HUMAN RESOURCES****EMPLOYEE INCIDENT/ COMPLAINT INTAKE FORM**

|                             |  |                           |  |
|-----------------------------|--|---------------------------|--|
| <b>First and Last Name:</b> |  | <b>Today's Date:</b>      |  |
| <b>Department:</b>          |  | <b>Contact #:</b>         |  |
| <b>Job Title:</b>           |  | <b>Contact Email:</b>     |  |
| <b>Employee ID#:</b>        |  | <b>Supervisor's Name:</b> |  |

**WHAT IS THE SPECIFIC SITUATION THAT BROUGHT YOU TO CONTACT HUMAN RESOURCES TODAY? PLEASE INCLUDE INCIDENT AND DATE:**

**NAME(S) AND POSITION OF EMPLOYEE(S) CONTRIBUTING OR INVOLVED IN THE REPORTED INCIDENT:**

**GIVE SPECIFIC EXAMPLES OF THEIR BEHAVIOR/ACTIONS? PLEASE INCLUDE DATES, TIMES, AND LOCATION:**

**IDENTIFY WHO MAY HAVE WITNESSED OR HAVE KNOWLEDGE OF THE INCIDENTS. PLEASE PROVIDE NAME(S) AND POSITIONS. FOR NON-EMPLOYEES INDICATE RELATIONSHIP AND CONTACT INFORMATION IF AVAILABLE:**

**DO YOU HAVE ANY RELEVANT DOCUMENTS OR OTHER EVIDENCE TO SUPPORT YOUR CLAIM(S)? IF YES, PLEASE LIST THEM HERE AND ATTACH COPIES WITH THIS FORM.**

**HAVE YOU REPORTED THIS COMPLAINT TO YOUR DEPARTMENT LEADERSHIP? IF SO, WHAT WAS THE OUTCOME?**

**ADDITIONAL INFORMATION YOU WOULD LIKE TO SHARE? WHAT OUTCOME DO YOU EXPECT FROM FILING YOUR COMPLAINT?**

**EMPLOYEE SIGNATURE**

**TYPE-WRITTEN "SIGNATURE" ACCEPTED WHEN SUBMITTING FROM YOUR CALOPTIMA HEALTH EMAIL:**

**DATE:**

**Please submit this form for review: [employeerelations@caloptima.org](mailto:employeerelations@caloptima.org)**



Policy: GA.8036  
Title: **Education Reimbursement**  
Department: Human Resources ~~CalOptima~~  
~~Administrative~~  
Section: Not Applicable ~~Human Resources~~

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☒ ~~OneCare Connect~~
- ☐ PACE
- ☒ Administrative

## I. PURPOSE

This policy describes ~~CalOptima's~~ CalOptima Health's pre-approval process for the educational reimbursement program established to offer repayment of reasonable educational and professional development expenses to eligible employees for work-related courses and/or programs, including courses offering credits towards professional licensure or certification requirements.

## II. POLICY

- A. ~~A.~~ CalOptima Health encourages and assists its employees to enhance their professional skills and knowledge through continued education in areas that will contribute to the improvement of their present job function, or potential advancement— at CalOptima Health. Regular Full-time Time Employees and regular Part-Time ~~employees~~ Employees who have completed their initial one-hundred-eighty (180) calendar days of continuous employment, and are in Good Standing, are eligible to participate.
- B. ~~B.~~ Courses and degree programs eligible for education reimbursement must be either part of an accredited college ~~degree program~~, or provided by credible institutions that meet the following conditions:
1. Educate the employee in concepts and methods in their present assignment; and/or
  2. Help prepare the employee for advancement to other positions available within CalOptima Health.

Note:- While continuing education courses that provide credit towards renewal of a licensure and/or certification may be eligible for reimbursement under this ~~Policy~~ policy, seminars, conferences, or business meetings that do not result in certification or credit towards a licensure and/or certification are not covered under this ~~Policy. policy~~. Seminars, conferences, and business meetings may be eligible for reimbursement through ~~CalOptima's Travel~~ CalOptima Health's travel and ~~Training program. training process~~. The costs of new or renewed licensures or certifications are not covered under this ~~Policy~~ policy. Separately, individual ~~Departments~~ departments may budget and pay for the costs of new and/or renewed licensures or certifications required for a job position if budgeted funds are available through the ~~Department~~ department and at the discretion of the head of the ~~Department~~ department.

- C. ~~C.~~—An employee must submit a request in advance for both ~~supervisor~~department and Human Resources (HR) approval. -CalOptima Health will reimburse eligible ~~full-time employees~~Full-Time Employees for qualifying courses up to five thousand two hundred fifty dollars (\$5,250.00) per fiscal year for tuition expenses only. CalOptima Health will reimburse eligible ~~part-time employees~~Part-Time Employees for qualifying courses up to two thousand six hundred dollars (\$2,600.00) per fiscal year for tuition expenses only. -Reimbursement for books, parking, exams, education subscriptions, and other miscellaneous fees are not covered under this policy. -Reimbursement will not be made until the employee has successfully completed the course with a grade of “C” or better for undergraduate and graduate programs, a “Pass” for courses that are Pass/Fail, or a certificate of successful completion. Employees must still be employed at CalOptima Health after completing the course or program to qualify for reimbursement. No reimbursement shall be made for courses, or other programs, involving sports, games, or hobbies.
1. According to current Internal Revenue Service (IRS) guidelines, reimbursement of up to ~~\$5,250~~ five thousand two hundred fifty dollars (\$5,250.00) per calendar year is not considered to be taxable earnings. Reimbursement that exceeds IRS Guidelines for a specific calendar year is considered taxable earnings and is subject to federal and state income and payroll tax withholdings in accordance with federal and state law. Employees are responsible for any tax liability arising from the receipt of education reimbursement under this policy.
- D. ~~D.~~—Employees are required to manage time for classes outside of scheduled hours and classes must not interfere with their regular job duties.
- E. As a condition of reimbursement and as part of an employee's request for education expense reimbursement, an employee must agree that if the employee voluntarily terminates employment with CalOptima Health within one year of the date of the completion of the course for which the employee has been reimbursed, the employee shall return a pro rata portion of such reimbursement to CalOptima Health by way of a deduction from the employee's last paycheck and/or submit payment directly to CalOptima Health, to the extent permitted by applicable state and federal laws.
- F. Education reimbursement is provided in accordance with this ~~Policy~~policy on a first-come, first-served basis, and only to the extent that budget funds are available. ~~Annual~~The annual maximum for education reimbursement is calculated for each fiscal year (July 1 – June 30~~-~~) based on the course end date. The education reimbursement program is not required to be funded.

### III. PROCEDURE

| Responsible Party | Action   |
|-------------------|--|
| Employee          | <ol style="list-style-type: none"> <li>1. Complete the Request for Education Expense Reimbursement form and submit <u>it</u> to immediate supervisor prior to start of the course, or certification. <ol style="list-style-type: none"> <li>a. Recommend submission no less than three (3) weeks prior to start date.</li> <li><u>b. Forms submitted to supervisor after the start of the course will be denied for late submission.</u></li> </ol> </li> <li>2. Declare major, or certification.</li> </ol> |

| Responsible Party     | Action   |
|-----------------------|--|
|                       | <ol style="list-style-type: none"> <li>3. Obtain approval from direct supervisor and Director, or Chief, and submit completed form to HR.</li> <li>4. Obtain notification from HR of preliminary approval, or denial, of request. <ol style="list-style-type: none"> <li>a. Request form MUST be received prior to the start of the course in order to be considered. <ol style="list-style-type: none"> <li>i. <u>Forms received late as a result of delayed department approval, will not be considered late for the purposes of this policy.</u></li> </ol> </li> <li>b. Applicant should allow sufficient time for review and preliminary approval prior to start of course or choose to continue to enroll with the understanding it may not be approved by HR.</li> </ol> </li> <li>5. Within sixty (60) calendar days of course completion, submit: <ol style="list-style-type: none"> <li>a. Proof of completion—<del>Transcript:</del> <u>For courses taken at a college or university, proof requires official documentation from the school (examples: a transcript/grade report from the Registrar's office or full document downloaded from the student portal). For all other courses, it should be This may be a transcript, or other official notification showing grades for each course, or a copy of the certificate of completion, or certification.</u></li> <li>b. <del>A copy</del> <u>Proof of the cost of tuition receipt: This includes tuition fees or costs from the college, university, institution, or certifying board.</u><br/><br/> <u>Proof of payment—Canceled: This may be a canceled check, credit card receipt, or cash receipt, or other document that clearly demonstrates the method of payment made by the employee. For courses taken at a college or university, proof also requires payment confirmation to the institution (examples: payment records from the Bursars/Finance Office, or downloaded account documentation from the student portal).</u></li> </ol> </li> </ol> <p><del>d.c.</del> Additional documentation may be requested to verify eligibility.</p> |
| <b>Supervisor</b>     | <ol style="list-style-type: none"> <li>1. Provide statement on the <del>Form</del> <u>form</u> to confirm applicability of course and benefit to CalOptima <u>Health</u>.</li> <li>2. Certify employee <u>has completed at least one hundred eighty (180) days of continuing employment as a Full-Time or Part-Time Employee,</u> is in Good Standing with CalOptima <u>Health</u>, and will complete the education outside scheduled hours.</li> <li>3. Approve, or deny, request.</li> <li>4. Forward to Director, or Chief.</li> </ol>  |
| <b>Director/Chief</b> | <ol style="list-style-type: none"> <li>1. Approve, or deny, request.</li> </ol>  |

| Responsible Party | Action  |
|-------------------|---|
|                   | 2. Forward to HR.   |
| Human Resources   | 1. Evaluate request for compliance with this <del>Policy</del> policy, and if applicable, provide preliminary approval.<br>2. Notify the employee if the request is approved or denied.<br>3. Hold form until proof of completion is submitted.<br>4. Upon verification of satisfactory completion consistent with this <del>Policy</del> policy, follow Accounting current procedures for approval and payment of reimbursement. |
| Accounting        | 1. Issue reimbursement payment <u>according to IRS guidelines</u> .   |

#### IV. ATTACHMENT(S)

Not applicable

#### V. REFERENCE(S)

- A. CalOptima Employee Handbook
- B. Title 26, United States Code, §127
- C. ~~Sample~~: Education Expense Reimbursement Prior Authorization Request

#### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

#### VII. BOARD ACTION(S)

| Date              | Meeting   |
|-------------------|---|
| 10/05/2012        | Regular Meeting of the CalOptima Board of Directors               |
| 06/04/2015        | Regular Meeting of the CalOptima Board of Directors               |
| 02/02/2017        | Regular Meeting of the CalOptima Board of Directors               |
| 02/07/2019        | Regular Meeting of the CalOptima Board of Directors               |
| 12/20/2021        | Special Meeting of the CalOptima Board of Directors               |
| 06/02/2022        | Regular Meeting of the CalOptima Board of Directors               |
| <u>10/03/2024</u> | <u>Regular Meeting of the CalOptima Health Board of Directors</u> |

#### VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title            | Program(s)     |
|-----------|------------|---------|-------------------------|----------------|
| Effective | 01/05/2012 | GA.8036 | Education Reimbursement | Administrative |
| Revised   | 06/04/2015 | GA.8036 | Education Reimbursement | Administrative |
| Revised   | 02/02/2017 | GA.8036 | Education Reimbursement | Administrative |
| Revised   | 02/07/2019 | GA.8036 | Education Reimbursement | Administrative |
| Revised   | 12/20/2021 | GA.8036 | Education Reimbursement | Administrative |



| Action         | Date              | Policy         | Policy Title                   | Program(s)            |
|----------------|-------------------|----------------|--------------------------------|-----------------------|
| Revised        | 06/02/2022        | GA.8036        | Education Reimbursement        | Administrative        |
| <u>Revised</u> | <u>10/03/2024</u> | <u>GA.8036</u> | <u>Education Reimbursement</u> | <u>Administrative</u> |

For 20241003 BOD Review Only

1 IX. GLOSSARY

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| Term                       | Definition   |
|----------------------------|--|
| <u>Full-Time Employees</u> | <u>An employee who works sixty (60) to eighty (80) hours per pay period.</u>   |
| Good Standing              | The employee has at least a satisfactory level of performance on their most recent evaluation and has not received written corrective action within the last six (6) months. |
| Part-Time Employees        | Employees that regularly work less than thirty (30) hours per week.  |

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For 20241003 BOD Review Only

Policy: GA.8036  
Title: **Education Reimbursement**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy describes CalOptima Health's pre-approval process for the educational reimbursement program established to offer repayment of reasonable educational and professional development expenses to eligible employees for work-related courses and/or programs, including courses offering credits towards professional licensure or certification requirements.

## II. POLICY

A. CalOptima Health encourages and assists its employees to enhance their professional skills and knowledge through continued education in areas that will contribute to the improvement of their present job function, or potential advancement at CalOptima Health. Regular Full-Time Employees and regular Part-Time Employees who have completed their initial one-hundred-eighty (180) calendar days of continuous employment, and are in Good Standing, are eligible to participate.

B. Courses and degree programs eligible for education reimbursement must be either part of an accredited college, or provided by credible institutions that meet the following conditions:

1. Educate the employee in concepts and methods in their present assignment; and/or
2. Help prepare the employee for advancement to other positions available within CalOptima Health.

Note: While continuing education courses that provide credit towards renewal of a licensure and/or certification may be eligible for reimbursement under this policy, seminars, conferences, or business meetings that do not result in certification or credit towards a licensure and/or certification are not covered under this policy. Seminars, conferences, and business meetings may be eligible for reimbursement through CalOptima Health's travel and training process. The costs of new or renewed licensures or certifications are not covered under this policy. Separately, individual departments may budget and pay for the costs of new and/or renewed licensures or certifications required for a job position if budgeted funds are available through the department and at the discretion of the head of the department.

C. An employee must submit a request in advance for both department and Human Resources (HR) approval. CalOptima Health will reimburse eligible Full-Time Employees for qualifying courses up to five thousand two hundred fifty dollars (\$5,250.00) per fiscal year for tuition expenses only. CalOptima Health will reimburse eligible Part-Time Employees for qualifying courses up to two thousand six hundred dollars (\$2,600.00) per fiscal year for tuition expenses only. Reimbursement for books,

parking, exams, education subscriptions, and other miscellaneous fees are not covered under this policy. Reimbursement will not be made until the employee has successfully completed the course with a grade of “C” or better for undergraduate and graduate programs, a “Pass” for courses that are Pass/Fail, or a certificate of successful completion. Employees must still be employed at CalOptima Health after completing the course or program to qualify for reimbursement. No reimbursement shall be made for courses, or other programs, involving sports, games, or hobbies.

1. According to current Internal Revenue Service (IRS) guidelines, reimbursement of up to five thousand two hundred fifty dollars (\$5,250.00) per calendar year is not considered to be taxable earnings. Reimbursement that exceeds IRS Guidelines for a specific calendar year is considered taxable earnings and is subject to federal and state income and payroll tax withholdings in accordance with federal and state law. Employees are responsible for any tax liability arising from the receipt of education reimbursement under this policy.

- D. Employees are required to manage time for classes outside of scheduled hours and classes must not interfere with their regular job duties.
- E. As a condition of reimbursement and as part of an employee's request for education expense reimbursement, an employee must agree that if the employee voluntarily terminates employment with CalOptima Health within one year of the date of the completion of the course for which the employee has been reimbursed, the employee shall return a pro rata portion of such reimbursement to CalOptima Health by way of a deduction from the employee's last paycheck and/or submit payment directly to CalOptima Health, to the extent permitted by applicable state and federal laws.
- F. Education reimbursement is provided in accordance with this policy on a first-come, first-served basis, and only to the extent that budget funds are available. The annual maximum for education reimbursement is calculated for each fiscal year (July 1 – June 30) based on the course end date. The education reimbursement program is not required to be funded.

### III. PROCEDURE

| Responsible Party | Action  |
|-------------------|---|
| Employee          | <ol style="list-style-type: none"><li>Complete the Request for Education Expense Reimbursement form and submit it to immediate supervisor prior to start of the course, or certification.<ol style="list-style-type: none"><li>Recommend submission no less than three (3) weeks prior to start date.</li><li>Forms submitted to supervisor after the start of the course will be denied for late submission.</li></ol></li><li>Declare major, or certification.</li><li>Obtain approval from direct supervisor and Director, or Chief, and submit completed form to HR.</li><li>Obtain notification from HR of preliminary approval, or denial, of request.<ol style="list-style-type: none"><li>Request form MUST be received prior to the start of the course in order to be considered.</li></ol></li></ol> |

| Responsible Party      | Action   |
|------------------------|--|
|                        | <ul style="list-style-type: none"> <li>i. Forms received late as a result of delayed department approval, will not be considered late for the purposes of this policy.</li> <li>b. Applicant should allow sufficient time for review and preliminary approval prior to start of course or choose to continue to enroll with the understanding it may not be approved by HR.</li> </ul> <p>5. Within sixty (60) calendar days of course completion, submit:</p> <ul style="list-style-type: none"> <li>a. Proof of completion: For courses taken at a college or university, proof requires official documentation from the school (examples: a transcript/grade report from the Registrar's office or full document downloaded from the student portal). For all other courses, it should be official notification showing grades for each course, a copy of the certificate of completion, or certification.</li> <li>b. Proof of cost of tuition: This includes tuition fees or costs from the college, university, institution, or certifying board.</li> </ul> <p>Proof of payment: This may be a canceled check, credit card receipt, cash receipt, or other document that clearly demonstrates the method of payment made by the employee. For courses taken at a college or university, proof also requires payment confirmation to the institution (examples: payment records from the Bursars/Finance Office, or downloaded account documentation from the student portal).</p> <ul style="list-style-type: none"> <li>c. Additional documentation may be requested to verify eligibility.</li> </ul> |
| <b>Supervisor</b>      | <ul style="list-style-type: none"> <li>1. Provide statement on the form to confirm applicability of course and benefit to CalOptima Health.</li> <li>2. Certify employee has completed at least one hundred eighty (180) days of continuing employment as a Full-Time or Part-Time Employee, is in Good Standing with CalOptima Health, and will complete the education outside scheduled hours.</li> <li>3. Approve, or deny, request.</li> <li>4. Forward to Director, or Chief.</li> </ul>  |
| <b>Director/Chief</b>  | <ul style="list-style-type: none"> <li>1. Approve, or deny, request.</li> <li>2. Forward to HR.</li> </ul>   |
| <b>Human Resources</b> | <ul style="list-style-type: none"> <li>1. Evaluate request for compliance with this policy, and if applicable, provide preliminary approval.</li> <li>2. Notify the employee if the request is approved or denied.</li> <li>3. Hold form until proof of completion is submitted.</li> </ul>  |

| Responsible Party | Action   |
|-------------------|--|
|                   | 4. Upon verification of satisfactory completion consistent with this policy, follow Accounting current procedures for approval and payment of reimbursement. |
| Accounting        | 1. Issue reimbursement payment according to IRS guidelines.  |

#### IV. ATTACHMENT(S)

Not applicable

#### V. REFERENCE(S)

- A. CalOptima Employee Handbook
- B. Title 26, United States Code, §127
- C. Education Expense Reimbursement Prior Authorization Request

#### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

#### VII. BOARD ACTION(S)

| Date       | Meeting  |
|------------|--|
| 10/05/2012 | Regular Meeting of the CalOptima Board of Directors        |
| 06/04/2015 | Regular Meeting of the CalOptima Board of Directors        |
| 02/02/2017 | Regular Meeting of the CalOptima Board of Directors        |
| 02/07/2019 | Regular Meeting of the CalOptima Board of Directors        |
| 12/20/2021 | Special Meeting of the CalOptima Board of Directors        |
| 06/02/2022 | Regular Meeting of the CalOptima Board of Directors        |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

#### VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title            | Program(s)     |
|-----------|------------|---------|-------------------------|----------------|
| Effective | 01/05/2012 | GA.8036 | Education Reimbursement | Administrative |
| Revised   | 06/04/2015 | GA.8036 | Education Reimbursement | Administrative |
| Revised   | 02/02/2017 | GA.8036 | Education Reimbursement | Administrative |
| Revised   | 02/07/2019 | GA.8036 | Education Reimbursement | Administrative |
| Revised   | 12/20/2021 | GA.8036 | Education Reimbursement | Administrative |
| Revised   | 06/02/2022 | GA.8036 | Education Reimbursement | Administrative |
| Revised   | 10/03/2024 | GA.8036 | Education Reimbursement | Administrative |

1 IX. GLOSSARY

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| Term                | Definition   |
|---------------------|--|
| Full-Time Employees | An employee who works sixty (60) to eighty (80) hours per pay period.  |
| Good Standing       | The employee has at least a satisfactory level of performance on their most recent evaluation and has not received written corrective action within the last six (6) months. |
| Part-Time Employees | Employees that regularly work less than thirty (30) hours per week.  |

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For 20241003 BOD Review Only





Policy: GA.8037  
Title: **Leave of Absence**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to:  
☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy outlines the general rules and restrictions applicable to a Leave of Absence (LOA).

## II. POLICY

- A. CalOptima Health shall comply with all applicable state and federal LOA laws and regulations and will implement and administer changes to entitlements as required by law.
- B. CalOptima Health will grant a LOA to eligible employees in accordance with CalOptima Health's respective policies and procedures. For leaves specified herein, an employee must submit a Leave of Absence Request Form, available on the InfoNet, to the Human Resources (HR) Department.
- C. An employee's manager may approve up to five (5) scheduled workdays of excused absences for an illness or pre-planned surgery; however, absences of more than five (5) scheduled workdays for illnesses or pre-planned surgery, must be submitted to and approved by HR. Use of Paid Time Off (PTO) for pre-planned vacations does not require HR approval pursuant to CalOptima Health Policy GA.8018: Paid Time Off (PTO).
- D. If an employee requires additional time off work beyond the amount of time authorized herein, and their manager and HR grant a Personal LOA pursuant to CalOptima Health Policy GA.8038: Personal Leave of Absence, the Personal LOA will start on the first day after the termination of the LOA granted pursuant to one (1) of the leaves authorized herein.

### E. Types of LOA:

1. Bereavement Leave: An employee may take up to three (3) scheduled workdays off with pay [maximum of twenty-four (24) hours] in the event of a death of an employee's: spouse; registered domestic partner; biological, adopted, step or foster child; biological, adopted, step or foster parent; legal guardian; siblings, including step brother and step sister; grandparent; grandchild; parents-in-law; siblings-in-law; or child-in-law. An employee is entitled to take an additional two (2) workdays off as either PTO or unpaid time off [maximum of sixteen (16) hours]. The first five (5) days of paid or unpaid bereavement leave taken in the three (3) months following the death of the family member are considered protected leave. A Bereavement Leave Request Form, available on the InfoNet, must be submitted to HR within thirty (30) calendar days of leave. The employee's manager may approve up to an additional five (5) workdays off to be taken as either PTO or unpaid time off [maximum of forty (40) hours]. An employee must

submit a Leave of Absence Request Form to HR and request a Personal LOA pursuant to CalOptima Health Policy GA.8038: Personal Leave of Absence if the employee plans to take additional PTO or unpaid time off exceeding the additional five (5) scheduled workdays taken as PTO or unpaid time off.

2. Pregnancy Disability Leave (PDL): In accordance with California Pregnancy Regulations, CalOptima Health provides up to four (4) months (calculated based on number of days or hours the employee would normally work within four (4) calendar months) of unpaid PDL per pregnancy to women requiring time off work because of a disability caused by an employee's pregnancy, childbirth, or a related medical condition as described in CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation.
3. Family and Medical Leave Act (FMLA): Under the FMLA, employers must provide eligible employees with up to twelve (12) weeks of unpaid, job-protected leave per rolling twelve (12) month period. In most circumstances, FMLA leave will run at the same time as PDL and/or California Family Rights Act (CFRA) leave (see below), where applicable, and is not in addition to those leaves. FMLA also includes a special leave entitlement for eligible employees to take up to twenty-six (26) weeks of unpaid leave to care for a covered military service member with a qualifying serious injury or illness during a single twelve (12) month period. (See CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence for details.)
4. California Family Rights Act (CFRA) Leave: CFRA provides eligible employees with up to twelve (12) weeks of unpaid, job-protected leave per rolling twelve (12) month period, as detailed in CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence.
5. Military Family Leave: Eligible employees may take an unpaid LOA under FMLA and/or CFRA as described in Sections II.D.3. and 4. of this Policy, to care for a qualified family member or due to a qualifying exigency arising out of the fact that the qualified family member is on covered active duty or has been notified of an impending call or order to active duty.
6. Military Service Leave: The Uniformed Services Employment and Reemployment Rights Act (USERRA) is a Federal law that provides a cumulative of five (5) years of leave (with certain exceptions) and re-employment rights for veterans and members of the National Guard and Reserve following qualifying military service. USERRA requires that a person re-employed under its provisions be given credit for any months they would have been employed but for the military service in determining eligibility for FMLA leave. A person re-employed following military service should be given credit for the period of military service towards the months-of-employment eligibility requirement.
  - a. Salary and Compensation for First Thirty (30) Calendar Days for Military Service LOA: Pursuant to Military and Veterans Code, Sections 395.01 and 395.05, an employee may be entitled to their full salary, or compensation, including all appropriate benefits, for the first thirty (30) calendar days of their absence while they are engaged in the performance of ordered duty, active military training, inactive duty training, encampment, naval cruises, special exercises, National Guard active duty, inactive duty training drill periods, or like activity. Pay under this provision is limited to not more than thirty (30) calendar days in any given fiscal year.
  - b. A military leave of absence without pay shall be granted to employee members of reserve military units and the National Guard required to perform inactive duty obligations. Employee may use accrued PTO if sufficient PTO is accrued or may take this time as unpaid.

c. Supplemental Compensation and Continuation of Benefits for Military Service LOA resulting from the National Emergency declared as a Result of the War on Terror: Upon the exhaustion of pay and benefits for the first thirty (30) calendar days, an employee called to active duty or active training duty with the U.S. Armed Forces or National Guard as a result of the National Emergency, may receive supplemental pay in an amount equal to the difference between the amount of the employee's military pay, including any allotments or additional allowances paid to their families, as calculated at the beginning of the employee's leave, and the amount the employee earned as base salary at CalOptima Health in the month prior to the LOA, assuming the amount the employee earned at CalOptima Health is greater than their military pay. -The employee is also authorized to receive a continuation of appropriate benefits, including CalOptima Health payment of the employer cost for applicable health insurance premiums for employees and, if applicable, their dependents. -In the event the employee's military pay is greater than their CalOptima Health base salary, CalOptima Health will continue the employee's eligible benefits, if elected, and pay for the employee's cost of such benefits without seeking reimbursement. In instances where training or service with the U.S. Armed Forces is not mandatory and is not covered by state, or federal law, the LOA will be unpaid.

7. Military Spouse Leave: Pursuant to Military & Veterans Code, Section 395.10, eligible employees may take up to ten (10) scheduled workdays of unpaid leave when their spouse is on leave from active duty in the U.S. Armed forces, Reserves or National Guard. -Employee may use accrued PTO if sufficient PTO is accrued or may take this time as unpaid.
8. Workers' Compensation: In accordance with state law, CalOptima Health provides Workers' Compensation insurance coverage for employees in case of work-related injury or illness. CalOptima Health may grant a LOA subject to any limitations permitted by law for work-related injuries, in accordance with CalOptima Health Policy GA.8041: Workers' Compensation Program.
9. Jury or Witness Duty Leave: -Employees may be granted a LOA with regular pay for those hours that coincide with the employee's regularly scheduled working hours for jury duty. CalOptima Health may grant an employee a LOA with pay to appear as a witness in court, other than as a litigant, or to respond to an official order from another governmental jurisdiction for reasons not brought about through the connivance or misconduct of the employee. On days employees are not required to report to court, or on days when the court either dismisses the employee early or requests that the employee report at a later time, whenever practical, the employee must report to work to perform regular duties prior to or after completing jury duty or appearing as a witness, unless the employee's manager approves that the remaining work time is less than reasonable travel time to court and work location. Employees are expected to work with and coordinate with their manager to ensure that their time away from work does not adversely impact business needs, their coworkers, or CalOptima Health members.
10. Parental School Attendance: Pursuant to Labor Code, Section 230.8, employees can take time off up to eight (8) hours in one (1) month or forty (40) hours each year to participate in Child-Related Activities, subject to limitations under applicable laws. -Pursuant to Labor Code, Section 230.7, employees can take time off to appear in the school pursuant to a request made under Education Code, Section 48900.1 (Suspension of Pupil), ~~subject to limitations under applicable laws.~~ Accrued PTO shall automatically be used for time-off for Child-Related Activities and/or to appear in a pupil's school, subject to the limitations under applicable laws. Otherwise, the Employee may take this time as unpaid if there is not enough accrued PTO available in accordance with CalOptima Health Policy GA.8018: Paid Time Off (PTO).

11. Victims of Crime or Abuse: Subject to the requirements under Labor Code, sections 230 and 230.1, an employee who is a victim of a crime or abuse, may, with reasonable advance notice, unless the advance notice is not feasible, request a LOA. For purposes of LOA request eligibility, "victim" includes (1) a victim of stalking, domestic violence, or sexual assault; (2) a victim of a crime that caused physical injury or that caused mental injury and a threat of physical injury; and/or (3) a person whose immediate family member is deceased as the direct result of the crime. Employees may elect to use accrued PTO, if available, when a LOA is granted; however, the PTO cannot be used to adjust the start date and will count as part of the LOA. This type of LOA is limited to twelve (12) weeks in a rolling twelve (12) month period. After an employee ~~exhausts their~~reaches PTO ~~accruals~~Exhaustion, if elected, the remaining time off will be unpaid. - LOAs under this paragraph may be granted for any of the following:
- To seek medical attention for injuries caused by crime or abuse;
  - To obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency as a result of the crime or abuse;
  - To obtain psychological counseling or mental health services related to an experience of crime or abuse;
  - To participate in safety planning and take other actions to increase safety from future crime or abuse, including temporary or permanent relocation; and/or
  - To obtain or attempt to obtain relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the employee, or their child.
12. Victims of Crime Leave: An employee who is a victim of a crime or whose immediate family member(s) is/are a crime victim may take time off subject to the procedural conditions imposed pursuant to Labor Code, section 230.2, to attend judicial proceedings related to that crime. A copy of the official notice to the victim of each scheduled legal, or judicial, proceeding, or documentation substantiating the employee's attendance at a judicial proceeding is required for this leave. -The employee can elect to use accrued PTO for the absence.
13. Volunteer Civil Service Leave: A Civil Service LOA for an unlimited duration may be granted for employees who are required to perform emergency duty as a volunteer firefighter, a reserve police officer, or emergency rescue personnel. -An employee who performs duty as a volunteer firefighter, a reserve peace officer, or as emergency rescue personnel is also permitted to take a LOA, not to exceed an aggregate of fourteen (14) scheduled workdays per calendar year for the purpose of fire, law enforcement, or emergency rescue training. LOAs under this paragraph can be unpaid unless the employee elects to use accrued PTO. However, an employee cannot use PTO to adjust the start date of the LOA authorized under this paragraph, and the time covered by the PTO will be counted towards the LOA.
14. Civil Air Patrol Leave: Employees who have been employed for at least ninety (90) calendar days may request a maximum total of ten (10) scheduled workdays per calendar year (three (3) scheduled workdays maximum for a single emergency operational mission, unless otherwise authorized by HR) for Civil Air Patrol duty. LOAs under this paragraph can be unpaid unless the employee elects to use accrued PTO. However, an employee cannot use PTO to adjust the start date of the LOA authorized under this paragraph, and the time covered by the PTO will be counted towards the LOA.

15. LOA as a Reasonable Accommodation: Consistent with the requirements under the Americans with Disabilities Act and the California Fair Employment and Housing Act, subject to a good faith interactive process, CalOptima Health may grant an employee a LOA as a reasonable accommodation, if appropriate.
16. Reproductive Loss Leave: An employee who has worked for CalOptima Health for at least thirty (30) days may take up to five (5) scheduled workdays off following a reproductive loss event ~~-. A reproductive loss event means the day of, or for a multiple-days), including day event,~~ the final day of a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction. ~~-If an employee experiences more than one (1) reproductive loss event within a twelve (12) month period, the employee is only entitled to a total of twenty (20) days of Reproductive Loss Leave within a twelve (12) month period. Eligible employees are, and an employee is~~ required to use their accrued Paid Time Off (PTO), ~~if available,~~ during their leave. The leave need not be taken on consecutive days or immediately following the reproductive loss event but must be taken within three (3) months of the event triggering the leave. A Leave of Absence Request Form, available on the InfoNet, must be submitted to the HR Department within thirty (30) calendar days of leave. If the desired leave exceeds five (5) workdays per event or twenty (20) days in a twelve (12) month period, an employee may submit for consideration a request for Personal LOA pursuant to CalOptima Health Policy GA.8038: Personal Leave of Absence.
17. Other Leaves: ~~-See CalOptima Health Policy GA.8038: Personal Leave of Absence.~~
- F. Except as required by federal or state law, or as necessary to protect the employee's safety in the workplace, CalOptima Health management and HR shall reasonably maintain the confidentiality, to the extent possible under the circumstances, of any employee requesting time off pursuant to a LOA described herein.
- G. To the extent that this policy conflicts with CalOptima Health Policies GA.8038: Personal Leave of Absence, GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation, or GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence, those specific policies shall supersede.

### III. PROCEDURE

- A. Reinstatement: When an employee is placed on a protected LOA, CalOptima Health shall make an effort to hold the employee's position open for the period of the approved leave, with the exception of Personal LOAs in which there is no guarantee of reinstatement. However, to meet business needs, CalOptima Health may need to fill such positions. ~~-If an employee's former position is unavailable when the employee returns promptly to work upon the expiration of an approved LOA, CalOptima Health shall make every effort to place the employee in a comparable position for which the employee is qualified. -If such a position is not available, the employee will be offered the next suitable position for which the employee is qualified that becomes available.-~~ In addition, CalOptima Health will attempt to reasonably accommodate employees who are released for partial or modified duty. ~~-An employee who does not accept a position offered by CalOptima Health is considered to have voluntarily terminated employment, effective the day such refusal is made. Employees returning from a LOA related to the employee's own medical condition must obtain a release to return to work from their health care provider (where applicable) stating that they are able to resume work. -CalOptima Health also reserves the right to require employees to participate in a fitness for duty examination at the expense of CalOptima Health prior to return to work.~~
- B. Paid Time Off (PTO) accruals: ~~-PTO only accrues during the period an employee is on active duty or utilizing PTO for an approved LOA. -Once an employee elects not to use PTO accruals or exhausts Exhaustion- has been reached -within a pay period,~~ all ~~PTO accruals, the~~ remaining time off



~~for~~during an approved LOA shall not be considered time worked for purposes of accruing PTO hours or benefits eligibility.

C. Use of Paid Time Off:- An employee is required to use their accrued Paid Time Off (PTO) during an LOA until PTO Exhaustion has been reached (unless deemed otherwise by law, i.e. PDL, receipt of disability benefits, etc.). PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted. PTO will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. The use of PTO will not adjust the start date of an LOA.

1. If applicable, an employee may make a one (1) time request to coordinate disability benefits with accrued PTO to receive one hundred percent (100%) of their total pay until PTO Exhaustion is reached. Supplemented PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted.

~~C.D.~~ Holidays: If a paid holiday occurs during the period an employee is on a LOA, the employee may be eligible for the holiday pay if PTO is being used for the LOA the day before and the day after the holiday and the holiday pay will be prorated based on the employee's full-time or part-time status as it was in effect prior to the LOA. If a holiday falls on a day in which the employee would have been regularly scheduled to work, the holiday will count against the employee's LOA entitlement. -An eligible employee on an approved Personal LOA on December 31 will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status. If the Employee does not return to work after their approved leave of absence, and instead separates from employment with CalOptima Health, the employee will not be eligible to receive the Flex Holiday.

~~D.E.~~ Supplemental Compensation: An employee on a Continuous LOA is not eligible to receive certain supplemental compensation, such as Bilingual Pay, Night Shift Premium, Call Back or On Call Pay, Active Certified Case Manager (CCM) Pay, Internet Stipend, Commuter Allowance, or Automobile Allowance, or Benefit Income during their LOA. AnIf applicable, an employee on a Continuous LOA may be eligible for Employer-Paid Member Contribution or Supplemental Retirement Benefit and Benefit Income during any portion of a paid LOA but shall not be eligible if the LOA is unpaid. Executive incentives will be prorated to account for an executive's Personal LOA time period. Executives must be current employees during the pay period the executive incentive is paid out to be eligible to receive the incentive. Continuous LOA is leave that is taken continuously and not broken into separate blocks of time. Supplemental compensation will resume when the employee returns to an active status, and may be prorated, where applicable.

~~E.F.~~ Outside employment: Employees may not engage in outside work for other employers, including self-employment, while on an approved LOA from CalOptima Health, unless specifically authorized under this Policy, such as for military service.

~~F.G.~~ Documentation : Failure to provide all the required information and/or documentation within the requested or required timeframe may result in a delay in CalOptima Health's approval of the LOA request, CalOptima Health's denial of the employee's request for a LOA, and/or an impact to the employee's ability to take a LOA as requested.

~~G.H.~~ Failure to return promptly: If an employee fails to return to work upon the expiration of an approved LOA and has not submitted required documentation and/or obtained an extension from HR prior to such

1 expiration date, the employee will be considered to have voluntarily resigned. HR will process the  
2 employee's voluntary resignation effective three (3) consecutive scheduled workdays following the  
3 date the employee failed to return to work, or as soon as reasonably possible given the  
4 circumstances. -It is the responsibility of the employee to ensure a request for an extended LOA is  
5 submitted timely with all required documentation in support of extending the LOA.

6  
7 **H.I. Misrepresentations:** Misrepresenting reasons or information submitted when applying for a LOA  
8 may result in corrective action, up to and including termination.

9  
10 **H.J. ~~Health benefits for~~ Status of Employee Benefits during** PDL, FMLA, CFRA, Military Service or  
11 Workers' Compensation Leaves of Absence: ~~Employer contributions towards an employee's health~~  
12 ~~benefits (medical, vision, and dental) who is~~ An employee on leave ~~LOA~~ pursuant to PDL, FMLA,  
13 CFRA, Military Service, or Workers' Compensation LOAs, ~~will not continue beyond~~ be eligible to  
14 receive employer contributions towards their health benefits (medical, vision, and dental).  
15 Following the FMLA/CFRA-covered period pursuant to of protected leave, employer contributions  
16 will only continue while an employee utilizes accrued PTO. After an employee reaches PTO  
17 Exhaustion, or has elected not to utilize accrued PTO while receiving disability benefits, CalOptima  
18 Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act  
19 (CFRA) Leaves of Absence. Employees may elect to purchase continuation of such will not pay for  
20 group health insurance premiums during any remaining portion of leave. -The employee is fully  
21 responsible for the employer and employee share of health insurance premiums through a timely  
22 election of benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA). -In  
23 order to ensure continuation of coverage through COBRA. When an employee returns to work, the  
24 eligibility and accrual dates for such benefits may be adjusted to reflect, an employee must timely  
25 pay premiums for the period of the LOA, unpaid LOA and coordinate the payments through  
26 CalOptima Health's third-party COBRA administrator. -Failure to pay premiums in a timely manner  
27 will result in immediate termination of coverage through the remainder of the unpaid LOA.  
28 Reinstatement of coverage will occur on the first day of the month following the date the employee  
29 returns to work on a part-time or full-time basis. If the employee subsequently returns to an  
30 approved LOA, any active benefit coverage will end at the end of the month following the  
31 employee's last day worked and PTO Exhaustion.

32  
33 **K. Other benefits:** All other benefits not specified herein, provided by CalOptima Health, shall be  
34 administered according to HR procedures.

35  
36 **L. Eligibility and Specific Leave Requirements:** Refer to specific CalOptima Health policies listed  
37 below for detailed information about eligibility and other leave requirements:

- 38  
39 1. CalOptima Health Policy GA.8018: Paid Time Off (PTO);  
40  
41 2. CalOptima Health Policy GA.8038: Personal Leave of Absence;  
42  
43 3. CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Lactation  
44 Accommodation;  
45  
46 4. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California  
47 Family Rights Act (CFRA) Leaves of Absence; and/or  
48  
49 5. CalOptima Health Policy GA.8041: Workers' Compensation Program.

50  
51 **IV. ATTACHMENT(S)**

52  
53 Not Applicable  
54



## V. REFERENCE(S)

- A. Bereavement Leave Request Form
- B. California Code, Education Code, §48900.1
- C. California Code, Government Code, §12945.1 et seq. (CFRA)
- D. California Code, Government Code, §19774-19775 (Military Service Leave)
- E. California Code, Labor Code, §230 et seq. (Jury service and other leaves)
- F. California Code, Military & Veterans Code, §395.10 (Military Service Leave)
- G. CalOptima Health Policy GA.8018: Paid Time Off (PTO)
- H. CalOptima Health Policy GA.8038: Personal Leave of Absence
- I. CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation
- J. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence
- K. CalOptima Health Policy GA.8041: Workers' Compensation Program
- L. CalOptima Health Policy GA.8059: Attendance and Timekeeping
- M. Leave of Absence Request Form
- N. Title 2, California Code of Regulations (C.C.R.), §7291.2 et seq. (Pregnancy Regulations)
- O. Title 2, California Code of Regulations (C.C.R.), §7293.5 et seq. (Disability Regulations)
- P. Title 29, Code of Federal Regulations (C.F.R.), Part 825 (FMLA Regulations)
- Q. Title 29, United States Code (U.S.C.), §2601 et seq. (FMLA)
- R. Title 38, United States Code (U.S.C.), §4301 et seq. (USSERA)

## VI. REGULATORY AGENCY APPROVAL(S)

None to Date

## VII. BOARD ACTION(S)

| Date       | Meeting  |
|------------|--|
| 01/05/2012 | Regular Meeting of the CalOptima Board of Directors        |
| 08/07/2014 | Regular Meeting of the CalOptima Board of Directors        |
| 05/04/2017 | Regular Meeting of the CalOptima Board of Directors        |
| 08/03/2017 | Regular Meeting of the CalOptima Board of Directors        |
| 09/03/2020 | Regular Meeting of the CalOptima Board of Directors        |
| 12/20/2021 | Special Meeting of the CalOptima 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 |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

## VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title     | Program(s)     |
|-----------|------------|---------|------------------|----------------|
| Effective | 01/05/2012 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 02/01/2014 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 05/04/2017 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 08/03/2017 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 09/03/2020 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 12/20/2021 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 05/04/2023 | GA.8037 | Leave of Absence | Administrative |

| Action         | Date              | Policy         | Policy Title            | Program(s)            |
|----------------|-------------------|----------------|-------------------------|-----------------------|
| Revised        | 12/07/2023        | GA.8037        | Leave of Absence        | Administrative        |
| <u>Revised</u> | <u>10/03/2024</u> | <u>GA.8037</u> | <u>Leave of Absence</u> | <u>Administrative</u> |

For 20241003 BOD Review Only

## IX. GLOSSARY

| Term                                  | Definition   |
|---------------------------------------|--|
| Child-Related Activities              | Participation in activities at child's school or day care facility as permitted under Labor Code section 230.8, which includes: finding, enrolling, or reenrolling a child in a school or with a licensed child care provider; child care provider or school, emergency; request for child to be picked up from school/child care or an attendance policy that prohibits the child from attending or requires the child to be picked up from the school or child care provider; behavioral/discipline problems; closure or unexpected unavailability of school (excluding planned holidays); a natural disaster; or to participate in activities of the school or licensed child care provider of their child, if the employee, prior to taking the time off, gives reasonable notice to CalOptima Health. |
| Continuous Leave of Absence (LOA)     | Leave that is taken continuously and not broken into separate blocks of time.  |
| Leave of Absence (LOA)                | A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.  |
| <u>Paid Time Off (PTO) Exhaustion</u> | <u>Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.</u>   |



Policy: GA.8037  
Title: **Leave of Absence**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy outlines the general rules and restrictions applicable to a Leave of Absence (LOA).

## II. POLICY

- A. CalOptima Health shall comply with all applicable state and federal LOA laws and regulations and will implement and administer changes to entitlements as required by law.
- B. CalOptima Health will grant a LOA to eligible employees in accordance with CalOptima Health's respective policies and procedures. For leaves specified herein, an employee must submit a Leave of Absence Request Form, available on the InfoNet, to the Human Resources (HR) Department.
- C. An employee's manager may approve up to five (5) scheduled workdays of excused absences for an illness or pre-planned surgery; however, absences of more than five (5) scheduled workdays for illnesses or pre-planned surgery, must be submitted to and approved by HR. Use of Paid Time Off (PTO) for pre-planned vacations does not require HR approval pursuant to CalOptima Health Policy GA.8018: Paid Time Off (PTO).
- D. If an employee requires additional time off work beyond the amount of time authorized herein, and their manager and HR grant a Personal LOA pursuant to CalOptima Health Policy GA.8038: Personal Leave of Absence, the Personal LOA will start on the first day after the termination of the LOA granted pursuant to one (1) of the leaves authorized herein.

### E. Types of LOA:

- 1. Bereavement Leave: An employee may take up to three (3) scheduled workdays off with pay [maximum of twenty-four (24) hours] in the event of a death of an employee's: spouse; registered domestic partner; biological, adopted, step or foster child; biological, adopted, step or foster parent; legal guardian; siblings, including step brother and step sister; grandparent; grandchild; parents-in-law; siblings-in-law; or child-in-law. An employee is entitled to take an additional two (2) workdays off as either PTO or unpaid time off [maximum of sixteen (16) hours]. The first five (5) days of paid or unpaid bereavement leave taken in the three (3) months following the death of the family member are considered protected leave. A Bereavement Leave Request Form, available on the InfoNet, must be submitted to HR within thirty (30) calendar days of leave. The employee's manager may approve up to an additional five (5) workdays off to be taken as either PTO or unpaid time off [maximum of forty (40) hours]. An employee must

1 submit a Leave of Absence Request Form to HR and request a Personal LOA pursuant to  
2 CalOptima Health Policy GA.8038: Personal Leave of Absence if the employee plans to take  
3 additional PTO or unpaid time off exceeding the additional five (5) scheduled workdays taken  
4 as PTO or unpaid time off.  
5

- 6 2. Pregnancy Disability Leave (PDL): In accordance with California Pregnancy Regulations,  
7 CalOptima Health provides up to four (4) months (calculated based on number of days or hours  
8 the employee would normally work within four (4) calendar months) of unpaid PDL per  
9 pregnancy to women requiring time off work because of a disability caused by an employee's  
10 pregnancy, childbirth, or a related medical condition as described in CalOptima Health Policy  
11 GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation.  
12
- 13 3. Family and Medical Leave Act (FMLA): Under the FMLA, employers must provide eligible  
14 employees with up to twelve (12) weeks of unpaid, job-protected leave per rolling twelve (12)  
15 month period. In most circumstances, FMLA leave will run at the same time as PDL and/or  
16 California Family Rights Act (CFRA) leave (see below), where applicable, and is not in  
17 addition to those leaves. FMLA also includes a special leave entitlement for eligible employees  
18 to take up to twenty-six (26) weeks of unpaid leave to care for a covered military service  
19 member with a qualifying serious injury or illness during a single twelve (12) month period.  
20 (See CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and  
21 California Family Rights Act (CFRA) Leaves of Absence for details.)  
22
- 23 4. California Family Rights Act (CFRA) Leave: CFRA provides eligible employees with up to  
24 twelve (12) weeks of unpaid, job-protected leave per rolling twelve (12) month period, as  
25 detailed in CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and  
26 California Family Rights Act (CFRA) Leaves of Absence.  
27
- 28 5. Military Family Leave: Eligible employees may take an unpaid LOA under FMLA and/or  
29 CFRA as described in Sections II.D.3. and 4. of this Policy, to care for a qualified family  
30 member or due to a qualifying exigency arising out of the fact that the qualified family member  
31 is on covered active duty or has been notified of an impending call or order to active duty.  
32
- 33 6. Military Service Leave: The Uniformed Services Employment and Reemployment Rights Act  
34 (USERRA) is a Federal law that provides a cumulative of five (5) years of leave (with certain  
35 exceptions) and re-employment rights for veterans and members of the National Guard and  
36 Reserve following qualifying military service. USERRA requires that a person re-employed  
37 under its provisions be given credit for any months they would have been employed but for the  
38 military service in determining eligibility for FMLA leave. A person re-employed following  
39 military service should be given credit for the period of military service towards the months-of-  
40 employment eligibility requirement.  
41
- 42 a. Salary and Compensation for First Thirty (30) Calendar Days for Military Service LOA:  
43 Pursuant to Military and Veterans Code, Sections 395.01 and 395.05, an employee may be  
44 entitled to their full salary, or compensation, including all appropriate benefits, for the first  
45 thirty (30) calendar days of their absence while they are engaged in the performance of  
46 ordered duty, active military training, inactive duty training, encampment, naval cruises,  
47 special exercises, National Guard active duty, inactive duty training drill periods, or like  
48 activity. Pay under this provision is limited to not more than thirty (30) calendar days in any  
49 given fiscal year.  
50
- 51 b. A military leave of absence without pay shall be granted to employee members of reserve  
52 military units and the National Guard required to perform inactive duty obligations.  
53 Employee may use accrued PTO if sufficient PTO is accrued or may take this time as  
54 unpaid.

c. Supplemental Compensation and Continuation of Benefits for Military Service LOA resulting from the National Emergency declared as a Result of the War on Terror: Upon the exhaustion of pay and benefits for the first thirty (30) calendar days, an employee called to active duty or active training duty with the U.S. Armed Forces or National Guard as a result of the National Emergency, may receive supplemental pay in an amount equal to the difference between the amount of the employee's military pay, including any allotments or additional allowances paid to their families, as calculated at the beginning of the employee's leave, and the amount the employee earned as base salary at CalOptima Health in the month prior to the LOA, assuming the amount the employee earned at CalOptima Health is greater than their military pay. The employee is also authorized to receive a continuation of appropriate benefits, including CalOptima Health payment of the employer cost for applicable health insurance premiums for employees and, if applicable, their dependents. In the event the employee's military pay is greater than their CalOptima Health base salary, CalOptima Health will continue the employee's eligible benefits, if elected, and pay for the employee's cost of such benefits without seeking reimbursement. In instances where training or service with the U.S. Armed Forces is not mandatory and is not covered by state, or federal law, the LOA will be unpaid.

7. Military Spouse Leave: Pursuant to Military & Veterans Code, Section 395.10, eligible employees may take up to ten (10) scheduled workdays of unpaid leave when their spouse is on leave from active duty in the U.S. Armed forces, Reserves or National Guard. Employee may use accrued PTO if sufficient PTO is accrued or may take this time as unpaid.
8. Workers' Compensation: In accordance with state law, CalOptima Health provides Workers' Compensation insurance coverage for employees in case of work-related injury or illness. CalOptima Health may grant a LOA subject to any limitations permitted by law for work-related injuries, in accordance with CalOptima Health Policy GA.8041: Workers' Compensation Program.
9. Jury or Witness Duty Leave: Employees may be granted a LOA with regular pay for those hours that coincide with the employee's regularly scheduled working hours for jury duty. CalOptima Health may grant an employee a LOA with pay to appear as a witness in court, other than as a litigant, or to respond to an official order from another governmental jurisdiction for reasons not brought about through the connivance or misconduct of the employee. On days employees are not required to report to court, or on days when the court either dismisses the employee early or requests that the employee report at a later time, whenever practical, the employee must report to work to perform regular duties prior to or after completing jury duty or appearing as a witness, unless the employee's manager approves that the remaining work time is less than reasonable travel time to court and work location. Employees are expected to work with and coordinate with their manager to ensure that their time away from work does not adversely impact business needs, their coworkers, or CalOptima Health members.
10. Parental School Attendance: Pursuant to Labor Code, Section 230.8, employees can take time off up to eight (8) hours in one (1) month or forty (40) hours each year to participate in Child-Related Activities, subject to limitations under applicable laws. Pursuant to Labor Code, Section 230.7, employees can take time off to appear in the school pursuant to a request made under Education Code, Section 48900.1 (Suspension of Pupil). Accrued PTO shall automatically be used for time-off for Child-Related Activities and/or to appear in a pupil's school, subject to the limitations under applicable laws. Otherwise, the Employee may take this time as unpaid if there is not enough accrued PTO available in accordance with CalOptima Health Policy GA.8018: Paid Time Off (PTO).



- 1 11. Victims of Crime or Abuse: Subject to the requirements under Labor Code, sections 230 and  
2 230.1, an employee who is a victim of a crime or abuse, may, with reasonable advance notice,  
3 unless the advance notice is not feasible, request a LOA. For purposes of LOA request  
4 eligibility, "victim" includes (1) a victim of stalking, domestic violence, or sexual assault; (2) a  
5 victim of a crime that caused physical injury or that caused mental injury and a threat of  
6 physical injury; and/or (3) a person whose immediate family member is deceased as the direct  
7 result of the crime. Employees may elect to use accrued PTO, if available, when a LOA is  
8 granted; however, the PTO cannot be used to adjust the start date and will count as part of the  
9 LOA. This type of LOA is limited to twelve (12) weeks in a rolling twelve (12) month period.  
10 After an employee reaches PTO Exhaustion, if elected, the remaining time off will be unpaid.  
11 LOAs under this paragraph may be granted for any of the following:  
12  
13 a. To seek medical attention for injuries caused by crime or abuse;  
14  
15 b. To obtain services from a domestic violence shelter, program, rape crisis center, or victim  
16 services organization or agency as a result of the crime or abuse;  
17  
18 c. To obtain psychological counseling or mental health services related to an experience of  
19 crime or abuse;  
20  
21 d. To participate in safety planning and take other actions to increase safety from future crime  
22 or abuse, including temporary or permanent relocation; and/or  
23  
24 e. To obtain or attempt to obtain relief, including, but not limited to, a temporary restraining  
25 order, restraining order, or other injunctive relief, to help ensure the health, safety, or  
26 welfare of the employee, or their child.  
27  
28 12. Victims of Crime Leave: An employee who is a victim of a crime or whose immediate family  
29 member(s) is/are a crime victim may take time off subject to the procedural conditions imposed  
30 pursuant to Labor Code, section 230.2, to attend judicial proceedings related to that crime. A  
31 copy of the official notice to the victim of each scheduled legal, or judicial, proceeding, or  
32 documentation substantiating the employee's attendance at a judicial proceeding is required for  
33 this leave. The employee can elect to use accrued PTO for the absence.  
34  
35 13. Volunteer Civil Service Leave: A Civil Service LOA for an unlimited duration may be granted  
36 for employees who are required to perform emergency duty as a volunteer firefighter, a reserve  
37 police officer, or emergency rescue personnel. An employee who performs duty as a volunteer  
38 firefighter, a reserve peace officer, or as emergency rescue personnel is also permitted to take a  
39 LOA, not to exceed an aggregate of fourteen (14) scheduled workdays per calendar year for the  
40 purpose of fire, law enforcement, or emergency rescue training. LOAs under this paragraph can  
41 be unpaid unless the employee elects to use accrued PTO. However, an employee cannot use  
42 PTO to adjust the start date of the LOA authorized under this paragraph, and the time covered  
43 by the PTO will be counted towards the LOA.  
44  
45 14. Civil Air Patrol Leave: Employees who have been employed for at least ninety (90) calendar  
46 days may request a maximum total of ten (10) scheduled workdays per calendar year (three (3)  
47 scheduled workdays maximum for a single emergency operational mission, unless otherwise  
48 authorized by HR) for Civil Air Patrol duty. LOAs under this paragraph can be unpaid unless  
49 the employee elects to use accrued PTO. However, an employee cannot use PTO to adjust the  
50 start date of the LOA authorized under this paragraph, and the time covered by the PTO will be  
51 counted towards the LOA.  
52  
53  
54



- 1 15. LOA as a Reasonable Accommodation: Consistent with the requirements under the Americans  
2 with Disabilities Act and the California Fair Employment and Housing Act, subject to a good  
3 faith interactive process, CalOptima Health may grant an employee a LOA as a reasonable  
4 accommodation, if appropriate.  
5
- 6 16. Reproductive Loss Leave: An employee who has worked for CalOptima Health for at least  
7 thirty (30) days may take up to five (5) scheduled workdays off following a reproductive loss  
8 event. A reproductive loss event means the day of, or for a multiple day event, the final day of a  
9 failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted  
10 reproduction. If an employee experiences more than one (1) reproductive loss event within a  
11 twelve (12) month period, the employee is entitled to a total of twenty (20) days of  
12 Reproductive Loss Leave within a twelve (12) month period, and an employee is required to use  
13 their accrued Paid Time Off (PTO) during their leave. The leave need not be taken on  
14 consecutive days or immediately following the reproductive loss event but must be taken within  
15 three (3) months of the event triggering the leave. A Leave of Absence Request Form, available  
16 on the InfoNet, must be submitted to the HR Department within thirty (30) calendar days of  
17 leave. If the desired leave exceeds five (5) workdays per event or twenty (20) days in a twelve  
18 (12) month period, an employee may submit for consideration a request for Personal LOA  
19 pursuant to CalOptima Health Policy GA.8038: Personal Leave of Absence.  
20
- 21 17. Other Leaves: See CalOptima Health Policy GA.8038: Personal Leave of Absence.  
22
- 23 F. Except as required by federal or state law, or as necessary to protect the employee's safety in the  
24 workplace, CalOptima Health management and HR shall reasonably maintain the confidentiality, to  
25 the extent possible under the circumstances, of any employee requesting time off pursuant to a LOA  
26 described herein.  
27
- 28 G. To the extent that this policy conflicts with CalOptima Health Policies GA.8038: Personal Leave of  
29 Absence, GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation, or  
30 GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA)  
31 Leaves of Absence, those specific policies shall supersede.  
32

### 33 III. PROCEDURE 34

- 35 A. Reinstatement: When an employee is placed on a protected LOA, CalOptima Health shall make an  
36 effort to hold the employee's position open for the period of the approved leave, with the exception  
37 of Personal LOAs in which there is no guarantee of reinstatement. However, to meet business  
38 needs, CalOptima Health may need to fill such positions. If an employee's former position is  
39 unavailable when the employee returns promptly to work upon the expiration of an approved LOA,  
40 CalOptima Health shall make every effort to place the employee in a comparable position for which  
41 the employee is qualified. If such a position is not available, the employee will be offered the next  
42 suitable position for which the employee is qualified that becomes available. In addition, CalOptima  
43 Health will attempt to reasonably accommodate employees who are released for partial or modified  
44 duty. An employee who does not accept a position offered by CalOptima Health is considered to  
45 have voluntarily terminated employment, effective the day such refusal is made. Employees  
46 returning from a LOA related to the employee's own medical condition must obtain a release to  
47 return to work from their health care provider (where applicable) stating that they are able to resume  
48 work. CalOptima Health also reserves the right to require employees to participate in a fitness for  
49 duty examination at the expense of CalOptima Health prior to return to work.  
50
- 51 B. Paid Time Off (PTO) accruals: PTO only accrues during the period an employee is on active duty or  
52 utilizing PTO for an approved LOA. Once PTO Exhaustion has been reached within a pay period,  
53 all remaining time off during an approved LOA shall not be considered time worked for purposes of  
54 accruing PTO hours or benefits eligibility.

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- C. Use of Paid Time Off: An employee is required to use their accrued Paid Time Off (PTO) during an LOA until PTO Exhaustion has been reached (unless deemed otherwise by law, i.e. PDL, receipt of disability benefits, etc.). PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted. PTO will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. The use of PTO will not adjust the start date of an LOA.
1. If applicable, an employee may make a one (1) time request to coordinate disability benefits with accrued PTO to receive one hundred percent (100%) of their total pay until PTO Exhaustion is reached. Supplemented PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted.
- D. Holidays: If a paid holiday occurs during the period an employee is on a LOA, the employee may be eligible for the holiday pay if PTO is being used for the LOA the day before and the day after the holiday and the holiday pay will be prorated based on the employee's full-time or part-time status as it was in effect prior to the LOA. If a holiday falls on a day in which the employee would have been regularly scheduled to work, the holiday will count against the employee's LOA entitlement. An eligible employee on an approved Personal LOA on December 31 will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status. If the Employee does not return to work after their approved leave of absence, and instead separates from employment with CalOptima Health, the employee will not be eligible to receive the Flex Holiday.
- E. Supplemental Compensation: An employee on a Continuous LOA is not eligible to receive certain supplemental compensation, such as Bilingual Pay, Night Shift Premium, Call Back or On Call Pay, Active Certified Case Manager (CCM) Pay, Internet Stipend, Commuter Allowance, or Automobile Allowance during their LOA. If applicable, an employee on a Continuous LOA may be eligible for Employer-Paid Member Contribution, Supplemental Retirement Benefit and Benefit Income during any portion of a paid LOA but shall not be eligible if the LOA is unpaid. Executive incentives will be prorated to account for an executive's Personal LOA time period. Executives must be current employees during the pay period the executive incentive is paid out to be eligible to receive the incentive. Continuous LOA is leave that is taken continuously and not broken into separate blocks of time. Supplemental compensation will resume when the employee returns to an active status, and may be prorated, where applicable.
- F. Outside employment: Employees may not engage in outside work for other employers, including self-employment, while on an approved LOA from CalOptima Health, unless specifically authorized under this Policy, such as for military service.
- G. Documentation: Failure to provide all the required information and/or documentation within the requested or required timeframe may result in a delay in CalOptima Health's approval of the LOA request, CalOptima Health's denial of the employee's request for a LOA, and/or an impact to the employee's ability to take a LOA as requested.
- H. Failure to return promptly: If an employee fails to return to work upon the expiration of an approved LOA and has not submitted required documentation and/or obtained an extension from HR prior to such expiration date, the employee will be considered to have voluntarily resigned. HR will process the employee's voluntary resignation effective three (3) consecutive scheduled workdays following the date the employee failed to return to work, or as soon as reasonably possible given the circumstances. It is the responsibility of the employee to ensure a request for an extended LOA is submitted timely with all required documentation in support of extending the LOA.

- 1 I. Misrepresentations: Misrepresenting reasons or information submitted when applying for a LOA  
2 may result in corrective action, up to and including termination.  
3
- 4 J. Status of Employee Benefits during PDL, FMLA, CFRA, Military Service or Workers'  
5 Compensation Leaves of Absence: An employee on a LOA pursuant to PDL, FMLA, CFRA,  
6 Military Service or Workers' Compensation will be eligible to receive employer contributions  
7 towards their health benefits (medical, vision, and dental). Following the covered period of  
8 protected leave, employer contributions will only continue while an employee utilizes accrued PTO.  
9 After an employee reaches PTO Exhaustion, or has elected not to utilize accrued PTO while  
10 receiving disability benefits, CalOptima Health will not pay for group health insurance premiums  
11 during any remaining portion of leave. The employee is fully responsible for the employer and  
12 employee share of health insurance premiums through a timely election of benefits under the  
13 Consolidated Omnibus Budget Reconciliation Act (COBRA). In order to ensure continuation of  
14 coverage, an employee must timely pay premiums for the period of the unpaid LOA and coordinate  
15 the payments through CalOptima Health's third-party COBRA administrator. Failure to pay  
16 premiums in a timely manner will result in immediate termination of coverage through the  
17 remainder of the unpaid LOA. Reinstatement of coverage will occur on the first day of the month  
18 following the date the employee returns to work on a part-time or full-time basis. If the employee  
19 subsequently returns to an approved LOA, any active benefit coverage will end at the end of the  
20 month following the employee's last day worked and PTO Exhaustion.  
21
- 22 K. Other benefits: All other benefits not specified herein, provided by CalOptima Health, shall be  
23 administered according to HR procedures.  
24
- 25 L. Eligibility and Specific Leave Requirements: Refer to specific CalOptima Health policies listed  
26 below for detailed information about eligibility and other leave requirements:  
27
- 28 1. CalOptima Health Policy GA.8018: Paid Time Off (PTO);
  - 29 2. CalOptima Health Policy GA.8038: Personal Leave of Absence;
  - 30 3. CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Lactation  
31 Accommodation;
  - 32 4. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California  
33 Family Rights Act (CFRA) Leaves of Absence; and/or  
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  - 35 5. CalOptima Health Policy GA.8041: Workers' Compensation Program.  
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#### 40 IV. ATTACHMENT(S)

41 Not Applicable  
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#### 44 V. REFERENCE(S)

- 45
- 46 A. Bereavement Leave Request Form
  - 47 B. California Code, Education Code, §48900.1
  - 48 C. California Code, Government Code, §12945.1 et seq. (CFRA)
  - 49 D. California Code, Government Code, §19774-19775 (Military Service Leave)
  - 50 E. California Code, Labor Code, §230 et seq. (Jury service and other leaves)
  - 51 F. California Code, Military & Veterans Code, §395.10 (Military Service Leave)
  - 52 G. CalOptima Health Policy GA.8018: Paid Time Off (PTO)
  - 53 H. CalOptima Health Policy GA.8038: Personal Leave of Absence

- I. CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Lactation Accommodation
- J. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence
- K. CalOptima Health Policy GA.8041: Workers' Compensation Program
- L. CalOptima Health Policy GA.8059: Attendance and Timekeeping
- M. Leave of Absence Request Form
- N. Title 2, California Code of Regulations (C.C.R.), §7291.2 et seq. (Pregnancy Regulations)
- O. Title 2, California Code of Regulations (C.C.R.), §7293.5 et seq. (Disability Regulations)
- P. Title 29, Code of Federal Regulations (C.F.R.), Part 825 (FMLA Regulations)
- Q. Title 29, United States Code (U.S.C.), §2601 et seq. (FMLA)
- R. Title 38, United States Code (U.S.C.), §4301 et seq. (USSERA)

#### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

#### VII. BOARD ACTION(S)

| Date       | Meeting  |
|------------|--|
| 01/05/2012 | Regular Meeting of the CalOptima Board of Directors        |
| 08/07/2014 | Regular Meeting of the CalOptima Board of Directors        |
| 05/04/2017 | Regular Meeting of the CalOptima Board of Directors        |
| 08/03/2017 | Regular Meeting of the CalOptima Board of Directors        |
| 09/03/2020 | Regular Meeting of the CalOptima Board of Directors        |
| 12/20/2021 | Special Meeting of the CalOptima 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 |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

#### VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title     | Program(s)     |
|-----------|------------|---------|------------------|----------------|
| Effective | 01/05/2012 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 02/01/2014 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 05/04/2017 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 08/03/2017 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 09/03/2020 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 12/20/2021 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 05/04/2023 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 12/07/2023 | GA.8037 | Leave of Absence | Administrative |
| Revised   | 10/03/2024 | GA.8037 | Leave of Absence | Administrative |

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**IX. GLOSSARY**

| <b>Term</b>                       | <b>Definition</b>  |
|-----------------------------------|--|
| Child-Related Activities          | Participation in activities at child’s school or day care facility as permitted under Labor Code section 230.8, which includes: finding, enrolling, or reenrolling a child in a school or with a licensed child care provider; child care provider or school, emergency; request for child to be picked up from school/child care or an attendance policy that prohibits the child from attending or requires the child to be picked up from the school or child care provider; behavioral/discipline problems; closure or unexpected unavailability of school (excluding planned holidays); a natural disaster; or to participate in activities of the school or licensed child care provider of their child, if the employee, prior to taking the time off, gives reasonable notice to CalOptima Health. |
| Continuous Leave of Absence (LOA) | Leave that is taken continuously and not broken into separate blocks of time.  |
| Leave of Absence (LOA)            | A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.  |
| Paid Time Off (PTO) Exhaustion    | Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.  |

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Policy: GA.8038  
Title: **Personal Leave of Absence**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ PACE
- ☒ Administrative

## I. PURPOSE

This policy outlines CalOptima Health's Leave of Absence (LOA) guidelines for Personal Leave.

## II. POLICY

- A. Eligibility: All full-time and part-time employees are eligible to request a Personal Leave of Absence (LOA).
- B. General Provisions: CalOptima Health may grant a Personal LOA for reasons other than leaves described in CalOptima Health Policy GA.8037: Leave of Absence, for a reasonable period of time of up to a total of ninety (90) days per twelve (12) month period. A Personal LOA granted as a disability accommodation is not subject to the ninety (90) day limit. Personal LOAs are entirely dependent on CalOptima Health's discretion and are only approved when it is determined by the employee's management, in coordination with Human Resources, that granting the leave will not unduly interfere with CalOptima Health's operations. Requests for Personal LOAs are considered on the basis of responsibility level, the reason for the request, whether other individuals are already out on leave, and the expected impact or potential hardship of the leave on the employer.
- C. ~~Expired~~Extended Leave of Absence: If an employee exhausts all permitted LOAs pursuant to CalOptima Health Policy GA.8037: Leave of Absence, but is not ready to return to work, the employee may request a Personal LOA to extend their time away from work. It is the employee's responsibility to request a Personal LOA and provide sufficient documentation in a timely manner prior to the date the employee is scheduled to return to work. CalOptima Health will consider the request in accordance with this Policy. Once an employee ~~exhausts~~exhausts all permitted LOAs pursuant to CalOptima Health Policy GA.8037: Leave of Absence, their position is no longer considered protected unless otherwise required by applicable laws. Failure to request a Personal LOA to extend an employee's time away from work and failure to report to work following a permitted LOA shall be considered as the employee's voluntary resignation of their position. Reinstatement may be considered in special circumstances where a timely request or return to work may not be feasible.
- D. Other Provisions:
1. Personal LOA requests related to an employee's qualifying disability under the Americans with Disabilities Act (ADA) ~~will be handled pursuant to the requirements of ADA, where applicable.~~, and the California Fair Employment and Housing Act (FEHA) will be handled in accordance

1 with CalOptima Health Policy GA.8063: Disability Accommodation. Human Resources will  
2 require timely submission of adequate medical documentation and engage in the Interactive  
3 Process to work with the employee and the employee's management to determine whether a  
4 Personal LOA is a reasonable accommodation based on individual circumstances, whether there  
5 are alternative reasonable accommodations that might be effective and enable the employee to  
6 perform the essential functions of their job, and/or whether the Personal LOA will create undue  
7 hardship.  
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- 10 2. Employees are required to maintain regular contact with Human Resources and provide timely  
11 updates regarding the employee's expected return to work date or anticipated extension of a  
12 Personal LOA. Employees who fail to timely request an extended ~~leave of absence~~ Personal  
13 LOA or submit adequate medical documentation in support of an extended Personal LOA may  
14 be separated from CalOptima Health as provided in Section II.D.7. of this Policy.
- 15 3. ~~An employee must use Paid Time Off (PTO) during the Personal LOA unless the employee is~~  
16 ~~receiving disability payments or CalOptima Health grants special approval.~~ Use of Paid Time  
17 Off: An employee is required to use their accrued Paid Time Off (PTO) during the Personal  
18 LOA until PTO Exhaustion has been reached (unless deemed otherwise by law, i.e. PDL,  
19 receipt of disability benefits, etc.).- PTO must be used on consecutive calendar days within each  
20 pay period, in accordance with the employee's assigned work schedule, until exhausted. PTO  
21 will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less  
22 than a full day of PTO is available. The use of PTO will not adjust the start date of the Personal  
23 LOA. The time covered by PTO will still count as part of the Personal LOA. PTO only accrues  
24 during the period an employee is on active duty or utilizing PTO for an approved Personal  
25 LOA. Once the employee's all PTO has accruals have been exhausted within a pay period, all  
26 remaining time off during the approved Personal LOA shall not be considered time worked for  
27 purposes of accruing PTO hours. The use of PTO will not adjust the start date of the Personal  
28 LOA, so time covered by PTO will still count as part of the Personal LOA, or benefits  
29 eligibility.
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- 31 a. If applicable, an employee may make a one (1) time request to coordinate disability benefits  
32 with accrued PTO to receive one hundred percent (100%) of their total pay until PTO  
33 Exhaustion is reached. Supplemented PTO must be used on consecutive calendar days within  
34 each pay period, in accordance with the employee's assigned work schedule, until exhausted.  
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- 36 4. An employee must request the Personal LOA at least thirty (30) calendar days in advance,  
37 except in cases of emergency, wherein, the employee has five (5) calendar days, commencing  
38 from the start of the Personal LOA, to submit the request, along with any supporting  
39 documentation to HR. Limited exceptions to this requirement will be evaluated and considered  
40 on a case-by-case basis, with consideration based on the nature of the request and the  
41 circumstances surrounding any delay.
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- 43 5. Except where required by law, CalOptima Health does not guarantee that an employee's  
44 position will remain vacant while the employee is on an approved Personal LOA. -CalOptima  
45 Health may fill the employee's position for business reasons or where undue hardship results  
46 from the employee's Personal LOA in accordance with the ADA and FEHA, if applicable.  
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- 48 6. If an employee's position is filled while they are on an approved Personal LOA for reasons  
49 other than disability, the employee may be terminated, and at the conclusion of their scheduled  
50 leave, the employee may apply for any open position for which they are qualified at CalOptima  
51 Health. -However, there is no such guarantee that a position for which the employee is qualified  
52 will be available or that the employee will be placed in that open position. -If the employee was  
53 on Personal LOA due to a qualifying disability, and their position was filled while on leave as a  
54 result of undue hardship, CalOptima Health may reassign the employee to the next suitable



position for which the employee is qualified, if such a position is available pursuant to the ADA and FEHA.

7. If an employee's position is not filled during their Personal LOA, the employee is expected to return to work at the scheduled conclusion of their Personal LOA. -If an employee fails to do so, CalOptima Health will treat the employee as having voluntarily resigned from their employment with CalOptima Health.

8. Status of Employee Benefits during Personal Leave: After an employee ~~exhausts all PTO accruals~~ reaches PTO Exhaustion or has elected not to utilize accrued PTO while receiving disability benefits, CalOptima Health will not pay for group health insurance premiums during any remaining portion of a Personal LOA. The employee is fully responsible for the employer and employee share of health insurance premiums through a timely election of benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA) during the remaining portion of the Personal LOA. -In order to ensure continuation of coverage, an employee must timely pay premiums for the period of the Personal LOA and coordinate the payments through CalOptima Health's third-party COBRA administrator. -Failure to pay premiums in a timely manner will result in immediate termination of coverage through the remainder of the Personal LOA. ~~However, reinstatement~~ Reinstatement of coverage will occur on the first day of the month following the date the employee returns to work- on a part-time or full-time basis. If the employee subsequently returns to a Personal LOA, any active benefit coverage will end at the end of the month following the employee's last day worked and PTO Exhaustion.

- a. If the employee returns to work from a Personal LOA, and then resumes a Personal LOA within the same month, the most recent employment status will determine benefits eligibility. For example, if the employee returns to work on January 1, but then resumes a Personal LOA on January 15, and exhausts PTO on January 17, benefits will not be reinstated on February 1 and the employee will maintain their existing health coverage through COBRA, if applicable. All other benefits not specified herein provided by CalOptima Health shall be administered according to HR procedures.

8.9. Holidays:- If a paid holiday occurs during the period an employee is on a Personal LOA, the employee may be eligible for the holiday pay if PTO is being used for the LOA the day before and the day after the holiday. -The holiday pay will be prorated based on the employee's full-time or part-time status as was in effect prior to the LOA. -An eligible employee on an approved Personal LOA on December 31 will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status. If the Employee does not return to work after their approved LOA, and instead separates from employment with CalOptima Health, the employee will not be eligible to receive the Flex Holiday.

9.10. Supplemental Compensation: An employee on a Personal LOA is not eligible to receive certain supplemental compensation, such as Bilingual Pay, Night Shift Premium, Call Back or On Call Pay, Active Certified Case Manager (CCM) Pay, Internet Stipend, Commuter Allowance, or Automobile Allowance during their LOA. ~~An~~ If applicable, an employee on a ~~Continuous~~ Personal LOA may be eligible for Employer-Paid Member Contribution ~~or~~, Supplemental Retirement Benefit and Benefit Income during any portion of a paid LOA but shall not be eligible if the LOA is unpaid. Executive incentives will be prorated to account for an executive's Personal LOA time period. Executives must be current employees during the pay period the executive incentive is paid ~~for eligibility~~ out to be eligible to receive the incentive. Supplemental compensation will resume when the employee returns to an active status, and may be prorated, where applicable.

~~10.11.~~ Outside employment: Employees may not engage in outside work for other employers, including self-employment, while on an approved Personal LOA from CalOptima Health, unless specifically authorized under CalOptima Health Policy GA.8037: Leave of Absence.

~~11.12.~~ Misrepresentations: Misrepresenting reasons or information submitted when applying for a Personal LOA may result in corrective action, up to and including termination.

~~12.13.~~ To the extent that this policy conflicts with CalOptima Health Policies, GA.8037: Leave of Absence, GA.8039: Pregnancy Disability Leave of Absence ~~or~~ and Related Workplace Accommodation, GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence, or GA.8041: Workers' Compensation Program, those specific policies shall supersede.

### III. PROCEDURE

| Responsible Party | Action   |
|-------------------|--|
| Employee          | <ol style="list-style-type: none"><li>1. Request a Personal LOA at least thirty (30) calendar days in advance, except in emergencies, wherein, the employee has five (5) calendar days, commencing from the start of the Personal LOA, by completing the Leave of Absence Request Form and submitting it, along with all supporting documentation, to HR.</li><li>2. If applicable, submit timely health insurance premium payments to CalOptima <u>Health, or CalOptima</u> Health's third-party administrator for continuation of health coverage (COBRA) upon <del>exhaustion of once</del> PTO. <u>Exhaustion has been reached.</u></li><li>3. Maintain regular communication with HR regarding the status of the LOA or return to work, as applicable, and if an extension is needed, provide adequate medical documentation in support of an extended Personal LOA prior to the scheduled end date of an approved Personal LOA.</li><li>4. Engage in an Interactive Process with Human Resources staff and department management, where applicable.</li><li>5. Return to work on the agreed upon return-to-work date if the position is still available.</li></ol> |
| Human Resources   | <ol style="list-style-type: none"><li>1. Process appropriate forms with the employee.</li><li>2. Discuss the request for Personal LOA with the employee's management to evaluate and determine if a request for Personal LOA can be granted, what the impact will be to the department, including undue hardship(s) that will arise in the absence of the employee.</li><li>3. Work closely with the employee's management to determine if there is an alternate reasonable accommodation(s) that might be effective in allowing an employee to return to work, to prevent the need to take a Personal LOA, if applicable.</li><li>4. Upon management approval, designate the employee's Personal LOA and provide information regarding the status of employee benefits during Personal LOA.</li><li>5. Maintain regular contact with the employee and the employee's management while the employee is on Personal LOA.</li><li>6. Help the employee with a plan to transition back to work, when applicable.</li><li>7. Engage in an Interactive Process with the employee, where applicable.</li></ol>   |

### IV. ATTACHMENT(S)

Not Applicable

**V. REFERENCE(S)**

- A. CalOptima Health Policy GA.8037: Leave of Absence
- B. CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and LactationRelated Workplace Accommodation
- C. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence
- D. CalOptima Health Policy GA.8041: Workers' Compensation Program
- E. CalOptima Health Policy GA.8063: Disability Accommodation
- D.F. Leave of Absence Request Form
- E.G. Title 29, Code of Federal Regulations (C.F.R.), § 1630.9

**VI. REGULATORY AGENCY APPROVAL(S)**

None to Date

**VII. BOARD ACTION(S)**

| Date              | Meeting   |
|-------------------|---|
| 01/05/2012        | Regular Meeting of the CalOptima Board of Directors               |
| 06/07/2018        | Regular Meeting of the CalOptima Board of Directors               |
| 12/20/2021        | Special Meeting of the CalOptima Board of Directors               |
| 11/02/2023        | Regular Meeting of the CalOptima Health Board of Directors        |
| <u>10/03/2024</u> | <u>Regular Meeting of the CalOptima Health Board of Directors</u> |

**VIII. REVISION HISTORY**

| Action         | Date              | Policy         | Policy Title                     | Program(s)            |
|----------------|-------------------|----------------|----------------------------------|-----------------------|
| Effective      | 01/05/2012        | GA.8038        | Discretionary Leave of Absence   | Administrative        |
| Revised        | 02/01/2014        | GA.8038        | Personal Leave of Absence        | Administrative        |
| Revised        | 06/07/2018        | GA.8038        | Personal Leave of Absence        | Administrative        |
| Revised        | 12/20/2021        | GA.8038        | Personal Leave of Absence        | Administrative        |
| Revised        | 11/02/2023        | GA.8038        | Personal Leave of Absence        | Administrative        |
| <u>Revised</u> | <u>10/03/2024</u> | <u>GA.8038</u> | <u>Personal Leave of Absence</u> | <u>Administrative</u> |

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IX. GLOSSARY

| Term                                  | Definition  |
|---------------------------------------|---|
|                                       |   |
| Interactive Process                   | A term used to describe the ongoing, good faith meeting with an employee to determine whether reasonable accommodation can be made to an employee with a known disability. The Interactive Process is the way in which employees, supervisors, and their departments determine whether reasonable accommodation can be made to an employee pursuant to the Americans with Disabilities Act (ADA) and the California Fair Employment and Housing Act (FEHA). |
| Leave of Absence (LOA)                | A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.   |
| <u>Paid Time Off (PTO) Exhaustion</u> | <u>Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.</u>  |

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Policy: GA.8038  
Title: **Personal Leave of Absence**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/05/2012

Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy outlines CalOptima Health's Leave of Absence (LOA) guidelines for Personal Leave.

## II. POLICY

- A. Eligibility: All full-time and part-time employees are eligible to request a Personal Leave of Absence (LOA).
- B. General Provisions: CalOptima Health may grant a Personal LOA for reasons other than leaves described in CalOptima Health Policy GA.8037: Leave of Absence, for a reasonable period of time of up to a total of ninety (90) days per twelve (12) month period. A Personal LOA granted as a disability accommodation is not subject to the ninety (90) day limit. Personal LOAs are entirely dependent on CalOptima Health's discretion and are only approved when it is determined by the employee's management, in coordination with Human Resources, that granting the leave will not unduly interfere with CalOptima Health's operations. Requests for Personal LOAs are considered on the basis of responsibility level, the reason for the request, whether other individuals are already out on leave, and the expected impact or potential hardship of the leave on the employer.
- C. Extended Leave of Absence: If an employee exhausts all permitted LOAs pursuant to CalOptima Health Policy GA.8037: Leave of Absence, but is not ready to return to work, the employee may request a Personal LOA to extend their time away from work. It is the employee's responsibility to request a Personal LOA and provide sufficient documentation in a timely manner prior to the date the employee is scheduled to return to work. CalOptima Health will consider the request in accordance with this Policy. Once an employee exhausts all permitted LOAs pursuant to CalOptima Health Policy GA.8037: Leave of Absence, their position is no longer considered protected unless otherwise required by applicable laws. Failure to request a Personal LOA to extend an employee's time away from work and failure to report to work following a permitted LOA shall be considered as the employee's voluntary resignation of their position. Reinstatement may be considered in special circumstances where a timely request or return to work may not be feasible.
- D. Other Provisions:
1. Personal LOA requests related to an employee's qualifying disability under the Americans with Disabilities Act (ADA), and the California Fair Employment and Housing Act (FEHA) will be handled in accordance with CalOptima Health Policy GA.8063: Disability Accommodation. Human Resources will require timely submission of adequate medical documentation and

engage in the Interactive Process to work with the employee and the employee's management to determine whether a Personal LOA is a reasonable accommodation based on individual circumstances, whether there are alternative reasonable accommodations that might be effective and enable the employee to perform the essential functions of their job, and/or whether the Personal LOA will create undue hardship.

2. Employees are required to maintain regular contact with Human Resources and provide timely updates regarding the employee's expected return to work date or anticipated extension of a Personal LOA. Employees who fail to timely request an extended Personal LOA or submit adequate medical documentation in support of an extended Personal LOA may be separated from CalOptima Health as provided in Section II.D.7. of this Policy.
3. Use of Paid Time Off: An employee is required to use their accrued Paid Time Off (PTO) during the Personal LOA until PTO Exhaustion has been reached (unless deemed otherwise by law, i.e. PDL, receipt of disability benefits, etc.). PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted. PTO will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. The use of PTO will not adjust the start date of the Personal LOA. The time covered by PTO will still count as part of the Personal LOA. PTO only accrues during the period an employee is on active duty or utilizing PTO for an approved Personal LOA. Once all PTO accruals have been exhausted within a pay period, all remaining time off during the approved Personal LOA shall not be considered time worked for purposes of accruing PTO hours or benefits eligibility.
  - a. If applicable, an employee may make a one (1) time request to coordinate disability benefits with accrued PTO to receive one hundred percent (100%) of their total pay until PTO Exhaustion is reached. Supplemented PTO must be used on consecutive calendar days within each pay period, in accordance with the employee's assigned work schedule, until exhausted.
4. An employee must request the Personal LOA at least thirty (30) calendar days in advance, except in cases of emergency, wherein, the employee has five (5) calendar days, commencing from the start of the Personal LOA, to submit the request, along with any supporting documentation to HR. Limited exceptions to this requirement will be evaluated and considered on a case-by-case basis, with consideration based on the nature of the request and the circumstances surrounding any delay.
5. Except where required by law, CalOptima Health does not guarantee that an employee's position will remain vacant while the employee is on an approved Personal LOA. CalOptima Health may fill the employee's position for business reasons or where undue hardship results from the employee's Personal LOA in accordance with the ADA and FEHA, if applicable.
6. If an employee's position is filled while they are on an approved Personal LOA for reasons other than disability, the employee may be terminated, and at the conclusion of their scheduled leave, the employee may apply for any open position for which they are qualified at CalOptima Health. However, there is no such guarantee that a position for which the employee is qualified will be available or that the employee will be placed in that open position. If the employee was on Personal LOA due to a qualifying disability, and their position was filled while on leave as a result of undue hardship, CalOptima Health may reassign the employee to the next suitable position for which the employee is qualified, if such a position is available pursuant to the ADA and FEHA.
7. If an employee's position is not filled during their Personal LOA, the employee is expected to return to work at the scheduled conclusion of their Personal LOA. If an employee fails to do so,



CalOptima Health will treat the employee as having voluntarily resigned from their employment with CalOptima Health.

8. Status of Employee Benefits during Personal Leave: After an employee reaches PTO Exhaustion or has elected not to utilize accrued PTO while receiving disability benefits, CalOptima Health will not pay for group health insurance premiums during any remaining portion of a Personal LOA. The employee is fully responsible for the employer and employee share of health insurance premiums through a timely election of benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA) during the remaining portion of the Personal LOA. In order to ensure continuation of coverage, an employee must timely pay premiums for the period of the Personal LOA and coordinate the payments through CalOptima Health's third-party COBRA administrator. Failure to pay premiums in a timely manner will result in immediate termination of coverage through the remainder of the Personal LOA. Reinstatement of coverage will occur on the first day of the month following the date the employee returns to work on a part-time or full-time basis. If the employee subsequently returns to a Personal LOA, any active benefit coverage will end at the end of the month following the employee's last day worked and PTO Exhaustion.
  - a. If the employee returns to work from a Personal LOA, and then resumes a Personal LOA within the same month, the most recent employment status will determine benefits eligibility. For example, if the employee returns to work on January 1, but then resumes a Personal LOA on January 15, and exhausts PTO on January 17, benefits will not be reinstated on February 1 and the employee will maintain their existing health coverage through COBRA, if applicable. All other benefits not specified herein provided by CalOptima Health shall be administered according to HR procedures.
9. Holidays: If a paid holiday occurs during the period an employee is on a Personal LOA, the employee may be eligible for the holiday pay if PTO is being used for the LOA the day before and the day after the holiday. The holiday pay will be prorated based on the employee's full-time or part-time status as was in effect prior to the LOA. An eligible employee on an approved Personal LOA on December 31 will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status. If the Employee does not return to work after their approved LOA, and instead separates from employment with CalOptima Health, the employee will not be eligible to receive the Flex Holiday.
10. Supplemental Compensation: An employee on a Personal LOA is not eligible to receive certain supplemental compensation, such as Bilingual Pay, Night Shift Premium, Call Back or On Call Pay, Active Certified Case Manager (CCM) Pay, Internet Stipend, Commuter Allowance, or Automobile Allowance during their LOA. If applicable, an employee on a Personal LOA may be eligible for Employer-Paid Member Contribution, Supplemental Retirement Benefit and Benefit Income during any portion of a paid LOA but shall not be eligible if the LOA is unpaid. Executive incentives will be prorated to account for an executive's Personal LOA time period. Executives must be current employees during the pay period the executive incentive is paid out to be eligible to receive the incentive. Supplemental compensation will resume when the employee returns to an active status, and may be prorated, where applicable.
11. Outside employment: Employees may not engage in outside work for other employers, including self-employment, while on an approved Personal LOA from CalOptima Health, unless specifically authorized under CalOptima Health Policy GA.8037: Leave of Absence.
12. Misrepresentations: Misrepresenting reasons or information submitted when applying for a Personal LOA may result in corrective action, up to and including termination.



13. To the extent that this policy conflicts with CalOptima Health Policies, GA.8037: Leave of Absence, GA.8039: Pregnancy Disability Leave of Absence and Related Workplace Accommodation, GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence, or GA.8041: Workers' Compensation Program, those specific policies shall supersede.

### III. PROCEDURE

| Responsible Party | Action   |
|-------------------|--|
| Employee          | <ol style="list-style-type: none"><li>1. Request a Personal LOA at least thirty (30) calendar days in advance, except in emergencies, wherein, the employee has five (5) calendar days, commencing from the start of the Personal LOA, by completing the Leave of Absence Request Form and submitting it, along with all supporting documentation, to HR.</li><li>2. If applicable, submit timely health insurance premium payments to CalOptima Health, or CalOptima Health's third-party administrator for continuation of health coverage (COBRA) upon once PTO Exhaustion has been reached.</li><li>3. Maintain regular communication with HR regarding the status of the LOA or return to work, as applicable, and if an extension is needed, provide adequate medical documentation in support of an extended Personal LOA prior to the scheduled end date of an approved Personal LOA.</li><li>4. Engage in an Interactive Process with Human Resources staff and department management, where applicable.</li><li>5. Return to work on the agreed upon return-to-work date if the position is still available.</li></ol> |
| Human Resources   | <ol style="list-style-type: none"><li>1. Process appropriate forms with the employee.</li><li>2. Discuss the request for Personal LOA with the employee's management to evaluate and determine if a request for Personal LOA can be granted, what the impact will be to the department, including undue hardship(s) that will arise in the absence of the employee.</li><li>3. Work closely with the employee's management to determine if there is an alternate reasonable accommodation(s) that might be effective in allowing an employee to return to work, to prevent the need to take a Personal LOA, if applicable.</li><li>4. Upon management approval, designate the employee's Personal LOA and provide information regarding the status of employee benefits during Personal LOA.</li><li>5. Maintain regular contact with the employee and the employee's management while the employee is on Personal LOA.</li><li>6. Help the employee with a plan to transition back to work, when applicable.</li><li>7. Engage in an Interactive Process with the employee, where applicable.</li></ol>                         |

### IV. ATTACHMENT(S)

Not Applicable

### V. REFERENCE(S)

- CalOptima Health Policy GA.8037: Leave of Absence
- CalOptima Health Policy GA.8039: Pregnancy Disability Leave of Absence and Related Workplace Accommodation

- C. CalOptima Health Policy GA.8040: Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA) Leaves of Absence  
D. CalOptima Health Policy GA.8041: Workers' Compensation Program  
E. CalOptima Health Policy GA.8063: Disability Accommodation  
F. Leave of Absence Request Form  
G. Title 29, Code of Federal Regulations (C.F.R.), §1630.9

**VI. REGULATORY AGENCY APPROVAL(S)**

None to Date

**VII. BOARD ACTION(S)**

| Date       | Meeting  |
|------------|--|
| 01/05/2012 | Regular Meeting of the CalOptima Board of Directors        |
| 06/07/2018 | Regular Meeting of the CalOptima Board of Directors        |
| 12/20/2021 | Special Meeting of the CalOptima Board of Directors        |
| 11/02/2023 | Regular Meeting of the CalOptima Health Board of Directors |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

**VIII. REVISION HISTORY**

| Action    | Date       | Policy  | Policy Title                   | Program(s)     |
|-----------|------------|---------|--------------------------------|----------------|
| Effective | 01/05/2012 | GA.8038 | Discretionary Leave of Absence | Administrative |
| Revised   | 02/01/2014 | GA.8038 | Personal Leave of Absence      | Administrative |
| Revised   | 06/07/2018 | GA.8038 | Personal Leave of Absence      | Administrative |
| Revised   | 12/20/2021 | GA.8038 | Personal Leave of Absence      | Administrative |
| Revised   | 11/02/2023 | GA.8038 | Personal Leave of Absence      | Administrative |
| Revised   | 10/03/2024 | GA.8038 | Personal Leave of Absence      | Administrative |

1 IX. GLOSSARY

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| Term                           | Definition  |
|--------------------------------|---|
| Interactive Process            | A term used to describe the ongoing, good faith meeting with an employee to determine whether reasonable accommodation can be made to an employee with a known disability. The Interactive Process is the way in which employees, supervisors, and their departments determine whether reasonable accommodation can be made to an employee pursuant to the Americans with Disabilities Act (ADA) and the California Fair Employment and Housing Act (FEHA). |
| Leave of Absence (LOA)         | A term used to describe an authorized period of time off longer than five (5) days that an employee is to be away from their primary job, while maintaining the status of employee.   |
| Paid Time Off (PTO) Exhaustion | Paid Time Off (PTO) will be applied in increments of no less than one quarter hour (fifteen (15) minutes) when less than a full day of PTO is available. When accrued PTO balance is less than one quarter hour (fifteen (15) minutes), PTO is considered to be exhausted with the exception of PTO pay on termination.   |

3

Policy: GA.8044  
 Title: **Telework Program**  
 Department: Human Resources  
 Section: Not Applicable

CEO Approval: /s/

Effective Date: 03/01/2012

Revised Date: 10/03/2024

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ PACE
- ☒ Administrative

## I. PURPOSE

This policy describes guidelines for a flexible work arrangement that: 1) permits eligible employees to perform their work from Remote Work Locations unless business needs require otherwise; 2) supports recruitment and retention of skilled employees; and 3) promotes a culture of managing by results.

## II. POLICY

A. Telework is a workplace arrangement in which eligible employees may voluntarily work their entire or partial work schedule away from the Central Worksite at a Remote Work Location.

1. Full Teleworkers elect to work their entire work schedule away from the Central Worksite at a Remote Work Location unless business needs require otherwise. Full Teleworkers may not elect to routinely work a portion of their scheduled days at the Central Worksite and the remainder from the Remote Work Location. Full Teleworkers will not have dedicated workspaces at the Central Worksite.
2. Partial Teleworkers elect a pre-established consistent weekly work schedule, which will include two (2) or more full days in the Central Worksite, and the remainder of full days at the Remote Work Location, subject to management approval. Partial Teleworkers' regular workdays cannot be broken up with part of the day at the Central Worksite and part of the day at the Remote Work Location.
3. Community Workers perform fifty-one percent (51%) or more of their duties in field locations such as provider offices, Members' homes, and at community outreach events. Community Workers will not have dedicated workspaces at the Central Worksite and are not counted in the Full Telework positions. They may reserve hotel stations at the Central Worksite, as needed.
4. Temporary Teleworkers work up to their entire work schedule away from the Central Worksite on a temporary basis, as an accommodation for their disability or to provide care to a family or household member who has a serious health condition or disability. The care provided to the family or household member occurs outside of the Temporary Teleworkers' normal work schedule (e.g., before or after work or while on a meal break). Temporary Telework to provide care for a family or household member is limited to less than six (6) months in duration in a calendar year. Temporary Teleworkers are not counted in the Full Telework positions.

- 1 B. The Human Resources Department (HR) maintains a list of job classifications that have been  
2 evaluated and identified as eligible for Telework, ~~which~~ herein referred to as the eligibility list. This  
3 list may be updated from time-to-time based on business needs. For all other job classifications not  
4 on the eligibility list ~~maintained by HR~~, supervisors and managers can recommend approval of a  
5 request for Telework by an employee, group, or department that meet the eligibility criteria set forth  
6 in the Telework Program Guidelines maintained by HR. ~~Requests should be submitted to HR for~~  
7 ~~review and approval/denial. Appeals of HR decisions can be submitted by the supervisor's or~~  
8 ~~manager's Executive to the Chief Executive Officer (CEO) for final determination.~~
- 9
- 10 C. Telework is not a universal employee benefit or entitlement, and there is no guarantee that an  
11 employee will be permitted to Telework. An employee working in a telework-eligible job  
12 classification may request full or partial telework, however, CalOptima Health reserves the right to  
13 deny, revoke, or remove Telework for any employee, group, or department, based on business  
14 needs, failure to meet performance expectations, and/or as deemed appropriate by management.  
15 Management will evaluate eligibility for each employee, position, group or department, based on  
16 clear criteria and standards maintained by HR.
- 17
- 18 D. Full and Partial Telework is not available for Executive Level Positions unless the position is  
19 classified as a difficult to recruit and/or retain position, and the position is appropriate for telework  
20 as determined by the Chief Human Resources Officer (CHRO), with the approval of the CEO.
- 21 ~~E. Full Telework positions can account for up to fifty percent (50%) of the budgeted Full Time~~  
22 ~~Equivalent (FTE) headcount at any given time. Partial Telework positions are unlimited.~~
- 23
- 24 E. Effective May 2024, new out-of-state Telework assignments will not be authorized. Employees with  
25 prior authorization for out-of-state Telework may continue to work from their approved remote  
26 location at the discretion of the CEO.
- 27
- 28 F. An employee's manager has the discretion to allow an employee in a non-Telework position to  
29 work from a Remote Work Location on an occasional basis subject to the conditions set forth in the  
30 Telework Program Guidelines maintained by HR. The employee's manager shall ensure that the  
31 nature of work assignments and job responsibilities can be performed effectively away from the  
32 Central Worksite.
- 33
- 34 G. CalOptima Health's policies, rules and practices applicable at the Central Worksite are applicable to  
35 a Teleworker while working at the Remote Work Location, including, but not limited to,  
36 confidentiality, privacy and security, internal communications, communications with the public,  
37 public records requests, employee rights and responsibilities, attendance and timekeeping,  
38 scheduled work hours, facilities and equipment management, financial management, information  
39 resource management, purchasing of property and services, unlawful harassment, drug and alcohol,  
40 and safety.
- 41
- 42 H. Requirements specific to Telework are set out more fully in the Telework Program Guidelines,  
43 which each employee authorized for Telework must read, acknowledge, and sign prior to the  
44 employee's first day of Telework.
- 45
- 46 I. Failure to comply with the requirements of this policy, the Telework Program Guidelines, or  
47 CalOptima Health's policies, rules, and procedures may result in termination of the employee's  
48 Telework arrangement and/or corrective action, up to and including termination of employment.  
49 Certain violations of this policy, the Telework Program Guidelines, other applicable CalOptima  
50 Health policies, and/or state and federal laws may also result in criminal or civil prosecution or  
51 penalties, where applicable.
- 52
- 53 J. Authority

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1. HR will manage CalOptima Health's Telework Program and maintain guidelines for eligibility, selection criteria, work schedule requirements, and other Telework-related requirements not otherwise specified in this policy. The CHRO, with approval of the CEO, may authorize amendments to the Telework Program Guidelines.
2. In cases of local emergencies or unforeseen circumstances necessitating Telework for the immediate protection, welfare, and safety of the employee and/or CalOptima Health property, the CEO may authorize amendments to this policy including, but not limited to, increasing the number of Full Telework positions for the duration of the local emergency or unforeseen circumstances necessitating Telework.

### III. PROCEDURE

The procedure for requesting, approving, and appealing a request for Telework is set forth in the Telework Program Guidelines maintained by HR.

### IV. ATTACHMENT(S)

Not Applicable

### V. REFERENCE(S)

A. Telework Program Guidelines

### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

### VII. BOARD ACTION(S)

| Date              | Meeting   |
|-------------------|---|
| 03/01/2012        | Regular Meeting of the CalOptima Board of Directors               |
| 06/06/2013        | Regular Meeting of the CalOptima Board of Directors               |
| 05/01/2014        | Regular Meeting of the CalOptima Board of Directors               |
| 12/03/2015        | Regular Meeting of the CalOptima Board of Directors               |
| 02/01/2018        | Regular Meeting of the CalOptima Board of Directors               |
| 12/20/2021        | Special Meeting of the CalOptima Board of Directors               |
| 11/02/2023        | Regular Meeting of the CalOptima Board of Directors               |
| <u>10/03/2024</u> | <u>Regular Meeting of the CalOptima Health Board of Directors</u> |

### VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title     | Program(s)     |
|-----------|------------|---------|------------------|----------------|
| Effective | 03/01/2012 | GA.8044 | Telework Program | Administrative |
| Revised   | 06/06/2013 | GA.8044 | Telework Program | Administrative |
| Revised   | 05/01/2014 | GA.8044 | Telework Program | Administrative |
| Revised   | 12/03/2015 | GA.8044 | Telework Program | Administrative |
| Revised   | 02/01/2018 | GA.8044 | Telework Program | Administrative |
| Revised   | 12/20/2021 | GA.8044 | Telework Program | Administrative |

| Action         | Date              | Policy         | Policy Title            | Program(s)            |
|----------------|-------------------|----------------|-------------------------|-----------------------|
| Revised        | 11/02/2023        | GA.8044        | Telework Program        | Administrative        |
| <u>Revised</u> | <u>10/03/2024</u> | <u>GA.8044</u> | <u>Telework Program</u> | <u>Administrative</u> |

For 20241003 BOD Review Only



## IX. GLOSSARY

| Term                     | Definition  |
|--------------------------|---|
| Central Worksite         | CalOptima Health's primary physical location of business applicable to the employee, which is either CalOptima Health's administration building at 505 City Parkway West, the PACE building or other CalOptima Health operated location.                                |
| Community Worker         | An employee in a position that performs fifty-one percent (51%) or more of their duties in field locations such as provider offices, members' homes, and at community outreach events.  |
| Executive Level Position | The position of Executive Director or above.  |
| Full Teleworker          | An eligible employee who is approved to routinely work their entire regularly scheduled work hours from a Remote Work Location unless business needs require otherwise.   |
| Partial Teleworker       | An eligible employee who is approved to work a pre-established consistent weekly work schedule split between two (2) or more full days per week at the Central Worksite, and the remainder of full days at the Remote Work Location.                                    |
| Remote Work Location     | The Employee's home office or other designated pre-approved work location that is not the Central Worksite.   |
| Telework                 | A workplace arrangement in which eligible employees voluntarily work their entire or partial work schedule away from the Central Worksite at a Remote Work Location.  |
| Temporary Teleworker     | An eligible employee who works up to their entire work schedule away from the Central Worksite on a temporary basis, up to six months, as an accommodation for their disability, or to provide care to a family or household member who has a serious health condition. |

Policy: GA.8044  
 Title: **Telework Program**  
 Department: Human Resources  
 Section: Not Applicable

CEO Approval: /s/

Effective Date: 03/01/2012

Revised Date: 10/03/2024

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ PACE
- ☒ Administrative

## I. PURPOSE

This policy describes guidelines for a flexible work arrangement that: 1) permits eligible employees to perform their work from Remote Work Locations unless business needs require otherwise; 2) supports recruitment and retention of skilled employees; and 3) promotes a culture of managing by results.

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- 1 B. The Human Resources Department (HR) maintains a list of job classifications that have been  
2 evaluated and identified as eligible for Telework, herein referred to as the eligibility list. This list  
3 may be updated from time-to-time based on business needs. For all other job classifications not on  
4 the eligibility list, supervisors and managers can recommend approval of a request for Telework by  
5 an employee, group, or department that meet the eligibility criteria set forth in the Telework  
6 Program Guidelines maintained by HR. Requests should be submitted to HR for review and  
7 approval/denial. Appeals of HR decisions can be submitted by the supervisor's or manager's  
8 Executive to the Chief Executive Officer (CEO) for final determination.  
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- 10 C. Telework is not a universal employee benefit or entitlement, and there is no guarantee that an  
11 employee will be permitted to Telework. An employee working in a telework-eligible job  
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16 clear criteria and standards maintained by HR.  
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- 18 D. Full and Partial Telework is not available for Executive Level Positions unless the position is  
19 classified as a difficult to recruit and/or retain position, and the position is appropriate for telework  
20 as determined by the Chief Human Resources Officer (CHRO), with the approval of the CEO.  
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- 22 E. Effective May 2024, new out-of-state Telework assignments will not be authorized. Employees with  
23 prior authorization for out-of-state Telework may continue to work from their approved remote  
24 location at the discretion of the CEO.  
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- 26 F. An employee's manager has the discretion to allow an employee in a non-Telework position to  
27 work from a Remote Work Location on an occasional basis subject to the conditions set forth in the  
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35 public records requests, employee rights and responsibilities, attendance and timekeeping,  
36 scheduled work hours, facilities and equipment management, financial management, information  
37 resource management, purchasing of property and services, unlawful harassment, drug and alcohol,  
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- 40 H. Requirements specific to Telework are set out more fully in the Telework Program Guidelines,  
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- 44 I. Failure to comply with the requirements of this policy, the Telework Program Guidelines, or  
45 CalOptima Health's policies, rules, and procedures may result in termination of the employee's  
46 Telework arrangement and/or corrective action, up to and including termination of employment.  
47 Certain violations of this policy, the Telework Program Guidelines, other applicable CalOptima  
48 Health policies, and/or state and federal laws may also result in criminal or civil prosecution or  
49 penalties, where applicable.  
50
- 51 J. Authority  
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1. HR will manage CalOptima Health's Telework Program and maintain guidelines for eligibility, selection criteria, work schedule requirements, and other Telework-related requirements not otherwise specified in this policy. The CHRO, with approval of the CEO, may authorize amendments to the Telework Program Guidelines.
2. In cases of local emergencies or unforeseen circumstances necessitating Telework for the immediate protection, welfare, and safety of the employee and/or CalOptima Health property, the CEO may authorize amendments to this policy including, but not limited to, increasing the number of Full Telework positions for the duration of the local emergency or unforeseen circumstances necessitating Telework.

### III. PROCEDURE

The procedure for requesting, approving, and appealing a request for Telework is set forth in the Telework Program Guidelines maintained by HR.

### IV. ATTACHMENT(S)

Not Applicable

### V. REFERENCE(S)

A. Telework Program Guidelines

### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

### VII. BOARD ACTION(S)

| Date       | Meeting  |
|------------|--|
| 03/01/2012 | Regular Meeting of the CalOptima Board of Directors        |
| 06/06/2013 | Regular Meeting of the CalOptima Board of Directors        |
| 05/01/2014 | Regular Meeting of the CalOptima Board of Directors        |
| 12/03/2015 | Regular Meeting of the CalOptima Board of Directors        |
| 02/01/2018 | Regular Meeting of the CalOptima Board of Directors        |
| 12/20/2021 | Special Meeting of the CalOptima Board of Directors        |
| 11/02/2023 | Regular Meeting of the CalOptima Board of Directors        |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

### VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title     | Program(s)     |
|-----------|------------|---------|------------------|----------------|
| Effective | 03/01/2012 | GA.8044 | Telework Program | Administrative |
| Revised   | 06/06/2013 | GA.8044 | Telework Program | Administrative |
| Revised   | 05/01/2014 | GA.8044 | Telework Program | Administrative |
| Revised   | 12/03/2015 | GA.8044 | Telework Program | Administrative |
| Revised   | 02/01/2018 | GA.8044 | Telework Program | Administrative |
| Revised   | 12/20/2021 | GA.8044 | Telework Program | Administrative |

| Action  | Date       | Policy  | Policy Title     | Program(s)     |
|---------|------------|---------|------------------|----------------|
| Revised | 11/02/2023 | GA.8044 | Telework Program | Administrative |
| Revised | 10/03/2024 | GA.8044 | Telework Program | Administrative |

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For 20241003 BOD Review Only

1 IX. GLOSSARY

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| Term                     | Definition  |
|--------------------------|---|
| Central Worksite         | CalOptima Health's primary physical location of business applicable to the employee, which is either CalOptima Health's administration building at 505 City Parkway West, the PACE building or other CalOptima Health operated location.                                |
| Community Worker         | An employee in a position that performs fifty-one percent (51%) or more of their duties in field locations such as provider offices, members' homes, and at community outreach events.  |
| Executive Level Position | The position of Executive Director or above.  |
| Full Teleworker          | An eligible employee who is approved to routinely work their entire regularly scheduled work hours from a Remote Work Location unless business needs require otherwise.   |
| Partial Teleworker       | An eligible employee who is approved to work a pre-established consistent weekly work schedule split between two (2) or more full days per week at the Central Worksite, and the remainder of full days at the Remote Work Location.                                    |
| Remote Work Location     | The Employee's home office or other designated pre-approved work location that is not the Central Worksite.   |
| Telework                 | A workplace arrangement in which eligible employees voluntarily work their entire or partial work schedule away from the Central Worksite at a Remote Work Location.  |
| Temporary Teleworker     | An eligible employee who works up to their entire work schedule away from the Central Worksite on a temporary basis, up to six months, as an accommodation for their disability, or to provide care to a family or household member who has a serious health condition. |

3



Policy: GA.8051  
Title: **Hiring of Relatives**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 02/01/2014

Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy outlines CalOptima Health's guidelines for hiring ~~of~~ relatives.

## II. POLICY

A. CalOptima Health shall not discriminate in its employment and personnel actions with respect to its ~~employees~~Employees. Hiring and promotion decisions are competitive, based on merit, and are not made with regard to ~~political affiliation, race, color, religion, creed, ancestry, national origin, sex (pregnancy or gender), sexual orientation, gender identity and expression, medical condition, genetic information, marital status, age (forty (40) and over), mental and physical disability, military or veteran status, or other protected characteristics or activities.~~any protected characteristics as listed in CalOptima Health Policy GA.8025: Equal Employment Opportunity. Notwithstanding this policy, CalOptima Health retains the right to refuse to appoint a person to a position in the same department or division, wherein their relationship to another ~~employee~~Employee has the potential for creating real or perceived serious conflicts, a conflict of interest (direct or indirect), or an adverse impact on supervision, safety, security, or ~~employee~~Employee morale.

## III. PROCEDURE

A. CalOptima Health shall consider the hiring of relatives, or non-relatives of the same residence (housemate), only if (1) the applicant will not be working directly for, or directly supervising, an existing ~~employee~~Employee, or (2) a determination can be made by the department head, with concurrence by the Chief Human Resources Officer, that a potential for adverse impact on supervision, safety, security, or ~~employee~~Employee morale does not exist. ~~Supervising means having authority in the interest of CalOptima Health to hire, transfer, suspend, layoff, recall, promote, discharge, terminate, assign, reward, or discipline other employees issue corrective action, or has responsibility to direct them their work.~~

B. Employees and job applicants are required to promptly disclose to their management, and/or the Human Resources Department if they would be hired, transferred, promoted, or otherwise be assigned to report to a relative or non-relative of the same residence, in accordance with CalOptima Health Policy GA.8012: Conflicts of Interest.

B.C. If the relationship is established after the ~~employees'~~Employees' employment with CalOptima Health has commenced (e.g., two (2) existing ~~employees~~Employees marry, or become housemates or relatives), and a determination has been made that the potential for adverse impact does exist, the



department head in conjunction with the Human Resources Department, shall make reasonable efforts to minimize problems of supervision, safety, security, or morale, through reassignment of duties, relocation, or transfer to another position for which one (1) of the ~~employees~~ Employees is qualified, if such position is available. -If no reassignment or transfer is practical, CalOptima Health will terminate one (1) of the ~~employees~~ Employees from employment. -The decision as to which ~~employee~~ Employee will be reassigned, transferred, or terminated will be at the discretion of CalOptima Health with consideration of CalOptima Health's business needs. - In certain situations, and at CalOptima Health's sole discretion, CalOptima Health may provide the ~~employees~~ Employees with an opportunity to decide which ~~employee~~ Employee shall be reassigned, transferred, or terminated from employment. -If the ~~employees~~ Employees do not make a decision within ~~thirty (30)~~ ten (10) business days, CalOptima Health shall automatically reassign or transfer one (1) of the ~~employees~~ Employees, if practical, or terminate one (1) of the ~~employees~~ Employees from employment.

~~C.D.~~ This policy applies to individuals who are related by birth, marriage, adoption, domestic partner status, or legal guardianship including, but not limited to, the following relationships: spouse; registered domestic partner; biological, adopted, step or foster child; biological, adopted, step or foster parent; legal guardian; siblings, including step brother and step sister; grandparent; grandchild; parents-in-law; siblings-in-law; or child-in-law. (collectively, "relatives"). -In implementing this Policy, an applicant may be asked to state whether they have a relative or housemate, presently employed by CalOptima Health, but such information may not be used as a basis for an employment decision except as stated herein.

#### IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S)

A. CalOptima Health Policy GA.8012: Conflicts of Interest

B. CalOptima Health Policy GA.8025: Equal Employment Opportunity

A.C. Government Code, §12920 *et seq.*

#### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

#### VII. BOARD ACTION(S)

| Date              | Meeting   |
|-------------------|---|
| 05/01/2014        | Regular Meeting of the CalOptima Board of Directors               |
| 12/01/2016        | Regular Meeting of the CalOptima Board of Directors               |
| 09/06/2018        | Regular Meeting of the CalOptima Board of Directors               |
| 11/02/2023        | Regular Meeting of the CalOptima Health Board of Directors        |
| <u>10/03/2024</u> | <u>Regular Meeting of the CalOptima Health Board of Directors</u> |

#### VIII. REVISION HISTORY

| Action         | Date              | Policy         | Policy Title               | Program(s)            |
|----------------|-------------------|----------------|----------------------------|-----------------------|
| Effective      | 02/01/2014        | GA.8051        | Hiring of Relatives        | Administrative        |
| Revised        | 12/01/2016        | GA.8051        | Hiring of Relatives        | Administrative        |
| Revised        | 09/06/2018        | GA.8051        | Hiring of Relatives        | Administrative        |
| Revised        | 03/01/2021        | GA.8051        | Hiring of Relatives        | Administrative        |
| Revised        | 11/02/2023        | GA.8051        | Hiring of Relatives        | Administrative        |
| <u>Revised</u> | <u>10/03/2024</u> | <u>GA.8051</u> | <u>Hiring of Relatives</u> | <u>Administrative</u> |

1 **IX. GLOSSARY**

2  
3 **Not Applicable**

4

| <u>Term</u>     | <u>Definition</u>   |
|-----------------|---|
| <u>Employee</u> | <u>For purposes of this policy, any and all employees of CalOptima Health, including all permanent and temporary employees, volunteers, and other employed personnel.</u> |

For 20241003 BOD Review Only



Policy: GA.8051  
Title: **Hiring of Relatives**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 02/01/2014  
Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy outlines CalOptima Health's guidelines for hiring relatives.

## II. POLICY

- A. CalOptima Health shall not discriminate in its employment and personnel actions with respect to its Employees. Hiring and promotion decisions are competitive, based on merit, and are not made with regard to any protected characteristics as listed in CalOptima Health Policy GA.8025: Equal Employment Opportunity. Notwithstanding this policy, CalOptima Health retains the right to refuse to appoint a person to a position in the same department or division, wherein their relationship to another Employee has the potential for creating real or perceived serious conflicts, a conflict of interest (direct or indirect), or an adverse impact on supervision, safety, security, or Employee morale.

## III. PROCEDURE

- A. CalOptima Health shall consider the hiring of relatives, or non-relatives of the same residence (housemate), only if (1) the applicant will not be working directly for, or directly supervising, an existing Employee, or (2) a determination can be made by the department head, with concurrence by the Chief Human Resources Officer, that a potential for adverse impact on supervision, safety, security, or Employee morale does not exist. Supervising means having authority in the interest of CalOptima Health to hire, transfer, layoff, recall, promote, terminate, assign, reward, or issue corrective action, or has responsibility to direct their work.
- B. Employees and job applicants are required to promptly disclose to their management, and/or the Human Resources Department if they would be hired, transferred, promoted, or otherwise be assigned to report to a relative or non-relative of the same residence, in accordance with CalOptima Health Policy GA.8012: Conflicts of Interest.
- C. If the relationship is established after the Employees' employment with CalOptima Health has commenced (e.g., two (2) existing Employees marry, or become housemates or relatives), and a determination has been made that the potential for adverse impact does exist, the department head in conjunction with the Human Resources Department, shall make reasonable efforts to minimize problems of supervision, safety, security, or morale, through reassignment of duties, relocation, or transfer to another position for which one (1) of the Employees is qualified, if such position is available. If no reassignment or transfer is practical, CalOptima Health will terminate one (1) of the

D. This policy applies to individuals who are related by birth, marriage, adoption, domestic partner status, or legal guardianship including, but not limited to, the following relationships: spouse; registered domestic partner; biological, adopted, step or foster child; biological, adopted, step or foster parent; legal guardian; siblings, including step brother and step sister; grandparent; grandchild; parents-in-law; siblings-in-law; or child-in-law (collectively, “relatives”). In implementing this Policy, an applicant may be asked to state whether they have a relative or housemate, presently employed by CalOptima Health, but such information may not be used as a basis for an employment decision except as stated herein.

Not Applicable

A. CalOptima Health Policy GA.8012: Conflicts of Interest  
B. CalOptima Health Policy GA.8025: Equal Employment Opportunity  
C. Government Code, §12920 *et seq.*

## None to Date

| Date       | Meeting  |
|------------|--|
| 05/01/2014 | Regular Meeting of the CalOptima Board of Directors        |
| 12/01/2016 | Regular Meeting of the CalOptima Board of Directors        |
| 09/06/2018 | Regular Meeting of the CalOptima Board of Directors        |
| 11/02/2023 | Regular Meeting of the CalOptima Health Board of Directors |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

| Action    | Date       | Policy  | Policy Title        | Program(s)     |
|-----------|------------|---------|---------------------|----------------|
| Effective | 02/01/2014 | GA.8051 | Hiring of Relatives | Administrative |

| Action  | Date       | Policy  | Policy Title        | Program(s)     |
|---------|------------|---------|---------------------|----------------|
| Revised | 12/01/2016 | GA.8051 | Hiring of Relatives | Administrative |
| Revised | 09/06/2018 | GA.8051 | Hiring of Relatives | Administrative |
| Revised | 03/01/2021 | GA.8051 | Hiring of Relatives | Administrative |
| Revised | 11/02/2023 | GA.8051 | Hiring of Relatives | Administrative |
| Revised | 10/03/2024 | GA.8051 | Hiring of Relatives | Administrative |

1

1 IX. GLOSSARY  
2  
3

| Term     | Definition   |
|----------|--|
| Employee | For purposes of this policy, any and all employees of CalOptima Health, including all permanent and temporary employees, and other employed personnel. |

For 20241003 BOD Review Only



Policy: GA.8056  
Title: **Paid Holidays**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 04/01/2014

Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy establishes the paid holiday schedule for CalOptima Health Employees.

## II. POLICY

A. The following holidays shall be observed by CalOptima Health:

1. New Year's Day
2. Martin Luther King Jr's Birthday
3. Lincoln's Birthday
4. Washington's Birthday
5. Memorial Day
6. Independence Day
7. Labor Day
8. Indigenous Peoples' Day
9. Veterans Day
10. Thanksgiving Day
11. Day after Thanksgiving
12. Christmas Day
13. One Flex Holiday (credited on January 1)

B. To receive holiday pay, Employees must work, or be paid for the regularly scheduled workdays preceding and following the CalOptima Health holiday.

1. If a paid holiday occurs during the period an Employee is on a Leave of Absence (LOA), the Employee may be eligible for the holiday pay if Paid Time Off (PTO) is being used for the LOA the day before and the day after the holiday, and the holiday pay will be prorated based on the Employee's full-time or part-time status as it was in effect prior to the LOA. If a holiday falls on a day in which the Employee would have been regularly scheduled to work, the holiday will count against the Employee's LOA entitlement.

~~B.C.~~ A holiday that falls on a Saturday or Sunday can be observed on the preceding Friday or the following Monday. Holiday observances will be noted on the annual payroll schedule. Employees will be provided notice of any changes to the published schedule.

~~C.D.~~ Employees in active status on December 31st are eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) each calendar year on January 1st. Limits are imposed on the number of Flex Holiday hours that can be maintained in an Employee's Flex Holiday account. A maximum of twelve (12) hours, prorated based on scheduled work hours, may be maintained in an Employee's Flex Holiday account as of January 1st of each year. In the event that available Flex Holiday hours are not used by the last pay period of the calendar year, Employees may carry unused Flex Holiday hours into subsequent years and may accrue additional hours up to the maximum of eight (8) hours, prorated based on scheduled work hours. If an Employee reached the maximum amount of twelve (12) hours on January 1st, prorated based on scheduled work hours, the Employee will stop accruing Flex Holiday hours. Flex Holiday hours are not eligible for annual cash out applicable to Paid Time Off (PTO) hours. The Chief Executive Officer (CEO) may assign a specific date for the Flex Holiday for business reasons and/or needs. Assignment of the Flex Holiday will be announced in advance. Otherwise, Employees may take the Flex Holiday on any day elected by the Employee, subject to approval by the Employee's manager. If an Employee separates from CalOptima Health and has unused Flex Holiday hours, the unused Flex Holiday hours will be paid out at the same time and in the same manner as unused PTO hours upon termination.

1. Employees on an approved leave of absence on December 31st will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status.
2. If the Employee does not return to work after their approved leave of absence, and instead separates from employment with CalOptima Health, the ~~employee~~Employee will not be eligible to receive the Flex Holiday.

~~D.E.~~ Regular full-time and regular part-time Employees shall be paid their ~~regular~~ base rate of pay for the holidays specified in this Policy.

~~E.F.~~ CalOptima Health may, in its discretion, amend the list of paid holidays and/or require an Employee to work on one or more of the observed holidays.

~~F.G.~~ From time to time, at the discretion of the CEO, the CEO, or their Designee, may authorize managers, at their discretion, to release Employees early, up to a maximum of two (2) hours, with pay, on the workday immediately preceding a holiday, as long as departments ensure critical areas are covered for the entire business day. The release of Employees early as provided herein is intended to benefit only those Employees who are working on the workday immediately preceding a holiday. Employees who are ~~on PTO or not scheduled to work~~ the day Employees are permitted to leave early, due to PTO or 9/80 day off, are not entitled to any credit or future early release.

### III. PROCEDURE

- A. CalOptima Health will note holiday observances annually on its payroll schedule. In the event of a change to the published schedule, CalOptima Health will provide prompt notice to all Employees.
- B. When a holiday falls on a regular nine (9) hour workday for a full-time non-exempt Employee on a 9/80 schedule pursuant to CalOptima Health Policy GA.8020: 9/80 Work Schedule, the Employee has the option of using one (1) hour of accrued PTO or making up the time if approved by their supervisor. For Employees on the 9/80 Work Schedule, should a holiday fall on an Employee's scheduled day off, the Employee will be permitted to take another day off in the same workweek.
- C. Regular part-time Employees will receive pro-rated holiday hours based on their budgeted Full Time Equivalency (FTE), not to exceed eight (8) hours per holiday. For example, if a part-time Employee is assigned to a 0.75 FTE, they will receive six (6) hours for the holiday.
- C.D. All regular, non-exempt, full-time ~~employees~~ Employees who are eligible for paid holidays but who may be required to work on a holiday observed by CalOptima Health will receive Holiday Premium Pay in accordance with CalOptima Health Policy GA.8042: Supplemental Compensation. If a regular, non-exempt part-time Employee is required to work a scheduled holiday, they will receive their regular base rate of pay for the holiday, in addition to their regular compensation for the hours of actual work performed.

#### IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S)

- A. CalOptima Health Policy GA.8020: 9/80 Work Schedule  
B. CalOptima Health Policy GA.8042: Supplemental Compensation

#### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

#### VII. BOARD ACTION(S)

| Date              | Meeting   |
|-------------------|---|
| 05/01/2014        | Regular Meeting of the CalOptima Board of Directors               |
| 04/07/2016        | Regular Meeting of the CalOptima Board of Directors               |
| 04/05/2018        | Regular Meeting of the CalOptima Board of Directors               |
| 12/01/2022        | Regular Meeting of the CalOptima Health Board of Directors        |
| 06/06/2024        | Regular Meeting of the CalOptima Health Board of Directors        |
| <u>10/03/2024</u> | <u>Regular Meeting of the CalOptima Health Board of Directors</u> |

#### VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title  | Program(s)     |
|-----------|------------|---------|---------------|----------------|
| Effective | 04/01/2014 | GA.8056 | Paid Holidays | Administrative |
| Revised   | 04/07/2016 | GA.8056 | Paid Holidays | Administrative |
| Revised   | 04/05/2018 | GA.8056 | Paid Holidays | Administrative |
| Revised   | 02/01/2021 | GA.8056 | Paid Holidays | Administrative |
| Revised   | 12/01/2022 | GA.8056 | Paid Holidays | Administrative |

| Action         | Date              | Policy         | Policy Title         | Program(s)            |
|----------------|-------------------|----------------|----------------------|-----------------------|
| Revised        | 06/06/2024        | GA.8056        | Paid Holidays        | Administrative        |
| <u>Revised</u> | <u>10/03/2024</u> | <u>GA.8056</u> | <u>Paid Holidays</u> | <u>Administrative</u> |

For 20241003 BOD Review Only

1 IX. GLOSSARY  
2

| Term                          | Definition  |
|-------------------------------|---|
| Employee                      | For the purposes of this policy, employees include regular full-time and regular part-time CalOptima Health employees who are regularly scheduled to work twenty (20) or more hours per week.   |
| <u>Leave of Absence (LOA)</u> | <u>A term used to describe a scheduled period of time off longer than five (5) days that an employee is to be away from his or her primary job, while maintaining the status of employee.</u>   |
| <u>9/80 Work Schedule</u>     | <u>The 9/80 alternate work schedule consists of eight (8) business days of nine (9) hours per day and one (1) business day of eight (8) hours, for a total of eighty (80) hours during two (2) consecutive workweeks. The eight (8) hour work day must be on the same day of the week as the employee's regularly scheduled day off. Therefore, under the 9/80 work schedule, one (1) calendar week will consist of forty-four (44) hours (four (4) nine (9)-hour days and one (1) eight (8)-hour day) and the alternating calendar week will consist of thirty-six (36) hours (four (4) nine (9)-hour days and one (1) day off). However, each workweek will only consist of forty (40) hours, in accordance with the 9/80 Fair Labor Standards Act (FLSA) Workweek.</u> |

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For 20241003 BOD REVIEW

Policy: GA.8056  
Title: **Paid Holidays**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 04/01/2014

Revised Date: 10/03/2024

Applicable to: ☐ Medi-Cal  
☐ OneCare  
☐ PACE  
☒ Administrative

## I. PURPOSE

This policy establishes the paid holiday schedule for CalOptima Health Employees.

## II. POLICY

A. The following holidays shall be observed by CalOptima Health:

1. New Year's Day
2. Martin Luther King Jr's Birthday
3. Lincoln's Birthday
4. Washington's Birthday
5. Memorial Day
6. Independence Day
7. Labor Day
8. Indigenous Peoples' Day
9. Veterans Day
10. Thanksgiving Day
11. Day after Thanksgiving
12. Christmas Day
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B. To receive holiday pay, Employees must work, or be paid for the regularly scheduled workdays preceding and following the CalOptima Health holiday.

1. If a paid holiday occurs during the period an Employee is on a Leave of Absence (LOA), the Employee may be eligible for the holiday pay if Paid Time Off (PTO) is being used for the LOA the day before and the day after the holiday, and the holiday pay will be prorated based on the Employee's full-time or part-time status as it was in effect prior to the LOA. If a holiday falls on a day in which the Employee would have been regularly scheduled to work, the holiday will count against the Employee's LOA entitlement.
- C. A holiday that falls on a Saturday or Sunday can be observed on the preceding Friday or the following Monday. Holiday observances will be noted on the annual payroll schedule. Employees will be provided notice of any changes to the published schedule.
- D. Employees in active status on December 31st are eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) each calendar year on January 1st. Limits are imposed on the number of Flex Holiday hours that can be maintained in an Employee's Flex Holiday account. A maximum of twelve (12) hours, prorated based on scheduled work hours, may be maintained in an Employee's Flex Holiday account as of January 1st of each year. In the event that available Flex Holiday hours are not used by the last pay period of the calendar year, Employees may carry unused Flex Holiday hours into subsequent years and may accrue additional hours up to the maximum of eight (8) hours, prorated based on scheduled work hours. If an Employee reached the maximum amount of twelve (12) hours on January 1st, prorated based on scheduled work hours, the Employee will stop accruing Flex Holiday hours. Flex Holiday hours are not eligible for annual cash out applicable to Paid Time Off (PTO) hours. The Chief Executive Officer (CEO) may assign a specific date for the Flex Holiday for business reasons and/or needs. Assignment of the Flex Holiday will be announced in advance. Otherwise, Employees may take the Flex Holiday on any day elected by the Employee, subject to approval by the Employee's manager. If an Employee separates from CalOptima Health and has unused Flex Holiday hours, the unused Flex Holiday hours will be paid out at the same time and in the same manner as unused PTO hours upon termination.
1. Employees on an approved leave of absence on December 31st will be eligible to receive a maximum of one (1) Flex Holiday (maximum of eight (8) hours, prorated based on scheduled work hours) upon their return to active status.
2. If the Employee does not return to work after their approved leave of absence, and instead separates from employment with CalOptima Health, the Employee will not be eligible to receive the Flex Holiday.
- E. Regular full-time and regular part-time Employees shall be paid their base rate of pay for the holidays specified in this Policy.
- F. CalOptima Health may, in its discretion, amend the list of paid holidays and/or require an Employee to work on one or more of the observed holidays.
- G. From time to time, at the discretion of the CEO, the CEO, or their Designee, may authorize managers, at their discretion, to release Employees early, up to a maximum of two (2) hours, with pay, on the workday immediately preceding a holiday, as long as departments ensure critical areas are covered for the entire business day. The release of Employees early as provided herein is intended to benefit only those Employees who are working on the workday immediately preceding a holiday. Employees who are not scheduled to work the day Employees are permitted to leave early, due to PTO or 9/80 day off, are not entitled to any credit or future early release.

### III. PROCEDURE



- 1 A. CalOptima Health will note holiday observances annually on its payroll schedule. In the event of a  
2 change to the published schedule, CalOptima Health will provide prompt notice to all Employees.  
3  
4 B. When a holiday falls on a regular nine (9) hour workday for a full-time non-exempt Employee on a  
5 9/80 schedule pursuant to CalOptima Health Policy GA.8020: 9/80 Work Schedule, the Employee  
6 has the option of using one (1) hour of accrued PTO or making up the time if approved by their  
7 supervisor. For Employees on the 9/80 Work Schedule, should a holiday fall on an Employee's  
8 scheduled day off, the Employee will be permitted to take another day off in the same workweek.  
9  
10 C. Regular part-time Employees will receive pro-rated holiday hours based on their budgeted Full  
11 Time Equivalency (FTE), not to exceed eight (8) hours per holiday. For example, if a part-time  
12 Employee is assigned to a 0.75 FTE, they will receive six (6) hours for the holiday.  
13  
14 D. All regular, non-exempt, full-time Employees who are eligible for paid holidays but who may be  
15 required to work on a holiday observed by CalOptima Health will receive Holiday Premium Pay in  
16 accordance with CalOptima Health Policy GA.8042: Supplemental Compensation. If a regular, non-  
17 exempt part-time Employee is required to work a scheduled holiday, they will receive their regular  
18 base rate of pay for the holiday, in addition to their regular compensation for the hours of actual  
19 work performed.  
20

21 **IV. ATTACHMENT(S)**

22 Not Applicable

23  
24  
25 **V. REFERENCE(S)**

- 26  
27 A. CalOptima Health Policy GA.8020: 9/80 Work Schedule  
28 B. CalOptima Health Policy GA.8042: Supplemental Compensation  
29

30 **VI. REGULATORY AGENCY APPROVAL(S)**

31 None to Date  
32  
33

34 **VII. BOARD ACTION(S)**

| Date       | Meeting  |
|------------|--|
| 05/01/2014 | Regular Meeting of the CalOptima Board of Directors        |
| 04/07/2016 | Regular Meeting of the CalOptima Board of Directors        |
| 04/05/2018 | Regular Meeting of the CalOptima Board of Directors        |
| 12/01/2022 | Regular Meeting of the CalOptima Health Board of Directors |
| 06/06/2024 | Regular Meeting of the CalOptima Health Board of Directors |
| 10/03/2024 | Regular Meeting of the CalOptima Health Board of Directors |

36  
37 **VIII. REVISION HISTORY**  
38

| Action    | Date       | Policy  | Policy Title  | Program(s)     |
|-----------|------------|---------|---------------|----------------|
| Effective | 04/01/2014 | GA.8056 | Paid Holidays | Administrative |
| Revised   | 04/07/2016 | GA.8056 | Paid Holidays | Administrative |
| Revised   | 04/05/2018 | GA.8056 | Paid Holidays | Administrative |
| Revised   | 02/01/2021 | GA.8056 | Paid Holidays | Administrative |
| Revised   | 12/01/2022 | GA.8056 | Paid Holidays | Administrative |

| Action  | Date       | Policy  | Policy Title  | Program(s)     |
|---------|------------|---------|---------------|----------------|
| Revised | 06/06/2024 | GA.8056 | Paid Holidays | Administrative |
| Revised | 10/03/2024 | GA.8056 | Paid Holidays | Administrative |

1

For 20241003 BOD Review Only

1 IX. GLOSSARY  
2

| Term                   | Definition   |
|------------------------|--|
| Employee               | For the purposes of this policy, employees include regular full-time and regular part-time CalOptima Health employees who are regularly scheduled to work twenty (20) or more hours per week.  |
| Leave of Absence (LOA) | A term used to describe a scheduled period of time off longer than five (5) days that an employee is to be away from his or her primary job, while maintaining the status of employee.   |
| 9/80 Work Schedule     | The 9/80 alternate work schedule consists of eight (8) business days of nine (9) hours per day and one (1) business day of eight (8) hours, for a total of eighty (80) hours during two (2) consecutive workweeks. The eight (8) hour work day must be on the same day of the week as the employee's regularly scheduled day off. Therefore, under the 9/80 work schedule, one (1) calendar week will consist of forty-four (44) hours (four (4) nine (9)-hour days and one (1) eight (8)-hour day) and the alternating calendar week will consist of thirty-six (36) hours (four (4) nine (9)-hour days and one (1) day off). However, each workweek will only consist of forty (40) hours, in accordance with the 9/80 Fair Labor Standards Act (FLSA) Workweek. |

3

## CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

**Action To Be Taken October 3, 2024**

**Regular Meeting of the CalOptima Health Board of Directors**

### **Consent Calendar**

10. Authorize Extension of Contracts Related to CalOptima Health's Key Operational Systems

### **Contact**

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

### **Recommended Actions**

Authorize the Chief Executive Officer to:

1. Extend the contracts with the following vendors through the dates indicated in Tables 1 and 2 in Attachment 1:
  - a. Cognizant TriZetto Software Group, Inc.;
  - b. Catalyst Solutions, LLC;
  - c. Edifecs, Inc.;
  - d. Imagenet, LLC;
  - e. LexisNexis Risk Solutions FL Inc.;
  - f. InfoCrossing, A WIPRO Company;
  - g. Intuitive Technology Group, Inc.; and
  - h. Lumen Technologies.
2. Authorize payment of maintenance and support fees to these vendors through the dates and up to the amounts indicated in Tables 1 and 2 of Attachment 1.

### **Background**

CalOptima Health contracts with several vendors that provide a variety of software solutions to support CalOptima Health's overall business model. The core operations system Facets is central to CalOptima Health's infrastructure, while many other supporting solutions surround it.

It is standard practice within the managed care industry to have multiple supporting systems because no commercially available single solution meets the demands for all necessary functions. The trending approach of CalOptima Health and virtually all other local health plans is to utilize each core application for what that system manages best, and to use specialty solutions to supplement the core.

On October 7, 2021, the Board of Directors (Board) approved an extension of 3 or 3.5 years on all of the listed vendor solutions.

Primary and supporting systems include:

- a. **Cognizant TriZetto Software Group, Inc. (Cognizant)** provides Facets, which is CalOptima Health's core business system that manages membership/eligibility data, customer service, claims, and provider dispute requests. In following Gartner's recommendation to consider procuring supplemental systems to offset specific functionality gaps within the core system presented to the Board on October 7, 2021, CalOptima Health is initiating implementation of a Provider Lifecycle Management System. This system will integrate provider data, contract management data, and credentialing data into one system. The integration will reduce work

redundancies and increase efficiency in workflow. Along with the provide data enhancement, CalOptima Health will initiate Customer Relationship Management (CRM) to improve efficiency with the current Customer Service System functionality. Both initiatives are major enhancements to supporting CalOptima Health's members and providers. With this in progress, and until both initiatives are fully live, staff is requesting to extend the Cognizant contract currently set to terminate on June 30, 2025, for another 4 years to June 30, 2029. This extension will allow time to complete a request for proposal (RFP), select a vendor, and convert and implement a new system if the selection is different than the current vendor.

- b. **Catalyst Solutions, LLC** (Catalyst Solutions) is a vendor utilized for technical support for Facets. This vendor has consistently supported CalOptima Health's Facets upgrades over the years. Due to the vendor's extensive knowledge of CalOptima Health's infrastructure and the Facets application, this contract was extended by the Board on October 7, 2021, in line with the Facets extension to June 30, 2025. Staff recommends continuing the Catalyst Solutions contract for an additional 4 years to June 30, 2029, in alignment with the Facets contract term.
- c. **Edifecs, Inc.** (Edifecs) provides XEngine, which is a software tool that supports data quality for CalOptima Health. The data translation tool supports and ensures data accuracy and compliance with regulatory transaction standards and streamlines operational efficiency. CalOptima Health has built a tight integration with this software solution to Facets, the core system. The current Edifecs contract will expire on June 30, 2025, and staff is requesting to extend the contract for one additional year through June 30, 2026. This extension will allow time to review the market, execute an RFP if needed, select a vendor, and implement a solution that best supports CalOptima Health's objectives and goals.
- d. **Imagenet, LLC** (Imagenet) provides imaging, scanning, data lift, and document archive solutions. Multiple departments utilize Imagenet scanning and image data lift to provide data files for claims and enrollment selection processes. Imagenet also provides the electronic data imaging archives for provider documents, medication therapy management letter documentation, and historical grievance and appeals documentation. In 2023, a new provider dispute resolution (PDR) intake automation was added to improve efficiency with the PDR workload. Tight integrations have been built with this software solution to Facets, CalOptima Health's core system. The current Imagenet contract expires on June 30, 2025, and staff is requesting to extend the contract for one additional year through June 30, 2026. This extension will allow time to review the market, execute an RFP, select a vendor, and implement a solution that best supports CalOptima Health's objectives and goals.
- e. **LexisNexis Risk Solutions FL Inc. (Lexis Nexis)** provide essential services to CalOptima Health to verify provider information, such as demographic data and identifying providers on federal exclusion lists. As CalOptima Health implements a new Provider Lifecycle Management System, the immediate focus is on its successful rollout. To ensure continuity and effective planning, staff recommends extending the current LexisNexis contract by 2 years, to expire on October 31, 2026. This extension will allow sufficient time to review the market, execute an RFP if needed, select a vendor, and implement a solution that best supports CalOptima Health's objectives and goals.

- f. **InfoCrossing, A WIPRO Company**, (WIPRO) is a CMS third-party vendor that supports CalOptima Health's process for submitting enrollment and disenrollment updates to CMS along with several other regulatory data file requirements. The vendor provides CMS data files for membership reconciliation for OneCare and PACE. WIPRO supports file transfers between CalOptima Health and CMS and has maintained stability to process regulatory file requirements. With the 2025 calendar year implementation of a second benefit plan package for OneCare, CalOptima Health aims to maintain data transmission stability on the existing vendor solution. The current contract expires October 28, 2024, and staff recommends extending the contract for an additional 2 years and 2 months through December 31, 2026. This extension will allow time to review the market, execute an RFP if needed, select a vendor, and implement a solution that best supports CalOptima Health's objectives and goals.
- g. **Intuitive Technology Group, Inc.** (Intuitive Technology Group) is a reseller for Tableau, which is an enterprise-wide reporting and analysis tool that provides staff with the capability to review and analyze clinical, financial, and other data to monitor and improve performance. In addition to costs associated with selecting and implementing a new tool, replacing a system like Tableau would require staff to use a new tool for data analysis and to be re-trained to recreate approximately 400 reports and dashboards developed over the last four years. Furthermore, CalOptima Health will soon embark on a Data Strategy Initiative, and it would be prudent to avoid overlapping this transition project with changes to the underlying database layer. The current Intuitive Technology Group contract expires on November 28, 2024; staff recommends extending the contract for an additional 2 years through November 28, 2026. This extension will allow time to review the market, execute an RFP if needed, select a vendor, and implement a solution that best supports CalOptima Health's objectives and goals.
- h. **Lumen Technologies** is CalOptima Health's carrier for telecommunications (voice) as well as internet connectivity (internal/external network and cloud network). This vendor provides full support in this area of the County and has provided stable connectivity and quality of service for years. CalOptima Health has not experienced any major incidents with this vendor. Network connectivity is the essential foundation of CalOptima Health's technical infrastructure, and changes to carriers, of this extent, can take in excess of 12 months to fully and successfully complete. The current contract expires December 31, 2024, and staff recommends extending the contract for an additional 2 years through December 31, 2026. This extension will allow time to review the market, execute an RFP if needed, select a vendor, develop a comprehensive strategy that includes the entirety of CalOptima Health's technical landscape, and execute on a phased implementation.

### **Discussion**

The contracts for the solutions provided by the vendors listed above all expire in 2024 or 2025. Replacing any of these solutions in the short term would require substantial additional investment, time commitment, and significant disruption to operations. Many of these solutions are tightly embedded and integrated into Facets (CalOptima Health's core operations system). The vendors, contract terms, and costs for each vendor are outlined in in Tables 1 and 2 of Attachment 1, Tables of Proposed Contract Extension:

- I. Attachment 1: Table 1. Unless core systems are replaced, replacing the technical consultant is not feasible without substantial investment and significant disruption to the operations.

- II. Attachment 1: Table 2. This table lists the solutions that provide support to CalOptima Health's operations and infrastructure and stability for Facets and CalOptima Health's infrastructure. Extending these vendor solution contracts will allow additional time to complete market research or an RFP to select and implement a replacement vendor solution.

All these vendors are in compliance with current CalOptima Health contract requirements, are not on any exclusion lists (System for Award Management (SAM), Office of the Inspector General (OIG), Medi-Cal Suspended and Ineligible (S&I)), are not on the Medicare Preclusion List, and are actively listed with the California Secretary of State.

### **Fiscal Impact**

The CalOptima Health Fiscal Year 2024–25 Operating Budget, approved by the Board on June 6, 2024, includes the annual fees for the listed contracted vendors related to CalOptima Health's core and supporting systems through June 30, 2025. Management will include expenses for the recommended contract extension periods on or after July 1, 2025, in future CalOptima Health operating budgets. Procurement will request amendments with existing contract terms and will continue to allow market rate adjustments as agreed upon in the existing contracts.

### **Rationale for Recommendation**

Extending the contracts for the systems listed above will ensure there is no disruption to the services provided by each of the solutions and allow continuity of operations throughout the organization that impact CalOptima Health's member and provider community. The extensions will allow the implementation of the Provider Lifecycle Management and Customer Relations Management systems to complete and stabilize, allow time to research alternative solutions, and complete an RFP and execute implementation.

### **Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

### **Attachments**

1. [Tables of Proposed Contract Extensions](#)
2. [Entities Covered by this Recommended Board Action](#)
3. [Appendix: Summary of Contract History](#)
4. [Board Action dated October 7, 2021: Consider Approval Contract Extensions](#)

### **Board Action**

| Board Meeting Dates | Action   | Term                                      | Not to Exceed Amount                       |
|---------------------|----------|---|--|
| October 7, 2021     | Approved | Extending all contracts to 3 or 3.5 years | Attached COBAR grid per contracted vendor. |

/s/ Michael Hunn  
Authorized Signature

09/26/2024  
Date



**Attachment 1 to the October 3, 2024 Board of Directors Meeting – Agenda Item 10**  
**Proposed Contract Extensions**

Table 1 — Solutions tightly integrated with our core system (Facets)

| <b>Number from List,<br/>Vendor,<br/>Solution Name<br/>(if applicable)</b> | <b>Description of Service</b>                                  | <b>Original<br/>Contract<br/>Start Date</b> | <b>Current<br/>Contract<br/>Expires</b> | <b>Recommend<br/>Contract<br/>Extension<br/>Through</b> | <b>Annual Cost<br/>Based on Fiscal<br/>Year 2024-25<br/>Budget</b> |
|--|--|---|---|---|--|
| a. Cognizant<br>TriZetto Software<br>Group, Inc.                           | Core business applications<br>supporting Membership,<br>Claims | 2/22/2000                                   | 06/30/2025                              | 06/30/2029  | \$2,453,000  |
| b. Catalyst Solutions,<br>LLC  | Technical Consultant<br>support for Facets                     | 04/21/2014                                  | 06/30/2025                              | 06/30/2029  | \$175,000  |

Table 2 — Technical & Governance solutions that maintain service level consistency.

| <b>Number from List,<br/>Vendor,<br/>Solution Name<br/>(if applicable)</b> | <b>Description of Service</b>   | <b>Original<br/>Contract<br/>Start Date</b> | <b>Current<br/>Contract<br/>Expires</b> | <b>Recommend<br/>Contract<br/>Extension<br/>Through</b> | <b>Annual Cost Based on<br/>Fiscal Year 2024-25<br/>Budget</b> |
|--|---|---|---|---|--|
| c. Edifecs, Inc - XEngine  | Electronic transaction<br>standardization Software                        | 03/09/2011                                  | 06/30/2025                              | 06/30/2026  | \$145,000  |
| d. Imagenet, LLC   | Archiving & Document<br>Imaging Services                                  | 11/21/2017                                  | 06/30/2025                              | 06/30/2026  | \$574,500  |
| e. LexisNexis Risk<br>Solutions FL Inc, and<br>Enclarity, Inc.             | Provider Exclusion<br>Software  | 05/01/2015                                  | 10/31/2024                              | 10/31/2026  | \$343,000  |
| f. InfoCrossing, A<br>WIPRO Company  | CMS Enrollment/Eligibility<br>Verification and CMS File<br>Reconciliation | 05/01/2005                                  | 10/28/2024                              | 12/31/2026  | \$96,000   |
| g. Intuitive Technology<br>Group, Inc.                                     | Business Intelligence<br>Software Tableau                                 | 11/22/2017                                  | 11/28/2024                              | 11/28/2026  | \$350,000  |
| h. Lumen Technologies  | Internet Connectivity   | 02/15/2012                                  | 12/31/2024                              | 12/31/2026  | \$984,000  |

**CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

| Name                                    | Address                        | City              | State | Zip Code |
|---|--------------------------------|-------------------|-------|----------|
| Cognizant Trizetto Software Group, Inc. | 300 Frank W Burr Blvd.         | Teaneck           | NJ    | 07666    |
| Catalyst Solutions, LLC                 | 6400 S. Fiddlers Green Circle  | Greenwood Village | CO    | 80111    |
| Edifecs, Inc                            | 1756 114 <sup>th</sup> Ave. SE | Bellevue          | WA    | 98004    |
| Imagenet, LLC                           | 5401 W. Kennedy Blvd.          | Tampa             | FL    | 33609    |
| LexisNexis Risk Solutions FL Inc.       | 1105 N Market St, Ste 501      | Wilmington        | DE    | 19801    |
| InfoCrossing, A WIPRO Company           | 2 Tower Center                 | East Brunswick    | NJ    | 08816    |
| Intuitive Technology Group, Inc.        | 4530 W 77th Street, Suite 255  | Edina             | MN    | 55435    |
| Lumen Technologies                      | 100 CenturyLink Dr.            | Monroe            | LA    | 71203    |

## APPENDIX TO AGENDA ITEM #10

### Summary of Contract History.

| <b>Vendor</b>  | <b>Contract Number(s)</b> | <b>History of Contract Changes (Summary)</b>  | <b>Last Approval</b>               |
|--|---------------------------|---|------------------------------------|
| a. Cognizant TriZetto Software Group, Inc.               | 00-849-2197               | There have been 55 amendments to the contract. These amendments have included time extensions, functional enhancements to support changes to regulatory and business requirements over the years, and administrative changes. Staff have conducted multiple RFIs to survey the market for claims processing and customer service systems. Most recently at the February 2020 meeting of the Finance and Audit Committee (FAC) of the Board, staff recommended to stay with our current core system and to consider supplemental functions to fill the gap. In the October 2021 Board, this was approved for a 3 year extension. | Board Approval<br>October 7, 2021  |
| b. Catalyst Solutions, LLC                               | 14005                     | There have been 13 amendments to the contract. The amendments included date extensions along with technical support for system configuration changes required to meet regulatory and business requirements.   | Board Approval<br>October 7, 2021  |
| c. Edifecs, Inc. — XEngine                               | 19-10650-005              | It has been extended 10 times. The extensions have included date extensions along with licensing modifications and technical support to accommodate changes to regulatory and business requirements.  | Board Approval<br>October 7, 2021  |
| d. Imagenet, LLC   | 18-10184                  | There have been 7 amendments to the contract. The amendments include service additions to accommodate changes to regulatory and business requirements and exercising options to extend the contract that was included in the original contract.   | Budget Approval<br>October 7, 2021 |
| e. LexisNexis Risk Solutions FL Inc, and Enclarity, Inc. | 15-0964 / 15-0973         | There have been 6 amendments to the contract. The amendments include date   | Budget Approval<br>October 7, 2021 |

| <b>Vendor</b>                       | <b>Contract Number(s)</b> | <b>History of Contract Changes (Summary)</b>  | <b>Last Approval</b>               |
|-------------------------------------|---------------------------|---|------------------------------------|
|                                     |                           | extensions, administrative changes and pricing updates.   |                                    |
| f. InfoCrossing, A WIPRO Company    | PO 06195                  | There have been 8 amendments to the contract. The amendments included date extensions along with services modifications required to meet CMS regulatory requirements.   | Budget Approval<br>October 7, 2021 |
| g. Intuitive Technology Group, Inc. | 18-10487                  | There have been 2 amendments to the contract. The amendments include additional licenses to support organizational growth and exercising options to extend the contract that was included in the original contract. | Budget Approval<br>October 7, 2021 |
| h. Lumen Technologies               |                           | There have been 8 extensions to the contract. The extensions supported organizational growth.   | Board Approval<br>October 7, 2021  |

## CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken October 7, 2021

Regular Meeting of the CalOptima Board of Directors

### Report Item

16. Consider Authorizing Extension of Contracts Related to CalOptima's Key Operational Systems

### Contacts

Ladan Khamseh, Chief Operations Officer, (714) 246-8866  
Nora Onishi, Director, Information Services, (714) 246-8630

*Rev 10/7/21: All contracts below  
extended for 3 years, except c. and d.  
were extended for 3.5 years.*

### Recommended Actions

Authorize the Chief Executive Officer (CEO) to:

*Rev. 10/7/21: Option for one-year extensions  
exercisable at the Board's discretion.*

1. Extend the contracts with the following vendors through the dates indicated in the attached Tables 1, 2 and 3:
  - a. Cognizant TriZetto Software Group, Inc.
  - b. Catalyst Solutions, LLC
  - c. Edifecs, Inc.
  - d. Imagenet, LLC
  - e. LexisNexis Risk Solutions FL Inc, and Enclarity, Inc.
  - f. Symplr
  - g. Change Healthcare Technologies, LLC
  - h. Ceridian Corporation
  - i. Silk Road Technology, Inc.
  - j. Varis, LLC
  - k. SmartComms, LLC
  - l. InfoCrossing, A WIPRO Company
  - m. Intuitive Technology Group, Inc.
  - n. Lumen Technologies
2. Authorize payment of maintenance and support fees to these vendors through the dates and up to the amounts indicated in the attached Tables 1, 2 and 3.

### Background

CalOptima contracts with several vendors that provide a variety of software solutions to support CalOptima's overall business model. There are two core systems, Facets and Guiding Care, that are central to CalOptima's infrastructure while many other supporting solutions surround them.

Within the managed care industry, it is standard practice to have multiple systems because no commercially available single solution can meet the demands of the industry for all necessary functions. The trend over the past ten years or more has been to utilize each core application for what that system handle best, and to use specialty solutions to supplement the core. CalOptima, along with virtually all other local health plans in the state, use this approach.

Primary and supporting systems include:

- a. **Cognizant TriZetto Software Group, Inc.** – Facets is CalOptima's core business system that manages Membership/eligibility data, Customer Service, Claims and Provider Dispute

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Requests. In 2018, CalOptima initiated a Request for Information (RFI) to review available systems within the industry to determine whether it would make sense for CalOptima to replace the current system. There is no one system that handles everything well, and although we identified systems that can perform some functions better than CalOptima's current core system, there are trade-offs to consider. To replace a core system like this would require a minimum of two to three years to issue a Request for Proposal (RFP), enter into a contract and implement the transition. In addition, the cost would be at a minimum of \$10–15 million (based on information from other county organized health systems (COHS) that have recently gone through this process). In further review and discussion with Gartner<sup>1</sup>, the recommendation was to consider procuring supplemental systems to offset some of the functionality gaps within the core system. At the February 2020 meeting of the Finance and Audit Committee (FAC) of the Board, staff recommended staying with our current core system and to consider supplemental functions to fill any gaps. One such supplemental initiative include the Provider Data Management System RFP that is currently in progress. Staff recommends approval of extending the Facets contract for three additional years with the options to extend the agreement for two additional one-year terms (through June 2027) in order to provide staff with sufficient time to implement supplemental systems and re-evaluate whether the functional gaps have been fully addressed.

- b. **Catalyst Solutions, LLC** is a vendor utilized for technical support for Facets. This vendor has supported many of our Facets upgrades over the years. The vendor is extremely familiar with our infrastructure and the Facets product. Catalyst Solutions' contract was extended by the Board on December 6, 2018, in line with the Facets Core System extension, due to the vendor's knowledge of CalOptima's infrastructure and the application. Staff recommends extending the contract for three additional years with the options to extend the agreement for two additional one-year terms (through June 2027) in alignment with the Facets contract.
- c. **Edifecs, Inc.** is a software tool that supports quality for the CalOptima Facets Claims processes. XEngine through Edifecs is a tool that validates and ensures compliance with regulatory transaction standards and streamlines operational efficiency. This vendor has provided solutions that are tightly integrated with our core system. Staff recommends approval of extending the contract for three and a half additional years with the option to add two one-year extensions (through June 2027) to match the extension date of the Facets contract.
- d. **Imagenet, LLC** is the vendor that provides imaging, scanning, data lift and document archive solutions. Multiple departments utilize their scanning and image data lift to provide data files for claims and enrollment selection processes. Along with that, Imagenet provides the electronic data imaging archives for provider documents and Medication Therapy Management (MTM) letter documentation, as well as historical Grievance and Appeals documentation. This vendor has provided solutions that are tightly integrated with our core system. Staff recommends approval of extending the contract for three and a half additional years with the option to add two one-year extensions (through June 2027) to match the extension date of the Facets contract.
- e. **LexisNexis Risk Solutions FL Inc. and Enclarity, Inc.** provides a solution to validate Provider Data used at CalOptima, including demographic data and identification of providers that are on Federal exclusion lists. This software is tightly integrated to the core system. Staff

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<sup>1</sup> Gartner is a leading technical research and advisory company that provides senior CalOptima leaders with the indispensable business insights and advice to achieve the mission-critical priorities.

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recommends approval of extending the contract for an additional two years and eight months with the option to add three one-year extensions (through June 2027) to match the extension date of the Facets contract.

### **Provider Credentialing and Contracting Systems:**

The following two contracts are for provider credentialing (Symplr) and provider contracting (Change Healthcare Technologies). Staff is currently in the RFP process to select and implement an integrated solution for Provider Data Management, Contracting and Credentialing. This integrated solution will potentially replace the current Credentialing and Contracting systems if new vendor(s) are selected consistent with the Board-approved Purchasing policy. Due to the complexity of this effort, staff estimates that the integrated solution implementation will be completed by the end of 2024. Staff recommends approval of extending both contracts annually for up to two additional years (through December 2024) to allow sufficient time for completion of the RFP and implementation of the selected system.

- a. **Symplr** provides provider credentialing software. As noted above, staff plans to complete the RFP process and implement a new solution by the end of 2024. Staff recommends approval of extending the contract for one additional year and sixteen days with an option for two additional one year extensions.(through December 2024).
- b. **Change Healthcare Technologies, LLC** is a provider contract management software system. As noted above, staff plans to complete the RFP process and implement a new solution by the end of 2024. Staff recommends approval of extending the contract for an additional one year and one day with an option for two additional one year extensions (through December 2024).

### **Human Capital Management (HCM) Systems:**

The following three systems support our Human Resources (HR) function. CalOptima's HR Department currently utilizes several disparate systems to assist in managing employee information and applicant tracking. The RFP planned for FY 2019–2020 to replace these three systems was deferred due to other priorities related to the COVID pandemic. Staff is currently preparing a Human Capital Management (HCM) solution RFP to be issued in Fall 2021 to review products in the marketplace. This RFP seeks an integrated solution to support several HR and Finance functions, including, but not limited to, core HR functions, benefits, workforce management, payroll, applicant tracking and recruitment, and performance management, which are currently provided by several different systems. By allowing a one-year extension to these three systems below, staff will have time to complete the RFP, contract with the successful vendor, and implement a new solution for HCM.

- a. **Ceridian Corporation-** Dayforce is the primary HR and Finance system handling employee benefits and payroll. As noted above, by allowing a one-year extension to this contract, staff will have sufficient time to complete the HCM RFP and implement a new solution. Staff recommends approval of extending the contract for one additional year (through January 6<sup>th</sup> 2023).
- b. **Silk Road Technology, Inc.-** OpenHire is the current HR applicant tracking and recruitment system. WingSpan is the current employee performance management system where all CalOptima staff performance evaluations are created and stored. As noted above, by allowing a one-year extension to this contract, staff will have sufficient time to complete the HCM RFP and implement a new solution. Staff recommends approval of extending the contract for one additional year (through December 2022).



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exercisable at the Board's discretion.*

## Other Systems

- a. **Varis LLC** provides overpayment identification and post-payment recovery services of potential overpayment of services that utilized Diagnosis Related Group (DRG) for Inpatient Medicare and Medi-Cal and Outpatient or Ambulatory Payment Classification (APC) payment guidelines to determine the claims payment amount. To summarize the audit review process, Varis conducts the data and clinical analysis based on CalOptima's paid files and review of medical records, as needed, and identifies the dollar recovery amounts based on their audit findings. By allowing a one-year extension, staff will have time to complete the RFP process, and if the same vendor is not selected, it will allow sufficient time to contract and implement a new solution. Staff recommends approval of extending the contract for one additional year (through September 24<sup>th</sup>, 2023).
- b. **SmartComms, LLC** provides system generated letters for claims requests as well as claims denials. This solution was originally selected to support the Care Management vendor solution. With the decision to process a RFP to select a Care Management solution, the letter generating solution may change with that direction. Staff recommends approval of extending the contract for one additional year (through December 30<sup>th</sup>, 2022) to allow time to complete the Care Management System RFP which will impact the letter communication system.
- c. **InfoCrossing, A WIPRO Company** is a CMS third party vendor that supports our process to submit enrollment and disenrollment updates to CMS. The vendor provides CMS data files for membership reconciliation for OneCare, OneCare Connect, and PACE. WIPRO supports file transfers between CalOptima and CMS. This vendor has maintained our stability to process regulatory file requirements to CMS. With the Duals Demonstration coming to an end and the transition of member planning in progress, it would be best to stay with the existing vendor to assure stability in transition. Staff recommends approval of extending the contract for an additional three years, two months and three days, to cover the period of the transition and the first year thereafter (through December 31<sup>st</sup>, 2024). Post transition, staff will issue an RFP to review the available systems in the market.
- d. **Intuitive Technology Group, Inc.** Tableau is an enterprise-wide reporting and analysis tool that provides staff with the capability to review and analyze clinical, financial, and other data to monitor and improve performance. In addition to costs associated with selecting and implementing a new tool, to replace a system like this, it would require the use of a new tool for staff to perform data analysis and to be re-trained to re-create the many reports and dashboards developed over the last four years. Staff's recommendation is to approve extending the contract for three additional years (through November 28<sup>th</sup>, 2024).
- e. **Lumen Technologies** is CalOptima's carrier for telecommunications as well as Internet connectivity. This vendor supports this particular area of the County. Internet and telecommunication stability during the pandemic has been essential to keep our communications functioning. We have not experienced any major issues with the vendor during the pandemic. Staff's recommendation is to approve extending the contract for three additional years (through 12/31/2024).

## Discussion

The vendors listed above and in the attached tables represent the solutions described and contracts expiring in 2021 and 2022. Replacing any of these solutions in the short term would require substantial additional investment, time commitment, as well as significant disruption to operations.

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extended for 3 years, except c. and d.  
were extended for 3.5 years.*

*Rev. 10/7/21: Option for one-year extensions  
exercisable at the Board's discretion.*

Many of these solutions are tightly embedded and integrated into either Facets or Guiding Care (the core systems):

- I. Table 1. Unless core systems are replaced, replacing these tightly integrated solutions is not feasible without substantial investment and significant disruption to the operations. Some of the vendors also represent the most viable solution considering CalOptima's operating environment.
- II. Table 2. The vendors in this category have expiring contracts, but due to the complications related to the COVID-19 pandemic during the past 18 months, staff needs additional time to complete the RFP processes and selection of new vendors. Extending these contracts as proposed will allow sufficient time for selection and implementation of new systems and avoid potential gaps in services.
- III. Table 3. This table lists the technical solutions that provide support to the infrastructure and stability for the above systems. Extending these vendor solution contracts will allow additional time to complete the other RFP processes and determine whether an RFP to change technical directions is needed.

### **Fiscal Impact**

The CalOptima Fiscal Year 2021–22 Operating Budget, approved by the Board on June 3, 2021 includes the annual fees for the listed contracted vendors related to CalOptima's core and supporting systems through June 30, 2022. Management will include expenses for the recommended contract extension periods on or after July 1, 2022, in future CalOptima operating budgets.

### **Rationale for Recommendation**

Extension of the contracts for these systems will ensure there is no disruption to the services provided by each of the solutions and allows continuity of operations throughout the organization that impact CalOptima's member and provider community.

### **Concurrence**

Gary Crockett, Chief Counsel

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were extended for 3.5 years.*

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exercisable at the Board's discretion.*

### **Attachments**

1. Tables of Proposed Contract Extensions
2. Entities Covered by this Recommended Board Action
3. Appendix: Summary of Contract History
4. Board Action dated June 3, 2021: Consider Approval of the CalOptima Fiscal Year 2021–22 Operating Budget
5. Board Action dated March 5, 2020: Consider Authorization of Expenditures in the CalOptima Fiscal Year 2019–20 Operating Budget for Claims Editing Solution and Recovery Services
6. Board Action dated December 6, 2018: Consider Extension of Contract Related to CalOptima's Core System, Facets
7. Board Action dated December 6, 2018: Consider Extension of Contracts Related to CalOptima's Key Operational and Human Resource Systems
8. Board Action dated September 1, 2016: Consider Extension of Contracts Related to CalOptima's Core Systems

/s/ Richard Sanchez  
**Authorized Signature**

09/29/2021  
**Date**

## Tables — Proposed Contract Extensions

*Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.*

*Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

**Table 1** — Solutions tightly integrated with the two core systems (Facets and/or Altruista)

| Number from List, Vendor, Solution Name (if applicable)   | Description of Service                                   | Original Contract Start Date | Current Contract Expires | Recommend Contract Extension Through | Annual Cost Based on Fiscal Year 2021–22 Budget |
|---|--|------------------------------|--------------------------|--------------------------------------|---|
| a. Cognizant TriZetto Software Group, Inc.                | Core business applications supporting membership, claims | 2/22/2000                    | 6/30/2022                | 6/30/2027                            | \$1,915,000                                     |
| b. Catalyst Solutions, LLC                                | Technical consultant support for Facets                  | 4/21/2014                    | 6/30/2022                | 6/30/2027                            | \$28,000  |
| c. Edifecs, Inc.  | Electronic transaction standardization software          | 03/09/2011                   | 12/31/2021               | 6/30/2027                            | \$114,100                                       |
| d. Imagenet, LLC  | Archiving and document imaging services                  | 11/21/2017                   | 12/31/2021               | 6/30/2027                            | \$350,000                                       |
| e. Lexis Nexis Risk Solutions FI Inc. and Enclarity, Inc. | Provider exclusion software                              | 5/01/2015                    | 10/31/2021               | 6/30//2027                           | \$324,000                                       |

**Table 2** — Solutions defined as essential systems with contracts that need extending to allow time for RFP selection and contract negotiation with implementation of the selected vendor to replace existing systems, and to assure there are no gaps in service.

| Number from List, Vendor, Solution Name (if applicable) | Description of Service   | Original Contract Start Date | Current Contract Expires | Recommend Contract Extension Through | Annual Cost Based on Fiscal Year 2021–22 Budget |
|---|--|------------------------------|--------------------------|--------------------------------------|---|
| f. Symplr   | Credentialling system  | 11/29/2011                   | 12/15/2021               | 12/31/2024                           | \$119,000                                       |
| g. Change Healthcare Technologies, LLC                  | Contract management software system  | 12/30/2016                   | 12/30/2021               | 12/31/2024                           | \$355,000                                       |
| h. Ceridian Corporation                                 | Employee payroll   | 6/29/2008                    | 1/06/2022                | 1/06/2023                            | \$384,000                                       |
| i. Silk Road Technology, Inc.                           | HR recruitment tracking (Open Hire) and HR performance management (Wingspan) | 06/19/2009                   | 12/31/2021               | 12/31/2022                           | \$81,000  |
| j. Varis LLC  | High dollar and forensic claims review                                       | 9/25/2017                    | 9/24/2022                | 9/24/2023                            | \$1,450,000                                     |
| k. SmartComms, LLC                                      | Letter generation software   | 12/31/2016                   | 12/30/2021               | 12/30/2022                           | \$145,000                                       |
| l. InfoCrossing, A WIPRO Company                        | CMS enrollment/eligibility verification and CMS file reconciliation          | 05/01/2005                   | 10/28/2021               | 12/31/2024                           | \$24,000  |

**Tables — Proposed Contract Extensions**

*Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.*

**Table 3** — Technical solutions that maintain service level consistency.

*Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

| Number from List, Vendor,<br>Solution Name<br>(if applicable) | Description of Service                   | Original<br>Contract<br>Start Date | Current<br>Contract<br>Expires | Recommend<br>Contract<br>Extension<br>Through | Annual Cost<br>Based on Fiscal<br>Year 2021–22<br>Budget |
|---|--|------------------------------------|--------------------------------|---|--|
| m. Intuitive Technology Group,<br>Inc.                        | Business intelligence software — Tableau | 11/22/2017                         | 11/28/2021                     | 11/28/2024                                    | \$238,505  |
| n. Lumen Technologies   | Internet connectivity                    | 02/15/2012                         | 12/31/2021                     | 12/31/2024                                    | \$984,000  |

**ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

| <b>Name</b>   | <b>Address</b>                 | <b>City</b>       | <b>State</b> | <b>Zip Code</b> |
|---|--------------------------------|-------------------|--------------|-----------------|
| Cognizant Trizetto Software Group, Inc.               | 300 Frank W Burr Blvd.         | Teaneck           | NJ           | 07666           |
| Catalyst Solutions, LLC                               | 6400 S. Fiddlers Green Circle  | Greenwood Village | CO           | 80111           |
| Edifecs, Inc  | 1756 114 <sup>th</sup> Ave. SE | Bellevue          | WA           | 98004           |
| Imagenet, LLC   | 5401 W. Kennedy Blvd.          | Tampa             | FL           | 33609           |
| LexisNexis Risk Solutions FL Inc. and Enclarity, Inc. | 1105 N Market St, Ste 501      | Wilmington        | DE           | 19801           |
| Symplr  | 315 Capitol St., Suite 100     | Houston           | TX           | 77002           |
| Change Healthcare Technologies, LLC                   | 100 Airpark Center Drive East  | Nashville         | TN           | 37217           |
| Ceridian Corporation                                  | 3311 E Old Shakopee Rd         | Minneapolis       | MN           | 55425           |
| Silk Road Technology, Inc                             | 100 S. Wacker Dr, Suite 425    | Chicago           | IL           | 60606           |
| Varis, LLC  | 3915 Security Park Dr, Ste B   | Rancho Cordova    | CA           | 95742           |
| SmartComms, LLC                                       | 250 Commercial Street          | Manchester        | NH           | 03101           |
| InfoCrossing, A WIPRO Company                         | 2 Tower Center                 | East Brunswick    | NJ           | 08816           |
| Intuitive Technology Group, Inc.                      | 4530 W 77th Street, Suite 255  | Edina             | MN           | 55435           |
| Lumen Technologies                                    | 100 CenturyLink Dr.            | Monroe            | LA           | 71203           |

*Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.  
Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

*Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.*

*Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

## APPENDIX TO AGENDA ITEM 16

### Summary of Contract History

| Vendor  | Contract Number(s)  | History of Contract Changes (Summary)   | Last Approval                      |
|---|---------------------|---|------------------------------------|
| a. Cognizant TriZetto Software Group, Inc.                | 00-849-2197         | There have been 48 amendments to the contract. These amendments have included time extensions, functional enhancements to support changes to regulatory and business requirements over the years, and administrative changes. Staff conducted multiple RFIs to survey the market for claims processing and customer service systems. Most recently, at the February 2020 meeting of the Finance and Audit Committee (FAC) of the Board, staff recommended to stay with our current core systems and to consider supplemental functions to fill the gap. | Board Approval<br>December 6, 2018 |
| b. Catalyst Solutions, LLC                                | 14005               | There have been 9 amendments to the contract. The amendments included date extensions along with technical support for system configuration changes required to meet regulatory and business requirements.  | Board Approval<br>December 6, 2018 |
| c. Edifecs, Inc.  | MC 01759            | This contract has been extended 10 times. The extensions have included date extensions along with licensing modifications and technical support to accommodate changes to regulatory and business requirements.   | Board Approval<br>December 6, 2018 |
| d. Imagenet, LLC  | 18-10184            | There have been 7 amendments to the contract. The amendments include service additions to accommodate changes to regulatory and business requirements and the exercise of options to extend the contract that was included in the original contract.  | Budget Approval<br>June 3, 2021    |
| e. Lexis Nexis Risk Solutions FL Inc. and Enclarity, Inc. | 15-0964/<br>15-0973 | There have been 6 amendments to the contract. The amendments include date extensions, administrative changes and pricing updates.   | Budget Approval<br>June 3, 2021    |



*Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.  
Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

| <b>Vendor</b>                          | <b>Contract Number(s)</b> | <b>History of Contract Changes (Summary)</b>   | <b>Last Approval</b>               |
|--|---------------------------|--|------------------------------------|
| f. Symplr                              | MC 01611                  | There have been 9 extensions to the contract. The extensions have included date extensions along with licensing modifications and technical support to accommodate changes to regulatory and business requirements.                        | Budget Approval<br>June 3, 2021    |
| g. Change Healthcare Technologies, LLC | 17-10538                  | There have been 2 amendments to the contract. The amendments include technical support services related to the implementation and upgrade of the software.   | Budget Approval<br>June 3, 2021    |
| h. Ceridian Corporation                | MC 03232                  | There have been 12 extensions to the contract. The extensions have included software license modifications and technical support services related to the implementation and upgrade required to meet regulatory and business requirements. | Board Approval<br>December 6, 2018 |
| i. Silk Road Technology, Inc.          | MC 02042                  | There have been 10 extensions to the contract. The extensions have included technical support services related to the implementation and upgrade of the software.  | Board Approval<br>December 6, 2018 |
| j. Varis, LLC                          | 17-10537                  | There have been 2 amendments to the contract. The amendments were for date extensions.   | Board Approval<br>March 5, 2020    |
| k. SmartComms, LLC                     | 17-10511                  | There have been 2 amendments to the contract. The amendments include technical service additions to support implementation and the exercise of options to extend the contract that was included in the original contract.                  | Budget Approval<br>June 3, 2021    |
| l. InfoCrossing, A WIPRO Company       | PO 06195                  | There have been 8 amendments to the contract. The amendments included date extensions along with service modifications required to meet CMS regulatory requirements.   | Budget Approval<br>June 3, 2021    |
| m. Intuitive Technology Group, Inc.    | 18-10487                  | There have been 2 amendments to the contract. The amendments include additional licenses to support organizational growth and the exercise of options to extend the contract that was included in the original contract.                   | Budget Approval<br>June 3, 2021    |

## **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken October 3, 2024**

### **Regular Meeting of the CalOptima Health Board of Directors**

#### **Consent Calendar**

11. Authorize an Extension of the Timeframe to Use Board-Approved Funding for an Expanded CalOptima Health OneCare Outreach and Engagement Strategy

#### **Contacts**

Michael Hunn, Chief Executive Officer, (657) 900-1481

Deanne Thompson, Executive Director, Marketing and Communications, (714) 954-2141

#### **Recommended Action**

1. Authorize an extension of the timeframe to implement the CalOptima Health OneCare Outreach and Engagement Strategy to June 30, 2025.
2. Authorize the Chief Executive Officer or designee to execute agreements for expenditures as necessary to implement proposed activities.

#### **Background**

On April 4, 2024, the CalOptima Health Board of Directors (Board) authorized \$964,400 in existing reserves for expanding the marketing and advertising budget for CalOptima Health OneCare (HMO D-SNP), a Medicare Medi-Cal plan. Staff requested the funding to supplement the Fiscal Year 2023–24 Operating Budget to implement a marketing and advertising campaign in the highly competitive Medicare Advantage (MA) market, where dual eligible individuals have the flexibility to change plans quarterly. The Board approved the reserve funds for use on OneCare outreach and engagement activities from April 4, 2024, through June 30, 2024. Additional time will allow staff to fully implement all the strategies identified. As of this writing, there is approximately \$600,000 that is unspent from the April Board action.

#### **Discussion**

Interest among health insurers in serving dual eligible beneficiaries in MA plans has grown dramatically, and competition has expanded in the past two decades since the launch of OneCare. To be more competitive for Plan Year 2025, OneCare will offer competitive benefits that meet dual eligible beneficiary needs.

Staff has worked with a specialized marketing and advertising agency to develop a new integrated campaign based on focus group research. The campaign promotes the benefits most appealing to potential members and OneCare's unique position as the plan that can more effectively coordinate Medicare and Medi-Cal for duals. The new campaign debuts during the Open Enrollment Period, which begins this month.

Given the competitive environment, priority of promoting competitive benefits, and opportunity to maximize exposure for the new campaign, staff is requesting to extend the end date to implement the OneCare outreach strategy through June 30, 2025, as follows:

- Expand television advertising to create a year-round presence;

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Authorize an Extension of the Timeframe  
to Use Board-Approved Funding for an  
Expanded CalOptima Health OneCare  
Outreach and Engagement Strategy  
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- Increase radio advertising for in-language messages in Spanish and Vietnamese; and
- Boost spending on out-of-home strategies, including interior and exterior bus ads and outdoor advertising.

OneCare’s approved Fiscal Year (FY) 2024–25 Operating Budget included \$1.6 million for advertising. Extending the end date of the campaign approved in April 2024 would add \$600,000 from the prior FY reserve allocation for a total spend to \$2.2 million in FY 2024–25. Extending the timeframe to invest the prior FY reserve allocation will support advertising designed to boost recognition of OneCare, promote continued growth and limit voluntary disenrollment.

Current data shows that CalOptima Health has approximately 105,000 dual eligibles enrolled in CalOptima Health’s Medi-Cal program. However, only about 15% of this population has opted to enroll in the OneCare program. Staff believes that duals do not select OneCare simply because they are not aware that OneCare is the only MA plan able to coordinate their Medicare and Medi-Cal benefits under one plan.

### **Fiscal Impact**

The recommended action has no additional fiscal impact. A previous Board action on April 4, 2024, authorized up to \$964,400 from existing reserves to implement the strategy. This action extends the timeframe to implement the strategy with no additional funding request.

### **Rationale for Recommendation**

CalOptima Health is committed to a leading position in the Medicare market through OneCare by increasing engagement with dual eligible members regarding their Medicare coverage options. This expanded advertising and outreach will support growth and retention, helping to ensure the strength of OneCare as a key component in CalOptima Health’s continuum of care for members, with quality programs for older adults.

### **Attachments**

1. Previous Board Action Dated April 4, 2024, “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”

### **Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**

## **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken April 4, 2024**

### **Regular Meeting of the CalOptima Health Board of Directors**

#### **Report 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

#### **Contacts**

Michael Hunn, Chief Executive Officer, (657) 900-1481

Deanne Thompson, Executive Director, Marketing and Communications, (714) 954-2141

#### **Recommended Actions**

1. 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;
2. Authorize 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. Authorize the Chief Executive Officer (CEO) or designee to execute agreements for expenditures as necessary to implement proposed activities.

#### **Background**

In 2005, CalOptima Health launched OneCare (HMO D-SNP), a Medicare Medi-Cal plan. Alongside OneCare, in 2015–22, CalOptima Health also operated OneCare Connect, a Cal MediConnect Plan, which was a California demonstration program focused on coordinated care for CalOptima Health members who have Medi-Cal and Medicare coverage, known as dual eligible beneficiaries. During those seven years, CalOptima Health focused marketing and advertising on OneCare Connect only. The state ended the demonstration on December 31, 2022, and CalOptima Health transitioned OneCare Connect members to OneCare on January 1, 2023. Starting in 2023, marketing and advertising resumed for OneCare.

Across the past two decades, interest among health insurers in serving dual eligible beneficiaries in Medicare Advantage (MA) plans has grown dramatically and competition has expanded. Many MA plans have larger budgets for marketing and advertising and aggressively target dual eligibles because they have the flexibility to change plans quarterly.

#### **Discussion**

Given the competitive environment, staff sees the necessity of having a continuous and heavy presence in the market with a full range of tactics in multiple languages to ensure penetration of our message about the advantages of OneCare for duals. Because CalOptima Health administers Medi-Cal, OneCare is uniquely positioned as the plan that can more effectively coordinate Medicare and Medi-Cal for duals under one integrated benefit plan; duals in other MA plans have to coordinate the wraparound services offered via Medi-Cal on their own.

To boost recognition of OneCare, promote continued growth and limit voluntary disenrollment,

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  
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staff requests additional funding for marketing and advertising in the current fiscal year. The expanded strategy will utilize existing contracted vendors to provide additional sales, marketing and advertising services.

Current data shows that CalOptima Health has approximately 105,000 dual eligibles enrolled in CalOptima Health's Medi-Cal program. However, only about 15% of this population has opted to enroll in the OneCare program. Staff believes that duals do not select OneCare simply because they are not aware that OneCare is the only MA plan able to coordinate their Medicare and Medi-Cal benefits under one plan.

**Fiscal Impact**

The recommended action is unbudgeted. An appropriation of up to \$964,400 from existing reserves will fund the OneCare Outreach and Engagement Strategy through June 30, 2024. Management will include future expenses in the CalOptima Health Fiscal Year 2024-25 Operating Budget.

**Rationale for Recommendation**

CalOptima Health is committed to a leading position in the Medicare market through OneCare by improving outreach and education to dual eligible members regarding their Medicare coverage options. This expanded outreach will support growth and retention, helping to ensure the strength of OneCare as a key component in CalOptima Health's continuum of care for members, with quality programs for older adults.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

|                             |                   |
|-----------------------------|-------------------|
| <u>/s/ Michael Hunn</u>     | <u>03/29/2024</u> |
| <b>Authorized Signature</b> | <b>Date</b>       |

## CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL

### Action To Be Taken October 3, 2024

### Regular Meeting of the CalOptima Health Board of Directors

#### Consent Calendar

12. Authorize Modification to and Extension of the Contract With Miller Geer & Associates for External Media Relations Support Services

#### Contacts

Veronica Carpenter, Chief Administrative Officer, (657) 900-1161

Deanne Thompson, Executive Director, Marketing and Communications, (714) 954-2141

#### Recommended Action

1. Authorize the Chief Executive Officer to amend the contract with Miller Geer & Associates to modify the scope of work, extend the term of the contract effective October 1, 2024, through June 30, 2025, and revise the payment terms.

#### Background

In 2021, a Board of Directors (Board) Ad Hoc Committee overseeing the response to the Centers for Medicare & Medicaid Services audit directed staff to obtain the crisis communications and public relations services of Miller Geer & Associates (Miller Geer). On October 7, 2021, the Board approved a contract with Miller Geer for services from August 1, 2021, to June 30, 2022. On February 3, 2022, the Board approved a modification and extension of the contract with Miller Geer, effective February 1, 2022, through June 30, 2024, for external media relations support and consulting services. Miller Geer has secured substantial media coverage of CalOptima Health's services and initiatives that has contributed positively to CalOptima Health's reputation. The contract extension was approved by the Board at a fixed monthly rate of \$15,000 and up to an additional \$5,000 in monthly pass-through costs for allied services.

#### Discussion

Staff seeks Board approval to modify the scope of work (SOW) and payment provisions of the Miller Geer contract to support CalOptima Health's ability to actively pursue positive multimedia coverage in English and other languages to raise awareness of CalOptima Health's programs, services and community impact, effective October 1, 2024. The modified SOW deliverables include but are not limited to writing press releases, offering strategic direction on press conferences, training leaders and partners to more effectively engage with media, and producing media tracking and data reports.

Miller Geer's consulting services may be supplemented with allied services, including but not limited to video production, graphic design, translation, and related services, which will be billed separately as pass-through costs.

The proposed contract extension would extend the term through June 30, 2025. Miller Geer's services aim to promote brand recognition and raise awareness of CalOptima Health's community impact as well as build recognition of the organization's leadership. The Communications

CalOptima Health Board Action Agenda Referral  
Authorize Modification to and Extension  
of the Contract With Miller Geer & Associates  
for External Media Relations Support Services  
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Department will direct Miller Geer’s work and ensure Miller Geer complements and amplifies efforts by internal staff, with an overall goal of positioning CalOptima Health as a health care leader in Orange County and beyond.

The cost of the contract is \$20,000 per month or \$180,000 for the nine-month period of October 1, 2024, through June 30, 2025. The estimated total cost for potential pass-through fees for allied services is \$5,000 per month or \$45,000 for the remaining nine months of the fiscal year. CalOptima Health plans to issue a request for proposals to obtain media relations support services after June 30, 2025.

**Fiscal Impact**

The recommended action has no net fiscal impact to the CalOptima Health Fiscal Year 2024–25 Operating Budget approved on June 6, 2024. The Professional Fees Budget under the approved Operating Budget is sufficient to support the contract costs in the current fiscal year.

**Rationale for Recommendation**

Approving the modified and extended Miller Geer contract is intended to strengthen CalOptima Health’s communications capabilities and support enhanced recognition of the health plan in the community.

**Attachments**

1. Entities Covered by this Recommended Board Action
2. Contract No. 22-10159 Between CalOptima and Miller Geer & Associates
3. Amendment No. 1 to Contract No. 22-10159
4. Draft Amendment No. 2 to Contract No. 22-10159

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**



***This Item was Deleted from the Agenda***

*Attachment to the October 3, 2024 Board of Directors Meeting – Agenda Item #12*

**CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

| Name                     | Address               | City         | State | Zip Code |
|--------------------------|-----------------------|--------------|-------|----------|
| Miller Geer & Associates | 3532 Katella Ave #110 | Los Alamitos | CA    | 90720    |

CONTRACT NO. 22-10159  
BETWEEN  
ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY, dba  
ORANGE PREVENTION & TREATMENT INTEGRATED MEDICAL ASSISTANCE, dba  
CALOPTIMA  
And  
MILLER GEER AND ASSOCIATES  
(CONTRACTOR)

THIS CONTRACT ("Contract") is made and entered into as of August 1<sup>st</sup>, 2021, by and between the Orange County Health Authority, dba CalOptima, a public agency, hereinafter referred to as "CalOptima" and Miller Geer and Associates, a Corporation, hereinafter referred to as "CONTRACTOR." CalOptima and CONTRACTOR shall be referred to herein collectively as the "Parties" or individually as a "Party."

RECITALS

- A. CalOptima desires to retain a CONTRACTOR to provide Crisis Communication Support Services, as described in the Scope of Work; and
- B. CONTRACTOR provides such services; and
- C. CONTRACTOR represents and warrants that it has the requisite personnel and experience and is capable of performing such services; and
- 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. This Contract shall include the following documents ("Contract Documents"), in the order of descending precedence: (i) this Contract, inclusive of all its exhibits and attachments, and any amendments thereto. 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 documents attached to this Contract and/or referenced herein as a "Contract Document" are incorporated into this Contract by this reference, with the same force and effect as if set forth herein in their entirety. Changes hereto shall not be binding upon CalOptima except when specifically confirmed in writing by an authorized representative of CalOptima and issued in accordance with Section 17, Modifications, herein. In the event of any conflict of provisions among the documents constituting the Contract, the provisions shall prevail in the above-referenced descending order of precedence.
2. Statement of Work.
  - 2.1 CONTRACTOR shall perform the work necessary to complete, in a manner satisfactory to CalOptima, and if applicable, to the Centers for Medicare and Medicaid Services ("CMS"), the California Department of Health Care Services ("DHCS"), and/or the California Department of Managed Health Care ("DMHC"), as applicable, the services set forth in Exhibit A entitled "Scope of Work," which is attached hereto and incorporated herein by this reference.
  - 2.2 CONTRACTOR shall provide the personnel listed below to perform the above-specified services, which persons are hereby designated as key personnel under this Contract. No person named in this Section 2, or his/her successor approved by CalOptima, shall be removed or replaced by CONTRACTOR, nor shall his/her agreed-upon function or level of commitment hereunder be

Rev. 07/2014

Contract No. 22-10159

changed without the prior written consent of CalOptima.

| <u>Name</u>    | <u>Function/Title</u> |
|----------------|-----------------------|
| Jay Geer       | President             |
| James Chisum   | Vice President        |
| Nancy Franklin | Special Consultant    |

### 3. Insurance.

3.1 Prior to undertaking performance of services under this Contract and at all times during performance hereunder, and entirely at CONTRACTOR's sole expense, CONTRACTOR shall maintain the following insurance, which shall be full-coverage insurance not subject to self-insurance provisions, and CONTRACTOR shall not of its own initiative cause such insurance to be canceled or materially changed during the term of this Contract:

#### 3.1.1 Required Insurance:

3.1.1.1 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:

3.1.1.2 Per Occurrence: \$1,000,000

3.1.1.3 Personal Advertising Injury: \$1,000,000

3.1.1.4 Products Completed Operations: \$2,000,000

3.1.1.5 General Aggregate: \$2,000,000

3.1.2 Commercial Automobile Liability covering any auto, whether owned, leased, 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.

3.1.3 Workers' Compensation and Employers' Liability Policy written in accordance with the laws of the State of California and providing coverage for all of CONTRACTOR's employees:

3.1.3.1 This policy must provide statutory coverage for Workers' Compensation.

3.1.3.2 This policy must also provide coverage for \$1,000,000 Employers' Liability for each employee, each accident, and in the general aggregate.

3.1.4 Professional Liability insurance covering the CONTRACTOR's professional errors and omissions with the following minimum limits of insurance:

3.1.4.1 Per occurrence: \$1,000,000

3.1.4.2 General aggregate: \$2,000,000

3.1.5 Commercial crime policy covering employee theft and dishonesty, forgery and alteration, money orders and counterfeit currency, credit card fraud, wire transfer fraud, and theft of client property, with the following minimum limits of \$1,000,000 per occurrence:

3.1.5.1 Cyber and Privacy Liability insurance with the following minimum limits of insurance covering claims involving privacy violations, information theft,

damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. Such coverage is required only if any products and/or services related to information technology (including hardware and/or software) are provided to Insured and for claims involving any professional services for which CONTRACTOR is engaged with Insured for such length of time as necessary to cover any and all claims.

- a) Privacy and Network Liability: \$1,000,000
- b) Internet Media Liability: \$1,000,000
- c) Business Interruption & Expense: \$1,000,000
- d) Data Extortion: \$1,000,000
- e) Regulatory Proceeding: \$1,000,000
- f) Data Breach Notification & Credit Monitoring: \$1,000,000

- 3.2 Prior to commencement of any work hereunder, CONTRACTOR shall furnish to CalOptima's Purchasing Department additional insured endorsements and also broker-issued Certificate(s) of Insurance showing the required insurance coverages for CONTRACTOR, and further providing that:

Certificate Requirements:

- 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 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 as respects 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.
- 3.2.3 The Insurance Company 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 clause. All certificates and endorsements are to be received and approved by CalOptima before work commences. 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 above, 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 Thirty (30) days prior written notice of cancellation be given to CalOptima.
- 3.3 If CONTRACTOR fails or refuses to maintain or produce proof of the insurance required by this Section 3, CalOptima shall have the right, at its election, to terminate forthwith this Contract. 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 herein.
- 3.6 "Occurrence," as used herein, 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 agrees to and shall save, defend, indemnify, and hold harmless CalOptima and its respective officers, directors, agents, volunteers, consultants and employees (individually and collectively referred to as "Indemnified Parties") from and against any liability whatsoever, based or asserted upon any services of the CONTRACTOR, its officers, employees, subcontractors, agents, or representatives (individually and collectively referred to as "Indemnitors") arising out of or in any way relating to this Contract, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of Indemnitors under this Contract. 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, but not limited to, 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.
- 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. The terms of this Contract are contractual and the result of negotiation between the Parties hereto. Accordingly, any rule of construction of contracts

(including, without limitation, 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.

- 4.3 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.
- 4.4 It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as permitted by the law of the State of California and that CONTRACTOR's indemnification and duty to defend obligation hereunder shall survive the expiration or earlier termination of this Contract until such time as action against the Indemnified Parties for such matter indemnified hereunder is fully and finally barred by the applicable statute of limitations, including but not limited to those set forth under the California Government Claims Act (Cal. Gov. Code §900 et seq.).
- 4.5 The terms of this Section shall survive the termination of this Contract.
5. Independent Contractor. CalOptima and CONTRACTOR agree that CONTRACTOR, which term shall include any and all subcontractors, and any agents or 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. 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 in connection with this Contract, and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters. At CONTRACTOR's expense as described herein, 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, without limitation, attorneys' fees as provided herein arising out of CONTRACTOR's alleged failure to pay, when due, all such taxes and obligations (collectively referred to for purposes of this paragraph as "Employment Claim(s)"). CONTRACTOR shall pay to CalOptima any expenses or charges relating to or arising from any such Employment Claim(s) as they are incurred by CalOptima.
6. Assignments; Subcontracts.
  - 6.1 Except as specifically permitted hereunder, CONTRACTOR may not assign, transfer, delegate or subcontract any interest herein, either in whole or in part, without the prior written consent of CalOptima, which consent may be withheld in its sole and absolute discretion. In the event CalOptima provides such prior written consent, CONTRACTOR acknowledges and agrees that such assignment, transfer, delegation, or subcontract may additionally be subject to the prior written approval of DHCS. Any assignment, transfer, delegation, or subcontract made without CalOptima's express written consent shall be deemed void.
  - 6.2 For purposes of this Section and this Contract, assignment is: (1) the change of more than twenty-five percent (25%) 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 twenty-five percent (25%) 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.



- 6.3 In the event that CONTRACTOR is allowed to subcontract for services under this Contract, and does so subcontract, then CONTRACTOR shall, upon request, provide copies of such subcontracts to CalOptima or DHCS.
7. Non-Exclusive Relationship. It is understood by the parties that 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.
8. 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 Policies relating to services under the Contract that are in effect when this Contract is signed or which may come into effect during the term of this Contract.
9. Nondiscrimination Clause Compliance.
- 9.1 During the performance of this Contract, CONTRACTOR and its subcontractor(s) 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 Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS), AIDS-Related Complex (ARC), mental disability, medical condition (including cancer), age (over 40), marital status, and the use of family and medical care leave and pregnancy disability leave. CONTRACTOR and subcontractor(s) shall insure that the evaluation and treatment of their employees and applicants for employment are free from discrimination and harassment. CONTRACTOR and subcontractor(s) shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq. and the applicable regulations promulgated thereunder Title 2, CCR, Section 7285.0 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, Title 2, CCR are incorporated into this Contract by reference and made a part hereof as if set forth in full. CONTRACTOR and its subcontractor(s) shall give notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. CONTRACTOR shall also fully comply with the following, to the extent applicable to the services provided by CONTRACTOR under this Contract: Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d (race, color, national origin); Section 504 of the Rehabilitation Act of 1973 (29 USC §794) (nondiscrimination under Federal grants and programs); Title 45 CFR Part 84 (nondiscrimination on the basis of handicap in programs or activities receiving Federal financial assistance); Title 28 CFR Part 36 (nondiscrimination on the basis of disability by public accommodations and in commercial facilities); Title IX of the Education Amendments of 1973 (regarding education programs and activities); Title 45 CFR Part 91 and the Age Discrimination Act of 1975 (nondiscrimination based on age); as well as California Government Code Section 11135 (ethnic group identification, religion, age, sex, color, physical or mental handicap); California Civil Code Section 51 (all types of arbitrary discrimination); and all rules and regulations promulgated pursuant thereto.
- 9.2 CONTRACTOR shall include the nondiscrimination and compliance provisions of Section 9 in all subcontracts under this Contract.
10. Prohibited Interest.
- 10.1 CONTRACTOR shall comply with all applicable federal, state, and local laws and regulations pertaining to conflict of interest laws, including but not limited to CalOptima's Conflict of Interest Code, the California Political Reform Act (Government Code Section 81000 et seq.) and Government Code Section 1090 et seq. (collectively, the "Conflict of Interest Laws").



- 10.2 CONTRACTOR covenants that, for the term of the Contract, no director, officer, or employee of CalOptima during his tenure has any interest, direct or indirect, in this Contract or the proceeds thereof. CONTRACTOR further covenants that, for the term of this Contract, and consistent with the provisions of Title 22 California Code of Regulations (CCR) Section 53600(f), no state officer or state employee shall be employed in a management or contractor position by CONTRACTOR within one year after the state office or state employee has terminated state employment.
- 10.3 No employee, officer or agent of CalOptima shall participate in the selection, award or administration of an agreement, or in any decision that may have foreseeable impact on CONTRACTOR if a conflict of interest, real or implied, exists. Such a conflict arises when any of the following has a financial or other interest in the firm selected for award:
- 10.3.1 A CalOptima employee, officer or agent;
- 10.3.2 Any member of the employee, officer or agent's immediate family;
- 10.3.3 The employee, officer or agent's domestic or business partner; and
- 10.3.4 An organization that employs or is about to employ any of the above.
- 10.4 CONTRACTOR understands that, if this Contract is made in violation of Government Code Section 1090 et seq., the entire Contract is voidable and 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, in addition to the foregoing, CONTRACTOR may be subject to criminal prosecution for a violation of Government Code Section 1090.
- 10.5 If CONTRACTOR hereinafter becomes aware of any facts, which might reasonably be expected to either create a conflict of interest under the Conflict of Interest laws or violate the provisions of this Section, CONTRACTOR shall immediately make full written disclosure of such acts to CalOptima. Full written disclosure shall include, without limitation, identification of all persons, entities and businesses implicated and a complete description of all relevant circumstances.
11. Disclosure of Officers, Owners, Stockholders and Creditors. 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 I, attached hereto and incorporated by this reference:
- 11.1 All officers and owners who own greater than 5% of the CONTRACTOR; and
- 11.2 All stockholders owning greater than 5% of any stock issued by CONTRACTOR.
- 11.3 All creditors of CONTRACTOR's business if such interest is over 5%.
12. Equal Opportunity.
- 12.1 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, 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. CONTRACTOR and its Subcontractors agree

to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or Department of Health Care Services ("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 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.

- 12.2 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.
- 12.3 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, advising the labor union or workers' representative of CONTRACTOR and its Subcontractors' commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 12.4 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 CFR 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.
- 12.5 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 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 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.
- 12.6 In the event of CONTRACTOR and its Subcontractors' noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are 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 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 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.

- 12.7 CONTRACTOR and its Subcontractors will include the provisions of this section 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 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 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 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or CONTRACTOR. 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 in the event CONTRACTOR and its Subcontractors become involved in, or are threatened with litigation by a subcontractor or CONTRACTOR as a result of such direction by DHCS, CONTRACTOR and its Subcontractors 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.

13. Standard of Performance; Warranties.

- 13.1 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.
- 13.2 In the event that CONTRACTOR is allowed to subcontract for services under this Contract, and does so subcontract, 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.
- 13.3 CONTRACTOR expressly warrants that all material and work will conform to applicable specifications, drawings, description and samples, including, without limitation, 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 to other parts of the system resulting from such defects. CalOptima shall give notice to CONTRACTOR of any observed defects. In the event that CONTRACTOR fails to make adjustments, repairs, corrections, or other work made necessary by such defects, CalOptima may do so and charge CONTRACTOR the costs incurred.
- 13.4 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.
- 13.5 CONTRACTOR's obligations under this Section 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.
- 13.6 Any CalOptima property damaged by CONTRACTOR, its subcontractor(s), or by the personnel of either, will be subject to repair and replacement by CONTRACTOR at no cost to CalOptima.

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14. Compensation.

14.1 Payment.

14.1.1 CalOptima agrees to pay, and CONTRACTOR agrees to accept as full consideration for the faithful performance of this Contract, the rates, charges and other payment terms identified in Exhibit B, which is attached hereto and incorporated herein by this reference.

14.1.2 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.

14.1.3 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 as set forth in the Contract and Exhibit A, Scope of Work that may be reasonably expected by CalOptima. **CALOPTIMA SHALL NOT PAY ANY FEES, EXPENSES OR COSTS WHATSOEVER INCURRED BY CONTRACTOR IN RENDERING ADDITIONAL SERVICES NOT AUTHORIZED IN WRITING UNDER THIS CONTRACT.**

14.1.4 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 the attached Exhibit B, without the express prior written authorization of CalOptima. CONTRACTOR shall at all times monitor its costs and expenditures for work performed under this Contract, and shall monitor its invoices, costs, and expenditures, to ensure it does not exceed the maximum cumulative payment obligation set forth herein. CONTRACTOR shall provide CalOptima with 60 days written notice if at any time during this Contract CONTRACTOR becomes aware that it may exceed the maximum cumulative payment obligation authorized under this Contract. **CONTRACTOR ACKNOWLEDGES AND AGREES THAT CALOPTIMA SHALL NOT BE LIABLE FOR ANY FEES, EXPENSES OR COMPENSATION IN EXCESS OF THE MAXIMUM CUMULATIVE PAYMENT OBLIGATION.**

14.1.5 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.

14.2 Contractor Travel Policy. CONTRACTOR is not entitled to any reimbursement for travel, meals, accommodations, or other similar expenses under this Contract.

15. Term. This Contract shall commence on August 1<sup>st</sup>, 2021, and shall continue in full force and effect through 06/30/2022, unless earlier terminated as provided in this Contract.

16. Termination.

- 16.1 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 written notice hereof. Upon termination, CalOptima may pay CONTRACTOR its allowable cost incurred for services satisfactorily performed and accepted by CalOptima as of the date of termination. Thereafter, CONTRACTOR shall have no further claims against CalOptima under this Contract.
- 16.2 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:
- 16.2.1 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.
- 16.2.2 In the event of Termination for Unavailability of Funds, as provided in this Section, 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, without limitation, lost or anticipated profit on work not performed, administrative costs, attorneys' fees, or consultants' fees.
- 16.2.3 In the event of Termination for Unavailability of Funds, as provided in this Section, and funds are received by CalOptima from the State of California within one-hundred twenty (120) days of the date of termination, then CalOptima shall promptly notify CONTRACTOR in writing and CalOptima shall have the right to reinstate this Contract for that period for which funds are received by CalOptima or the unexpired term of this Contract as of the date of termination, whichever period is shorter in duration. Notwithstanding the foregoing, CalOptima may only reinstate this Contract two (2) times during the Term of this Contract.
- 16.3 Termination for Default. Subject to a ten (10) day cure period, CalOptima may terminate this Contract for CONTRACTOR's default, or if a federal or state proceeding for the relief of debtors is undertaken by or against CONTRACTOR, or if CONTRACTOR makes an assignment for the benefit of creditors as defined in Section 6, or if CONTRACTOR breaches any term(s) or violates any provision(s) of this Contract and does not cure such breach or violation within ten (10) days after written notice thereof by CalOptima. In the event of Termination for Default, as provided by this Section, CONTRACTOR shall be liable for any and all reasonable costs incurred by CalOptima as a result of such default, including, but not limited to, procurement costs of the same or similar services defaulted by CONTRACTOR under this Contract.
- 16.4 Notwithstanding the foregoing, CalOptima may terminate this Contract immediately upon CONTRACTOR's breach of Section 3, (Insurance), Section 10, (Prohibited Interest), or Section 24, (Confidentiality).
- 16.5 Effect of Termination. Upon expiration or receipt of a termination notice under this Section:
- 16.5.1 CONTRACTOR shall promptly discontinue all services (unless the 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 but not limited to 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. Failure to return any



information or equipment, badge or access card, is considered a material breach of this Contract and CalOptima's privacy and security rules.

16.5.2 CalOptima may take over the services, and may award another party a contract to complete the services under this Contract.

16.5.3 CalOptima may withhold from payment any sum that it determines to be owed to CalOptima by CONTRACTOR, or as necessary to protect CalOptima against loss due to outstanding liens or claims of former lien holders.

17. Modifications. CalOptima reserves the right to modify the Contract at any time should such modification be required by CMS or applicable law or regulation. Modifications 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 its performance.

18. 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 make available, upon written request of the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives, or the California Department of Health Care Services, or the California Department of Managed Health Care, or the Department of Justice, or the Bureau of Medical Fraud, 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. This provision shall also apply to any agreement between a subcontractor and an organization related to the 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 related to Medicare enrollees, 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 CONTRACTOR's subcontractors.

19. Confidential Material.

19.1 During the term of this Contract, 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" shall include without limitation the disclosing Party's computer programs and codes, business plans, customer/member lists and information, financial records, partnership arrangements and licensing plans 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. 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.

19.2 For the purposes of this Section 19, "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's Confidential Information or proprietary information; (iv) is received from a third party which 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.

- 19.3 Disclosure of the Confidential Information will be restricted to the receiving Party's employees, consultants, suppliers or agents on a "need to know" basis in connection with the services performed under this Contract, who are bound by confidentiality obligations no less stringent than these prior to any disclosure. The receiving Party may disclose Confidential Information pursuant to legal, judicial, or administrative proceeding or otherwise as required by law; providing that the receiving Party shall give reasonable prior notice, if not prohibited by applicable law, to the disclosing Party and shall assist 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 any other party.
- 19.4 Except as to the confidentiality of trade secrets, these confidentiality restrictions and obligations will terminate five (5) years after the expiration or termination of the Contract, unless the law requires a longer period. Upon written request of the disclosing Party, the receiving Party shall promptly return to the disclosing Party all documents, notes and other tangible materials representing the disclosing Party's Confidential Information or Proprietary 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.
- 19.5 For the purposes of this Section only, "Confidential Information" does not include protected health information or individually identifiable information, as defined by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and other privacy statutes or regulations. The access, use and disclosure of Protected Health Information is referenced below in Section 24, and shall be governed by a Business Associate Protected Health Information Disclosure Agreement, which shall be executed by the parties if CONTRACTOR will create, receive, maintain, use, or transmit Protected Health Information in performing services under this Contract.
20. Record Ownership and Retention.
- 20.1 The originals of all letters, documents, reports, software programs 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.
- 20.2 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, but not limited to, 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.



- 20.3 Notwithstanding the foregoing, CONTRACTOR's intellectual property ("CONTRACTOR IP") that preexists this Contract shall remain the sole and exclusive property of CONTRACTOR. CONTRACTOR shall not incorporate any CONTRACTOR IP into the Works that would limit CalOptima's use of the Works without CalOptima's written approval. To the extent that CONTRACTOR incorporates any CONTRACTOR IP into the Works, CONTRACTOR hereby grants to CalOptima a non-exclusive, irrevocable, perpetual, worldwide, royalty-free license to use and reproduce the CONTRACTOR IP to the extent required to fully utilize the Works.
- 20.4 CONTRACTOR acknowledges and agrees that, notwithstanding any provision herein to the contrary, CalOptima's Intellectual Property ("CalOptima IP") in the information, documents and other materials provided to CONTRACTOR shall remain the sole and exclusive property of CalOptima. Any information, documents or materials provided by CalOptima to CONTRACTOR pursuant to this Contract and all copies thereof (including without limitation CalOptima IP, Proprietary Information and Confidential Information, as these terms are defined in Section 19) shall upon the earlier of CalOptima's request or the expiration or termination of this Contract be returned to CalOptima.
- 20.5 For purposes of this Section, Intellectual Property shall mean patents, copyrights, trademarks, trade secrets, and other proprietary information.
21. Patent and Copyright Infringement. In lieu of any other warranty by CalOptima or CONTRACTOR against infringement, statutory or otherwise, it is agreed that CONTRACTOR shall indemnify, hold harmless and defend, at its expense, any suit against CalOptima based on a claim that any item furnished under this Contract, or the normal use or sale thereof, infringes on any United States letters patent, patent, trademark, copyright, or other intellectual property right, and shall pay costs and damages finally awarded in any such suit, provided that CONTRACTOR is notified in writing of the suit and given authority, information, and assistance at CONTRACTOR's expense for the defense of the suit. CONTRACTOR, at no expense to CalOptima, shall obtain for CalOptima the right to use and sell said item, or shall substitute an equivalent item acceptable to CalOptima and extend this patent indemnity thereto.
22. Names and Marks. Neither Party shall use the name, logo or other proprietary mark of the other in any press release, advertising, promotional, marketing or similar publicly disseminated material without first submitting such material to the other Party and obtaining the other Party's express written approval of the material and consent to such use.
23. Business Associate Protected Health Information Disclosure Agreement. This Contract does not require or permit CONTRACTOR to create, receive, maintain, use, or transmit Protected Health Information. As such, no Business Associate Agreement is required for this Contract.
24. Confidentiality of Member Information.
- 24.1 CONTRACTOR and its employees, agents, or 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 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 not emanating from the Member. CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Contract or authorized by the Member, any such identifying information to anyone other than DHCS or CalOptima without prior written authorization from CalOptima. 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.

- 24.2 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., 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 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 Member under this Contract that is obtained by CONTRACTOR or its Subcontractors, CONTRACTOR:
  - 24.2.1 Will not use any such information for any purpose other than carrying out the express terms of this Contract;
  - 24.2.2 Will promptly transmit to CalOptima all requests for disclosure of such information, except requests for Medical Records in accordance with applicable law;
  - 24.2.3 Will not disclose, except as otherwise specifically permitted by this Contract, any such information to any party other than DHCS or CalOptima without CalOptima's prior written authorization specifying that the information is releasable under Title 42 CFR Section 431.300 et seq., Section 14100.2, Welfare and Institutions Code, and regulations adopted there under; and
  - 24.2.4 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.
- 24.3 CONTRACTOR agrees to complete a CalOptima Medi-Cal Data Access Agreement, which is attached hereto as Exhibit D and incorporated herein by this reference. All materials covered under this Medi-Cal Data Access Agreement shall be designated confidential, to the extent permitted by California law.
25. Medicare Advantage Program. Medicare Advantage Program requirements are not applicable under this Contract.
26. Time is of the Essence. Time is of the essence in performance of this Contract.
27. CalOptima Designee. The Chief Executive Officer of CalOptima, or his designee, shall have the authority to act for and exercise any of the rights of CalOptima, as set forth in this Contract, subsequent to and in accordance with the authority granted by the Board of Directors.
28. Omissions. In the event that either party hereto discovers any material omission in the provisions of this Contract which such party believes is essential to the successful performance of this Contract, the party may so inform the other party in writing, and the parties hereto shall thereafter promptly negotiate in good faith with respect to such matters for the purpose of making such reasonable adjustments, as may be necessary to perform the objectives of this Contract.
29. Choice of Law. This Contract shall be governed by and construed in accordance with all laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Contract, venue and jurisdiction shall be in the County of Orange, California.

30. 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, but not limited to, any incidence of fire, flood, acts of God, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
31. Notices. All notices required or permitted under this Contract and all communications regarding the interpretation of the terms of this Contract, or changes thereto, 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 party whose address changes shall notify the other party in writing.

| To CONTRACTOR:             | To CalOptima:         |
|----------------------------|-----------------------|
| Miller Geer and Associates | CalOptima             |
| 3532 Katella Ave, UNIT 110 | 505 City Parkway West |
| Los Alamitos, CA 90720     | Orange, CA 92868      |
| Attention: James Chisum    | Attention: Ryan Prest |

32. 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. CONTRACTOR shall insert the substance of this entire clause in any subcontract hereunder as to which a labor dispute may delay this Contract.
33. Unavoidable Delays.
- 33.1 If the delivery of services under this Contract should be unavoidably delayed, CalOptima's Purchasing Department shall extend the time for completion of the Contract for the determined number of days of excusable delay. A delay is unavoidable only if the delay was not reasonably expected to occur in connection with, or during CONTRACTOR's performance, and was not caused directly or substantially by acts, omissions, negligence, or mistakes of CONTRACTOR, CONTRACTOR's subcontractors, or their agents, and was substantial and in fact caused CONTRACTOR to miss delivery dates, and could not adequately have been guarded against by contractual or legal means. Delays caused by CalOptima will be sufficient justification for delay of services, and CONTRACTOR shall be allowed a day-for-day extension.
- 33.2 CONTRACTOR shall notify CalOptima's Purchasing Department as soon as CONTRACTOR has, or should have, knowledge that an event has occurred that will delay deliveries. Within five (5) working days, CONTRACTOR shall confirm such notice in writing, furnishing as much detail as is available.
- 33.3 CONTRACTOR agrees to supply, as soon as such data is available, any reasonable proof that is required by CalOptima's Purchasing Department to make a decision on any request for extension. CalOptima's Purchasing Department shall examine the request and any documents supplied by CONTRACTOR and shall determine if CONTRACTOR is entitled to an extension and the duration of such extension. CalOptima's Purchasing Department shall notify CONTRACTOR of this decision in writing. It is expressly understood and agreed that CONTRACTOR shall not be

entitled to damages or compensation, and shall not be reimbursed for losses on account of delays resulting from any cause under this provision.

34. No Liability of County of Orange. As required under Ordinance No. 3896 of the County of Orange, State of California, as amended, the parties hereto acknowledge and 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 therefor.
35. Attorneys' Fees. Should either party to this Contract institute any action or proceeding to enforce or interpret this Contract or any provision hereof, or for damages by reason of any alleged breach of this Contract, otherwise arising under this Contract, or for a declaration of rights hereunder, the prevailing party in any such action or proceeding shall be entitled to receive from the other party all costs and expenses, including, without limitation, reasonable attorneys' fees incurred by the prevailing party in such action or proceeding.
36. Entire Agreement. This Contract, including all exhibits and documents incorporated by reference and all Contract Documents referenced in Section 1 herein, 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.
37. Headings. The section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.
38. Waiver. No delay or failure by either party hereto to exercise any right or power accruing upon noncompliance or default by the other party with respect to any of the terms of this Contract shall impair such right or power, or be construed to be a waiver thereof. A waiver by either of the parties hereto of a breach of any of the covenants, conditions or agreements to be performed by the other shall not be construed to be a waiver of any succeeding breach thereof, or of any other covenant, condition, or agreement herein contained. 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.
39. 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 "Public Records Act"). CONTRACTOR hereby acknowledges that any materials, documents, data, or similar items are subject to disclosure upon public request, unless they are exempt from disclosure under the provisions of the Public Records Act. CalOptima may be required to reveal certain information believed to be proprietary or confidential by CONTRACTOR pursuant to the Public Records Act. In the event that 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 Public Records Act that are not so marked. In the event CalOptima receives a request under the Public Records Act 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. 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, without limitation, attorneys' fees, and any costs awarded to the person or entity that sought the CONTRACTOR 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 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.

40. Audit Disclosure. Pursuant to California Government Code Section 8546.7, if this Contract is over ten thousand dollars (\$10,000), it is subject to examination and audit of the 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 or its attachments, CONTRACTOR agrees that, during the term of this Contract 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.
41. Debarment and Suspension Certification.
  - 41.1 By signing this Contract, the CONTRACTOR agrees to comply with any and all applicable Federal suspension and debarment regulations.
  - 41.2 By signing this Contract, the CONTRACTOR certifies to the best of its knowledge and belief, that it and its principals:
    - 41.2.1 Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
    - 41.2.2 Have not within a three-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 antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - 41.2.3 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 Paragraph 41.2.2 herein;
    - 41.2.4 Have not within a three-year period preceding this Contract had one or more public transactions (Federal, State or local) terminated for cause or default;
    - 41.2.5 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 CFR 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State; and
    - 41.2.6 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.
  - 41.3 If the CONTRACTOR is unable to certify to any of the statements in this certification, the CONTRACTOR shall submit an explanation to CalOptima.
  - 41.4 The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.



- 41.5 If the CONTRACTOR knowingly violates this certification, in addition to other remedies available to the Federal Government, CalOptima may terminate this Contract for cause or default.
42. Lobbying Restrictions and Disclosure Certification.
- 42.1 Applicable to federally funded contracts in excess of \$100,000 per Section 1352 of the 31, U.S.C.
- 42.2 Certification and Disclosure Requirements.
- 42.2.1 Each person (or recipient) who requests or receives a contract, subcontract, grant, or subgrant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in Exhibit E, Part 1, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph 42.3 of this provision. Exhibit E is attached hereto and incorporated herein by this reference.
- 42.2.2 Each recipient shall file a disclosure (in the form set forth in Exhibit E, Part 2, entitled "Certification Regarding Lobbying") if such recipient has made or has agreed to make any payment using nonappropriated 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 42.3 of this provision if paid for with appropriated funds.
- 42.2.3 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 42.2.2 herein. An event that materially affects the accuracy of the information reported includes:
- 42.2.3.1 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;
- 42.2.3.2 A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or
- 42.2.3.3 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.
- 42.2.3.4 Each person (or recipient) who requests or receives from a person referred to in Paragraph 42.2.1 of this provision a contract, subcontract, grant or subgrant 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.
- 42.2.3.5 All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph 42.2.1 of this provision. That person shall forward all disclosure forms to CalOptima Purchasing Manager.
- 42.3 Prohibition—Section 1352 of Title 31, U.S.C., 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.

43. Air and Water Pollution Requirements. Any federally funded agreement and/or subcontract in excess of \$100,000 must comply with the following provisions unless said agreement is exempt under 40 CFR § 15.5. 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.
44. Survival. The following provisions of this Contract shall survive termination or expiration of this Contract: Prohibited Interest, Warranties, Compensation, Confidentiality, Indemnification, Duty to Defend, Ownership of Records and Documents, Record Retention, Audit Disclosure, California Public Records Act, Patent and Copyright Infringement, Governing Law, and this Section.
45. Severability. If any section, subsection or provision of this Contract, or any Contract Documents incorporated into 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 not be affected thereby.
46. 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.
47. 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 to this Contract. Nothing in this Contract is intended to confer upon any Party other than the Parties hereto 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.
48. 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.
49. 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.

[Remainder of page left intentionally blank. Signatures on following page]



IN WITNESS WHEREOF, these Parties have, by their duly authorized representatives, executed this Contract No. 22-10159.

Miller Geer and Associates

By:

*Jay D. Geer*  
Print Name: JAY D. GEER

Title:

PRESIDENT

Date: 10/20/2021

By:

*James Chisum*  
Print Name: JAMES CHISUM

Title:

Vice President

Date: 10/20/21

CalOptima

DocuSigned by:

By:

*Richard Sanchez*

234AD421BDEC4D9...

Print Name: Richard Sanchez

Title: CEO, CalOptima

Date: 10/29/2021

By:

Print Name:

Title:

Date:

IF CONTRACTOR is a corporation, two officer signatures or a Corporation Resolution or Corporate Seal is required

## Exhibit A SCOPE OF WORK

### I. **OBJECTIVE**

CalOptima has determined that the potential gravity of negative coverage warrants the engagement of external crisis communication services. CalOptima shall engage CONTRACTOR's expertise to strengthen CalOptima's response to urgent and emerging issues that may garner negative media attention, and to mitigate any adverse impact to the CalOptima brand or reputation.

### II. **SCOPE OF WORK**

The CONTRACTOR shall bring specific background in the area of crisis response and provide the following services:

#### 1. **PRODUCTS/SERVICES**

CONTRACTOR shall utilize their extensive contacts within both the general media as well as the specialized health care industry media, and deep experience in managing those relationship to the benefit of CalOptima. The CONTRACTOR shall provide services and deliverables outline below upon CalOptima request, based on the timing of the urgent issue to be addressed. The products/services shall be delivered electronically to the Director, Communications.

#### 2. **SUPPLIER'S RESPONSIBILITIES**

The CONTRACTOR's responsibilities shall include but not be limited to"

- timely response to all parties, including CalOptima staff, Board members and consultants.
- be available for meetings and conference calls as needed.
- adhere to all mutually agreed upon deadlines for deliverables in 4. and provide revisions as requested.
- provide a monthly summary with each invoice that recounts key activities in the month and the impact of the work.

#### 3. **CALOPTIMA'S RESPONSIBILITIES**

- CalOptima shall set deadlines for deliverables and approve all materials developed as outlined in 4.
- CalOptima shall conduct all work with the vendor in a virtual environment, and the vendor shall deliver work product electronically.
- CalOptima shall provide access to executives as needed by the vendor to gather information or arrange media response.

#### 4. **DELIVERABLES**

- a. Given the nature of crisis communications, CalOptima requires the products/services to be delivered within 24 hours or sooner after the assignment is made. CalOptima includes the following deliverables within this scope of work:
  - a. Crisis Communications Plan (specific to each engagement/crisis): An outline of the issue, key messages, audiences to reach and tactics to use.
  - b. Company Statements: Official statements that will serve as a comment for the media.
  - c. Talking Points: Message points that can be used by leaders and key stakeholders, including affected providers.
  - d. Ongoing Support: Communications counsel as CalOptima works through crisis cycle, from initial announcement to resolution/closure.

#### 5. **PERFORMANCE GUARANTIES/MEASURES**

- a. Performance shall be measured based on adherence to deadlines and responsiveness to changing needs during the crisis period. Some measure of flexibility shall be required based on the nature of the crisis; therefore, performance shall be measured in terms of ability to adapt to situations and supply appropriate, beneficial response. Monitoring of performance shall be conducted by Executive Director, Public Affairs and Director, Communications. The penalty for lack of performance may result in Contract termination as outlined in the Contract.

## **Exhibit B**

### **PAYMENT**

- A. 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 and subject to the maximum cumulative payment obligations specified below.
- B. CONTRACTOR shall invoice CalOptima on a fixed monthly retainer basis. The rates, as defined below, are acknowledged to include CONTRACTOR's base labor rates, overhead and profit. Work completed shall be documented in a detailed 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.
- C. CONTRACTOR shall submit to CalOptima, to the attention of Accounts Payable, [accountspayable@caloptima.org](mailto: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. 22-10159; detailed 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.
- D. Notwithstanding any provisions of this Contract to the contrary, CalOptima and CONTRACTOR mutually agree that CalOptima's maximum cumulative payment obligation hereunder for work performed and/or products received on Exhibit A of this Contract shall not exceed Twelve Thousand Hundred Dollars (\$12,000.00) per month equaling One Hundred Thirty-Two Thousand Dollars (\$132,000.00), including all amounts payable to CONTRACTOR for its direct labor and expenses, overhead costs, fixed fee, subcontracts, leases, materials, and costs arising from or due to termination of this Contract. This rate is fixed for the duration of the Contract. CONTRACTOR agrees to extend this rate to CalOptima for a period of one year after Contract termination. CalOptima shall not pay CONTRACTOR for time spent traveling.
- E. Should the Contract terminate early and that termination land mid-month, the final month shall be prorated at 1/30<sup>th</sup> of the monthly retainer per day equaling Four Hundred Dollars (\$400) per day.
- F. Should CalOptima or CONTRACTOR feel that the level of support for the Services listed in Exhibit A has grown or reduced significantly, both parties agree to negotiate in good faith any price adjustment needed. For such price adjustment to be valid, an Amendment signed by both parties shall be executed prior to incurring any additional fees.

**Exhibit B-1**

Not applicable for this Contract

**Exhibit C**

Not applicable for this Contract

Exhibit D

MEDI-CAL DATA ACCESS AGREEMENT

As a condition of obtaining access to information concerning procedures or other data records utilized/maintained by the Department of Health Care Services and CalOptima, Miller Geer and Associates, including any and all individual employees and agents, agrees not to divulge any information obtained in the course of completion of this Contract to any unauthorized persons.

CONTRACTOR further agrees not to publish or otherwise make public any information regarding persons receiving Medi-Cal services such that the persons who receive such services are identifiable.

CONTRACTOR further recognizes that unauthorized release of confidential information may be subject to civil and criminal sanctions pursuant to the provisions of the Welfare and Institutions Code Section 14100.2.

CONTRACTOR further agrees that this Medi-Cal Data Access Agreement shall remain in full force and effect after the termination of this Contract.

By: G. D. Geer  
Print Name: GAY D. GEER  
Title: PRESIDENT

Date: 10/20/2021

Exhibit E  
Part 1

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.

|   |   |
|---|---|
| <u>M. Her Lopez &amp; Associates Inc.</u> | <u>Jay D. Geer</u>                            |
| Name of Contractor                        | Printed Name of Person Signing for Contractor |
| <u>22-10159</u>                           | <u>Jay D. Geer</u>                            |
| Contract/Grant Number                     | Signature of Person Signing for Contractor    |
| <u>10/20/2021</u>                         | <u>President</u>                              |
| Date                                      | 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

Rev. 07/2014

Contract No. 22-10159



**Exhibit E****Part 2****CERTIFICATION REGARDING LOBBYING**

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB  
0348-0046

(See reverse for public burden disclosure)

|  |  |   |   |  |  |
|--|--|---|---|--|--|
| <b>1. Type of Federal Action:</b><br><input type="checkbox"/> a. contract <input type="checkbox"/> b. grant<br><input type="checkbox"/> c. cooperative agreement<br><input type="checkbox"/> d. loan<br><input type="checkbox"/> e. loan guarantee<br><input type="checkbox"/> f. loan insurance   |  | <b>2. Status of Federal Action:</b><br><input type="checkbox"/> a. bid/offer/application<br><input type="checkbox"/> b. initial award<br><input type="checkbox"/> c. post-award |   | <b>3. Report Type:</b><br><input type="checkbox"/> a. initial filing<br><input type="checkbox"/> b. material change<br><br><b>For Material Change Only:</b><br>Year _____ quarter _____<br>date of last report _____ |  |
| <b>4. Name and Address of Reporting Entity:</b><br><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee<br>Tier _____, if known:<br><br>Congressional District, if known: _____  |  |   | <b>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</b><br><br>Congressional District, if known: _____   |  |  |
| <b>6. Federal Department/Agency:</b><br><br>_____  |  |   | <b>7. Federal Program Name/Description:</b><br><br>CDFA Number, if applicable: _____  |  |  |
| <b>8. Federal Action Number, if known:</b><br><br>_____  |  |   | <b>9. Award Amount, if known:</b><br>\$ _____   |  |  |
| <b>10. a. Name and Address of Lobbying Entity</b><br>(If individual, last name, first name, MI):<br><br>_____<br><br>(attach Continuation Sheet(s) SF-LLLA, if necessary)  |  |   | <b>b. Name and Address of Lobbying Entity</b><br>(If individual, last name, first name, MI):<br><br>_____<br><br>(attach Continuation Sheet(s) SF-LLLA, if necessary)   |  |  |
| <b>11. Amount of Payment (check all that apply):</b><br>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned  |  |   | <b>13. Type of Payment</b><br><input type="checkbox"/> a. retainer<br><input type="checkbox"/> b. one-time fee<br><input type="checkbox"/> c. commission<br><input type="checkbox"/> d. contingent fee<br><input type="checkbox"/> e. deferred<br><input type="checkbox"/> f. other, specify: _____ |  |  |
| <b>12. Form of Payment (check all that apply):</b><br><input type="checkbox"/> a. cash<br><input type="checkbox"/> b. in-kind, specify:    Nature _____<br>Value _____   |  |   |   |  |  |
| <b>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:</b><br><br>(Attach Continuation Sheet(s) SF-LLL-A, if necessary)   |  |   |   |  |  |
| <b>15. Continuation Sheet(s) SF-LLL-A Attached:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No   |  |   |   |  |  |
| <b>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.</b> |  |   | Signature: _____  |  |  |
|  |  |   | Print Name: _____   |  |  |
|  |  |   | Title: _____  |  |  |
|  |  |   | Telephone No.: _____ Date: _____  |  |  |
| <b>Federal Use Only</b> Authorized for Local Reproduction<br>Standard Form-LLL   |  |   |   |  |  |

**Exhibit E**  
**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 1<sup>st</sup> 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 (CDDA) 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**

Not applicable for this Contract

**Exhibit G**

Not applicable for this Contract

**Exhibit H**

Not applicable for this Contract

## Exhibit I

## Officer, Owner, Shareholder, and Creditor Information

Contractor's Business Name: MILLER GEAR & ASSOCIATES INC  
 Business Entity Type: CALIFORNIA CORPORATION  
 (Sole Proprietorship, Partnership, LLC, California Corporation, etc.)  
 Business Address: 3532 Katella Ave. Suite 110  
 City: LOS ALAMITOS State: Ca Zip: 90270  
 Business Phone: 562 493-6023 Email: JAYE Miller gear .com  
 President: JAY GEAR Contact Person: JAY GEAR  
 Person(s) Signing Contract & Title: JAY GEAR

\*Please provide names of owners, officers, stockholders, and creditors of Contractor's business if such interest is over 5%.

| Name            | Officer Title or Ownership/Creditorship % |
|-----------------|---|
| <u>JAY GEAR</u> | <u>PRESIDENT 100%</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.

Jay D. Gear  
 Authorized Signature  
JAY D. GEAR, President  
 Name and Title

10/20/2021  
 Date

**Exhibit J**

Not applicable for this Contract



**Exhibit K**

Not applicable for this Contract

**Exhibit L**

Not applicable for this Contract

AMENDMENT NO. 1 TO CONTRACT NO. 22-10159  
BY AND BETWEEN  
ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY, dba  
ORANGE PREVENTION & TREATMENT INTEGRATED MEDICAL ASSISTANCE, dba CALOPTIMA  
AND  
MILLER GEER AND ASSOCIATES  
(CONTRACTOR)

AMENDMENT NO. 1 to this CONTRACT is entered into as of the date last signed below, with respect to the following facts:

- A. CalOptima and CONTRACTOR (hereinafter collectively referred to as "the Parties") entered into Contract 22-10159 on 10/20/2021 for Crisis Communication Support Services.
- B. Pursuant to Section 17 of the Contract, the Contract may be amended only in writing and executed by both parties.
- C. The Parties now desire to modify the scope of work, payment terms, and extend the Contract.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1. Exhibit A, Scope of Work in the Contract is hereby deleted in its entirety and replaced with Attachment A to this Amendment No. 1.
- 2. Exhibit B, Payment, Section D is hereby deleted in its entirety and replaced with the following:
  - 2.1. Notwithstanding any provisions of this Contract to the contrary, CalOptima and CONTRACTOR mutually agree that CalOptima's maximum cumulative payment obligation hereunder for work performed and/or products received on Exhibit A of this Contract shall not exceed Fifteen Thousand Hundred Dollars (\$15,000.00) per month, including all amounts payable to CONTRACTOR for its direct labor and expenses, overhead costs, fixed fee, subcontracts, leases, materials, and costs arising from or due to termination of this Contract. This rate is fixed for the duration of the Contract. CONTRACTOR agrees to extend this rate to CalOptima for a period of one year after Contract termination. CalOptima shall not pay CONTRACTOR for time spent traveling.
  - 2.2. Not included in the monthly fee above, CONTRACTOR shall be able to, with prior written approval from CalOptima's Director, Communications or Executive Director, Public Affairs, pass-through fees for services needed to fulfill the Scope of Work, including but not limited to graphic design, video production, document translation and clipping services. These pass-through fees will be paid on an as-used basis and are capped at Five Thousand Dollars (\$5,000.00) per month.
  - 2.3. For February 2022, the new monthly rate listed above in Section 2.1 will be prorated as follows:
    - 2.3.1. February 1, 2022, through and including the date last signed below will be calculated at 1/28 x \$12,000, per day.
    - 2.3.2. The day after this Amendment No. 1 is signed through February 28, 2022, will be calculated at 1/28 x \$15,000, per day.
    - 2.3.3. Sections 3.1 and 3.2 will be added together to have the prorated funds for February 2022.
    - 2.3.4. All months after February will be billed at the rate above in Section 2.1.
- 3. Exhibit B, Payment, Section E is hereby deleted in its entirety and replaced with the following.
  - 3.1. Should the Contract terminate early and that termination land mid-month, the final month shall be prorated at 1/30th of the monthly retainer per day equaling Five Hundred Dollars (\$500) per day.
- 4. The Term of the Contract, as specified in Paragraph 15 of the Contract, is hereby extended two additional years through 6/30/2024, unless earlier terminated as provided in the Contract..
- 5. **No Other Changes.** This Amendment No 1 is by this reference made part of said Contract. Except as otherwise provided in this Amendment, all of the terms, conditions, and provisions of the Contract and prior amendments shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this

Amendment and any provisions of the Contract and prior amendments, if any, the provisions of this Amendment No. 1 shall in all respect govern and control. Unless otherwise specifically defined herein, terms used in this Amendment shall have the same meaning as ascribed to them in the Agreement. The execution and delivery of this Amendment shall have the same meaning as ascribed to them in the Contract. The execution and delivery of this Amendment shall not operate as a waiver of or, except as expressly set forth herein, an amendment of any right, power or remedy of either party in effect prior to the date hereof.

6. **Authority to Execute.** The persons executing this Amendment on behalf of the Parties warrant that they are duly authorized to execute this Amendment and that by executing this Amendment, the Parties are formally bound.
7. **Counterparts.** This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the Parties hereto may execute the Amendment by signing any such counterpart.

IN WITNESS THEREOF, these Parties have, by their duly authorized representatives, executed this Amendment No. 1 to Contract 22-10159 on the day and year last shown below.

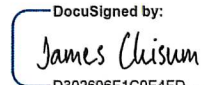
MILLER GEER AND ASSOCIATES

Signature:    
96ECACE15010401

Name: Jay Geer

Title: President

Date: 1/21/2022

Signature:    
D302696F1C9E4FD...

Name: James Chisum

Title: Vice President

Date: 1/21/2022

CALOPTIMA

Signature:    
D22E3B87032946F...

Name: Nancy Huang

Title: CFO, Caloptima

Date: 02/10/2022

Signature:    
EDDDCC19C894EB

Name: Michael Hunn

Title: Interim CEO

Date: 02/10/2022

## SCOPE OF WORK

### I. OBJECTIVE

Based on internal and external factors, CalOptima's programs are experiencing significant change and growth, and strategic communications needs are shifting in response to this transition as well. CONTRACTOR shall provide expertise in communications, media relations and related areas to strengthen CalOptima's response to urgent and/or emerging issues, position the agency for greater brand recognition and build the agency's reputation for health care leadership locally and nationwide.

### II. SCOPE OF WORK

The CONTRACTOR shall apply specific expertise in strategic communications, media relations, messaging and engagement to provide the following services:

#### 1. PRODUCTS/SERVICES

CONTRACTOR shall utilize their health care industry knowledge and extensive contacts within both the general media as well as the specialized health care industry media for the benefit of CalOptima's brand and reputation. The CONTRACTOR shall provide services and deliverables outline below upon CalOptima request. The products/services shall be delivered electronically to the Director, Communications.

#### 2. SUPPLIER'S RESPONSIBILITIES

The CONTRACTOR's responsibilities shall include but not be limited to

- timely response to all parties, including CalOptima staff, Board members and consultants.
- be available for meetings and conference calls as needed.
- adhere to all mutually agreed upon deadlines for deliverables in 4. and provide revisions as requested.
- provide a monthly summary with each invoice that recounts key activities in the month and the impact of the work.

#### 3. CALOPTIMA'S RESPONSIBILITIES

- CalOptima shall set deadlines for deliverables and approve all materials developed as outlined in 4.
- CalOptima shall conduct all work with the CONTRACTOR in a virtual environment, and the CONTRACTOR shall deliver work product electronically.
- CalOptima shall provide access to executives as needed by the CONTRACTOR to gather information or arrange media response.

#### 4. DELIVERABLES

- a. Strategic Communications: CONTRACTOR to provide counsel, communications plans and message development upon identification of key issues, including but not limited to new programs or transitions; member, provider and community awareness; stakeholder outreach and engagement; and crisis communications and response.
- b. Media Relations: CONTRACTOR to conduct proactive outreach and engagement with local, state and national media to cultivate awareness of CalOptima and strengthen positioning as a health care leader.
- c. Communications Research: CONTRACTOR to provide research and/or survey services when a need for external stakeholder and community data is identified to drive communications success.
- d. Communications Support: CONTRACTOR to supply supplemental communications support upon request with services such as video production, graphic design, website content, social media content, language translations and related services.

#### 5. PERFORMANCE GUARANTIES/MEASURES

- a. Performance shall be measured based on adherence to deadlines and responsiveness to changing needs. Some measure of flexibility shall be required based on the nature of the communications environment; therefore, performance shall be measured in terms of ability to adapt to situations and supply appropriate, beneficial response. Monitoring of performance shall be conducted by Executive Director, Public Affairs and Director, Communications. The penalty for lack of performance may result in Contract termination as outlined in the Contract.

***This Item was Deleted from the Agenda***

AMENDMENT NO. 2 TO CONTRACT 22-10159  
BY AND BETWEEN  
ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY, dba  
ORANGE PREVENTION & TREATMENT INTEGRATED MEDICAL ASSISTANCE, dba  
CALOPTIMA HEALTH  
(CalOptima)  
AND  
MILLER GEER AND ASSOCIATES  
(CONTRACTOR)

AMENDMENT NO. 2 TO THIS CONTRACT is entered into as October 01, 2024, with respect to the following facts:

- A. CalOptima and CONTRACTOR (hereinafter collectively referred to as “the Parties”) entered into Contract 22-10159 on October 20, 2021 to provide Crisis Communication Support Services as described in the Scope of Work. The Parties entered into Amendment No. 1 on February 10, 2022.
- B. Pursuant to Section 17 the Contract may be amended only in writing executed by the Parties.
- C. The Parties now desire to amend the contract by extending the contract term, modifying the scope of work, and modifying the payment exhibit.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1. All capitalized terms used herein shall have the same meanings given them in the Contract, unless the context specifically provides otherwise herein.
- 2. The Term of the Contract, as specified in Paragraph 15 of the Contract is extended and will continue in full force and effect from October 01, 2024, through June 30, 2025, unless earlier terminated as provided in the Contract.
- 3. The Scope of Work added as Attachment No. 1 to Amendment No. 1 to this Contract is hereby deleted in its entirety and replaced with Attachment A to this Amendment No. 2.
- 4. Exhibit B, Payment, Section D of the Contract is hereby deleted in its entirety and replaced with the following:
  - 4.1. Notwithstanding any provisions of this Contract to the contrary, CalOptima and CONTRACTOR mutually agree that CalOptima's maximum cumulative payment obligation hereunder for work performed and/or products received on Exhibit A of this Contract shall not exceed Twenty Thousand Hundred Dollars (\$20,000.00) per month, including all amounts payable to CONTRACTOR for its direct labor and expenses, overhead costs, fixed fee, subcontracts, leases, materials, and costs arising from or due to termination of this Contract. This rate is fixed for the duration of the Contract. CONTRACTOR agrees to extend this rate to CalOptima for a period of one year after Contract termination. CalOptima shall not pay CONTRACTOR for time spent traveling.
  - 4.2. Not included in the monthly fee above, CONTRACTOR shall be able to, with prior written approval from CalOptima's Director, Communications or Executive Director, Public Affairs, pass-through fees for services needed to fulfill the Scope of Work, including but not limited to graphic design, video production, document translation and clipping services. These pass-through fees will be paid on an as-used basis and are capped at Five Thousand Dollars (\$5,000.00) per month.
- 5. **No Other Changes.** This Amendment No. 2 is by this reference made part of said Contract. Except as otherwise provided in this Amendment, all of the terms, conditions, and provisions of the Contract and prior amendments shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Contract and prior amendments, if any, the provisions

Contract No 22-10159  
Amendment No. 2

of this Amendment No. 2 shall in all respect govern and control. Unless otherwise specifically defined herein, terms used in this Amendment shall have the same meaning as ascribed to them in the Contract. The execution and delivery of this Amendment shall have the same meaning as ascribed to them in the Contract. The execution and delivery of this Amendment shall not operate as a waiver of or, except as expressly set forth herein, an amendment of any right, power or remedy of either party in effect prior to the date hereof.

6. **Authority to Execute.** The persons executing this Amendment on behalf of the Parties warrant that they are duly authorized to execute this Amendment and that by executing this Amendment, the Parties are formally bound.
7. **Counterparts.** This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the Parties hereto may execute the Amendment by signing any such counterpart.

IN WITNESS THEREOF, these Parties have, by their duly authorized representatives, executed this Amendment No. 2 on the day and year last shown below.

MILLER GEER AND ASSOCIATES

CALOPTIMA HEALTH

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Contract No 22-10159  
Amendment No. 2



## SCOPE OF WORK

### I. **OBJECTIVE**

CalOptima Health has determined that the increased brand recognition and reputation enhancement achieved through positive media coverage warrants the engagement of an external media relations consultant. CalOptima Health shall engage CONTRACTOR's expertise to actively pursue positive media coverage to raise awareness of CalOptima Health's programs, services and community impact as an opportunity to build recognition of the organization's leadership.

### II. **SCOPE OF WORK**

The CONTRACTOR shall bring a specific background in the area of media relations and provide the following services:

#### 1. **PRODUCTS/SERVICES**

CONTRACTOR shall utilize their extensive contacts within both the general media as well as the specialized health care industry media, and deep experience in managing those relationships to the benefit of CalOptima Health. The CONTRACTOR shall provide the services and deliverables outlined below upon CalOptima Health's request, based on the timing of the positive news announcement to be addressed. The products/services shall be delivered electronically to the Director, Communications.

#### 2. **SUPPLIER'S RESPONSIBILITIES**

The CONTRACTOR's responsibilities shall include but are not limited to:

- Timely response to all parties, including CalOptima Health staff, Board members and consultants.
- Availability for meetings and conference calls as needed.
- Adherence to all mutually agreed upon deadlines for deliverables in 4. and revisions as requested.
- Provision of a monthly summary with each invoice that recounts key activities in the month and the impact of the work.

#### 3. **CALOPTIMA HEALTH'S RESPONSIBILITIES**

- Set deadlines for deliverables and approve all materials developed as outlined in 4.
- Conduct work with the vendor in a primarily virtual environment, and the vendor shall deliver the work product electronically.
- Provide access to executives as needed by the vendor to gather information or arrange media response.

#### 4. **DELIVERABLES**

- CalOptima Health requires the media relations products/services to be planned in advance and discussed during weekly meetings. CalOptima Health includes the following deliverables within this scope of work:
  - a. Press Releases: Written materials for distribution to the media and outreach to reporters to schedule interviews, answer questions and otherwise secure coverage as a result of the release.
  - b. Press Conferences: Strategic guidance on CalOptima Health's formal media events, written Media Advisories to invite the press, story pitching and follow-up, and in-person attendance.
  - c. Media Training: One-on-one coaching for leaders and executives who are identified to speak on behalf of CalOptima Health.
  - d. Media Relations Coaching for Partners: Preparation of CalOptima Health partners (i.e., grantees, community-based organizations, providers, members and others) relevant to sharing positive news stories.

- e. Assistance with writing opinion pieces, letters to the editor, and similar editorial content for general and trade media and publications.
- f. Press clippings and compilations of media coverage of CalOptima Health's programs and services and the organization in general.

**5. PERFORMANCE GUARANTIES/MEASURES**

Performance shall be measured based on adherence to deadlines and responsiveness to changing needs related to the positive media opportunity. Some measure of flexibility shall be required based on the nature of the event and volume of news; therefore, performance shall be measured in terms of ability to adapt to situations and supply appropriate, beneficial response and media engagement. Monitoring of performance shall be conducted by Executive Director, Marketing & Communications and Director, Communications. The penalty for lack of performance may result in Contract termination as outlined in the Contract.



# CalOptima Health

## Financial Summary

August 31, 2024

Board of Directors Meeting  
October 3, 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: August 2024

| August 2024  |              |              |            |                                   | July - August 2024 |              |              |            |
|--------------|--------------|--------------|------------|-----------------------------------|--------------------|--------------|--------------|------------|
| Actual       | Budget       | \$ Variance  | % Variance |                                   | Actual             | Budget       | \$ Variance  | % Variance |
| 915,950      | 902,178      | 13,772       | 1.5%       | Member Months                     | 1,826,878          | 1,808,900    | 17,978       | 1.0%       |
| 365,889,972  | 356,012,069  | 9,877,903    | 2.8%       | Revenues                          | 730,385,548        | 713,523,687  | 16,861,861   | 2.4%       |
| 368,111,830  | 355,421,260  | (12,690,570) | (3.6%)     | Medical Expenses                  | 737,054,238        | 712,050,583  | (25,003,655) | (3.5%)     |
| 19,098,354   | 23,754,190   | 4,655,836    | 19.6%      | Administrative Expenses           | 38,020,838         | 48,328,906   | 10,308,068   | 21.3%      |
| (21,320,212) | (23,163,381) | 1,843,169    | 8.0%       | Operating Margin                  | (44,689,528)       | (46,855,802) | 2,166,274    | 4.6%       |
|              |              |              |            | Non-Operating Income (Loss)       |                    |              |              |            |
| 22,498,272   | 6,666,660    | 15,831,612   | 237.5%     | Net Investment Income/Expense     | 50,242,037         | 13,333,320   | 36,908,717   | 276.8%     |
| 68,428       | (117,280)    | 185,708      | 158.3%     | Net Rental Income/Expense         | 35,889             | (234,560)    | 270,449      | 115.3%     |
| 1,830        | -            | 1,830        | 100.0%     | Net MCO Tax                       | 4,139              | -            | 4,139        | 100.0%     |
| (525,235)    | (2,068,408)  | 1,543,173    | 74.6%      | Grant Expense                     | (2,479,159)        | (2,266,741)  | (212,418)    | (9.4%)     |
| 55,222       | -            | 55,222       | 100.0%     | Other Income/Expense              | 55,222             | -            | 55,222       | 100.0%     |
| 22,098,517   | 4,480,972    | 17,617,545   | 393.2%     | Total Non-Operating Income (Loss) | 47,858,129         | 10,832,019   | 37,026,110   | 341.8%     |
| 778,305      | (18,682,409) | 19,460,714   | 104.2%     | Change in Net Assets              | 3,168,601          | (36,023,783) | 39,192,384   | 108.8%     |
| 100.6%       | 99.8%        | 0.8%         |            | Medical Loss Ratio                | 100.9%             | 99.8%        | 1.1%         |            |
| 5.2%         | 6.7%         | 1.5%         |            | Administrative Loss Ratio         | 5.2%               | 6.8%         | 1.6%         |            |
| (5.8%)       | (6.5%)       | 0.7%         |            | Operating Margin Ratio            | (6.1%)             | (6.6%)       | 0.4%         |            |
| 100.0%       | 100.0%       |              |            | Total Operating                   | 100.0%             | 100.0%       |              |            |
| 95.8%        | 94.9%        | 0.9%         |            | *Adjusted MLR                     | 96.1%              | 94.9%        | 1.2%         |            |
| 5.2%         | 6.7%         | 1.5%         |            | *Adjusted ALR                     | 5.2%               | 6.8%         | 1.6%         |            |

\*Adjusted MLR excludes estimated provider rate increases funded by reserves

# Financial Highlights Notes: August 2024

- Notable events/items in August 2024
  - \$3 million in payments to Housing and Homelessness Incentive Program Priority Area 4: Innovation and Implementation of Strategic Interventions
  - \$500 thousand for grants to the National Alliance on Mental Illness Orange County Peer Support Program

# FY 2024-25: Management Summary

- Change in Net Assets Surplus or (Deficit)
  - Month To Date (MTD) August 2024: \$0.8 million, favorable to budget \$19.5 million or 104.2% driven primarily by favorable net investment income and higher-than-expected utilization
  - Year To Date (YTD) July - August 2024: \$3.2 million, favorable to budget \$39.2 million or 108.8% driven primarily by net investment income offset by increased utilization

# FY 2024-25: Management Summary (cont.)

## ○ Enrollment

- MTD: 915,950 members, favorable to budget 13,772 or 1.5%
- YTD: 1,826,878 member months, favorable to budget 17,978 or 1.0%

## ○ Revenue

- MTD: \$365.9 million, favorable to budget \$9.9 million or 2.8% driven by Medi-Cal (MC) Line of Business (LOB) due favorable enrollment mix
- YTD: \$730.4 million, favorable to budget \$16.9 million or 2.4% driven by MC LOB due to enrollment mix and Prior Year(PY) revenue



# FY 2024-25: Management Summary (cont.)

## ○ Medical Expenses

- MTD: \$368.1 million, unfavorable to budget \$12.7 million or 3.6% driven by MC LOB
  - Primarily due to increased utilization of Facilities claims
- YTD: \$737.1 million, unfavorable to budget \$25.0 million or 3.5% driven by MC LOB:
  - Primarily due to higher-than-expected utilization in Facilities and Professional claims

# FY 2024-25: Management Summary (cont.)

- Administrative Expenses

- MTD: \$19.1 million, favorable to budget \$4.7 million or 19.6%
- YTD: \$38.0 million, favorable to budget \$10.3 million or 21.3%

- Non-Operating Income (Loss)

- MTD: \$22.1 million, favorable to budget \$17.6 million or 393.2% due primarily to net investment income
- YTD: \$47.9 million, favorable to budget \$37.0 million or 341.8% due primarily to net investment income

# FY 2024-25: Key Financial Ratios

- Medical Loss Ratio (MLR)
  - MTD: Actual 100.6% (95.8% excluding provider rate increases funded by reserves), Budget 99.8% (94.9% excluding provider rate increases funded by reserves)
  - YTD: Actual 100.9% (96.1% excluding provider rate increases funded by reserves), Budget 99.8% (94.9% excluding provider rate increases funded by reserves)
  
- Administrative Loss Ratio (ALR)
  - MTD: Actual 5.2%, Budget 6.7%
  - YTD: Actual 5.2%, Budget 6.8%

# FY 2024-25: Key Financial Ratios (cont.)

## ○ Balance Sheet Ratios

- Current ratio\*: 1.7
- Board Designated Reserve level: 2.89
- Statutory Designated Reserve level: 1.03
- Net-position: \$2.4 billion, including required Tangible Net Equity (TNE) of \$131.1 million

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

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# Enrollment Summary:

## August 2024

| August 2024    |                |               |                | Enrollment (by Aid Category)  | July - August 2024 |                  |               |                |
|----------------|----------------|---------------|----------------|-------------------------------|--------------------|------------------|---------------|----------------|
| Actual         | Budget         | \$ Variance   | % Variance     |                               | Actual             | Budget           | \$ Variance   | % Variance     |
| 143,460        | 136,192        | 7,268         | 5.3%           | SPD                           | 288,715            | 272,003          | 16,712        | 6.1%           |
| 271,043        | 273,028        | (1,985)       | (0.7%)         | TANF Child                    | 543,025            | 547,211          | (4,186)       | (0.8%)         |
| 132,265        | 137,939        | (5,674)       | (4.1%)         | TANF Adult                    | 260,131            | 276,366          | (16,235)      | (5.9%)         |
| 2,457          | 2,612          | (155)         | (5.9%)         | LTC                           | 4,915              | 5,240            | (325)         | (6.2%)         |
| 338,476        | 324,967        | 13,509        | 4.2%           | MCE                           | 674,301            | 653,209          | 21,092        | 3.2%           |
| 10,434         | 9,578          | 856           | 8.9%           | WCM                           | 20,159             | 19,185           | 974           | 5.1%           |
| <b>898,135</b> | <b>884,316</b> | <b>13,819</b> | <b>1.6%</b>    | <b>Medi-Cal Total</b>         | <b>1,791,246</b>   | <b>1,773,214</b> | <b>18,032</b> | <b>1.0%</b>    |
| <b>17,307</b>  | <b>17,392</b>  | <b>(85)</b>   | <b>(0.5%)</b>  | <b>OneCare</b>                | <b>34,618</b>      | <b>34,748</b>    | <b>(130)</b>  | <b>(0.4%)</b>  |
| <b>508</b>     | <b>470</b>     | <b>38</b>     | <b>8.1%</b>    | <b>PACE</b>                   | <b>1,014</b>       | <b>938</b>       | <b>76</b>     | <b>8.1%</b>    |
| <b>480</b>     | <b>568</b>     | <b>(88)</b>   | <b>(15.5%)</b> | <b>MSSP</b>                   | <b>953</b>         | <b>1,136</b>     | <b>(183)</b>  | <b>(16.1%)</b> |
| <b>915,950</b> | <b>902,178</b> | <b>13,772</b> | <b>1.5%</b>    | <b>CalOptima Health Total</b> | <b>1,826,878</b>   | <b>1,808,900</b> | <b>17,978</b> | <b>1.0%</b>    |

\*CalOptima Health Total does not include MSSP

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# Consolidated Revenue & Expenses: August 2024 MTD

|                                      | Medi-Cal               | OneCare            | PACE              | MSSP               | Consolidated        |
|--------------------------------------|------------------------|--------------------|-------------------|--------------------|---------------------|
| <b>MEMBER MONTHS</b>                 | 898,135                | 17,307             | 508               | 480                | 915,950             |
| <b>REVENUES</b>                      |                        |                    |                   |                    |                     |
| Capitation Revenue                   | \$ 324,832,488         | \$ 36,414,986      | \$ 4,426,073      | \$ 216,425         | \$ 365,889,972      |
| <b>Total Operating Revenue</b>       | <b>324,832,488</b>     | <b>36,414,986</b>  | <b>4,426,073</b>  | <b>216,425</b>     | <b>365,889,972</b>  |
| <b>MEDICAL EXPENSES</b>              |                        |                    |                   |                    |                     |
| Provider Capitation                  | 106,808,304            | 15,144,474         |                   |                    | 121,952,778         |
| Claims                               | 151,122,148            | 6,267,996          | 1,737,540         |                    | 159,127,684         |
| MLTSS                                | 49,537,119             |                    | (521)             | 33,251             | 49,569,849          |
| Prescription Drugs                   |                        | 10,991,762         | 660,038           |                    | 11,651,800          |
| Case Mgmt & Other Medical            | 22,995,720             | 1,424,819          | 1,218,048         | 171,132            | 25,809,719          |
| <b>Total Medical Expenses</b>        | <b>330,463,292</b>     | <b>33,829,051</b>  | <b>3,615,104</b>  | <b>204,383</b>     | <b>368,111,830</b>  |
| <i>Medical Loss Ratio</i>            | 101.7%                 | 92.9%              | 81.7%             | 94.4%              | 100.6%              |
| <b>GROSS MARGIN</b>                  | <b>(5,630,803)</b>     | <b>2,585,935</b>   | <b>810,969</b>    | <b>12,041</b>      | <b>(2,221,858)</b>  |
| <b>ADMINISTRATIVE EXPENSES</b>       |                        |                    |                   |                    |                     |
| Salaries & Benefits                  | 11,125,998             | 1,097,000          | 158,458           | 86,168             | 12,467,625          |
| Non-Salary Operating Expenses        | 2,743,220              | 227,063            | 42,338            | 1,417              | 3,014,037           |
| Depreciation & Amortization          | 724,049                |                    | 939               |                    | 724,988             |
| Other Operating Expenses             | 2,336,966              | 12,989             | 4,203             | 7,804              | 2,361,962           |
| Indirect Cost Allocation, Occupancy  | (512,451)              | 1,020,480          | 14,383            | 7,330              | 529,742             |
| <b>Total Administrative Expenses</b> | <b>16,417,781</b>      | <b>2,357,533</b>   | <b>220,321</b>    | <b>102,719</b>     | <b>19,098,354</b>   |
| <i>Administrative Loss Ratio</i>     | 5.1%                   | 6.5%               | 5.0%              | 47.5%              | 5.2%                |
| <b>Operating Income/(Loss)</b>       | <b>(22,048,585)</b>    | <b>228,403</b>     | <b>590,648</b>    | <b>(90,678)</b>    | <b>(21,320,212)</b> |
| Investments and Other Non-Operating  | 57,052                 |                    |                   |                    | 22,098,517          |
| <b>CHANGE IN NET ASSETS</b>          | <b>\$ (21,991,532)</b> | <b>\$ 228,403</b>  | <b>\$ 590,648</b> | <b>\$ (90,678)</b> | <b>\$ 778,305</b>   |
| <b>BUDGETED CHANGE IN NET ASSETS</b> | <b>(21,735,532)</b>    | <b>(1,182,421)</b> | <b>(132,987)</b>  | <b>(112,441)</b>   | <b>(18,682,409)</b> |
| Variance to Budget - Fav/(Unfav)     | \$ (256,000)           | \$ 1,410,824       | \$ 723,635        | \$ 21,763          | \$ 19,460,714       |

# Consolidated Revenue & Expenses: August 2024 YTD

|                                      | Medi-Cal               | OneCare             | PACE                | MSSP                | Consolidated        |
|--------------------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>MEMBER MONTHS</b>                 | 1,791,246              | 34,618              | 1,014               | 953                 | 1,826,878           |
| <b>REVENUES</b>                      |                        |                     |                     |                     |                     |
| Capitation Revenue                   | \$ 651,478,493         | \$ 69,730,955       | \$ 8,746,814        | \$ 429,287          | \$ 730,385,548      |
| <b>Total Operating Revenue</b>       | <b>651,478,493</b>     | <b>69,730,955</b>   | <b>8,746,814</b>    | <b>429,287</b>      | <b>730,385,548</b>  |
| <b>MEDICAL EXPENSES</b>              |                        |                     |                     |                     |                     |
| Provider Capitation                  | 219,782,916            | 30,144,346          |                     |                     | 249,927,262         |
| Claims                               | 300,184,907            | 11,854,517          | 2,852,159           |                     | 314,891,582         |
| MLTSS                                | 100,887,714            |                     | 14,987              | 64,141              | 100,966,842         |
| Prescription Drugs                   |                        | 19,280,975          | 1,294,043           |                     | 20,575,017          |
| Case Mgmt & Other Medical            | 45,477,725             | 2,394,461           | 2,468,119           | 353,229             | 50,693,534          |
| <b>Total Medical Expenses</b>        | <b>666,333,262</b>     | <b>63,674,299</b>   | <b>6,629,307</b>    | <b>417,370</b>      | <b>737,054,238</b>  |
| <i>Medical Loss Ratio</i>            | <i>102.3%</i>          | <i>91.3%</i>        | <i>75.8%</i>        | <i>97.2%</i>        | <i>100.9%</i>       |
| <b>GROSS MARGIN</b>                  | <b>(14,854,770)</b>    | <b>6,056,656</b>    | <b>2,117,506</b>    | <b>11,917</b>       | <b>(6,668,690)</b>  |
| <b>ADMINISTRATIVE EXPENSES</b>       |                        |                     |                     |                     |                     |
| Salaries & Benefits                  | 22,697,374             | 2,233,812           | 321,613             | 179,976             | 25,432,775          |
| Non-Salary Operating Expenses        | 5,161,635              | 457,042             | 109,347             | 2,833               | 5,730,858           |
| Depreciation & Amortization          | 1,434,282              |                     | 1,878               |                     | 1,436,160           |
| Other Operating Expenses             | 4,470,783              | 20,550              | 12,601              | 13,841              | 4,517,776           |
| Indirect Cost Allocation, Occupancy  | (1,181,118)            | 2,040,960           | 28,767              | 14,660              | 903,269             |
| <b>Total Administrative Expenses</b> | <b>32,582,956</b>      | <b>4,752,365</b>    | <b>474,206</b>      | <b>211,310</b>      | <b>38,020,838</b>   |
| <i>Administrative Loss Ratio</i>     | <i>5.0%</i>            | <i>6.8%</i>         | <i>5.4%</i>         | <i>49.2%</i>        | <i>5.2%</i>         |
| <b>Operating Income/(Loss)</b>       | <b>(47,437,726)</b>    | <b>1,304,291</b>    | <b>1,643,300</b>    | <b>(199,394)</b>    | <b>(44,689,528)</b> |
| Investments and Other Non-Operating  | 59,361                 |                     |                     |                     | 47,858,129          |
| <b>CHANGE IN NET ASSETS</b>          | <b>\$ (47,378,365)</b> | <b>\$ 1,304,291</b> | <b>\$ 1,643,300</b> | <b>\$ (199,394)</b> | <b>\$ 3,168,601</b> |
| <b>BUDGETED CHANGE IN NET ASSETS</b> | <b>(43,952,557)</b>    | <b>(2,358,554)</b>  | <b>(315,453)</b>    | <b>(229,238)</b>    | <b>(36,023,783)</b> |
| Variance to Budget - Fav/(Unfav)     | \$ (3,425,808)         | \$ 3,662,845        | \$ 1,958,753        | \$ 29,844           | \$ 39,192,384       |



# Balance Sheet: As of August 2024

## ASSETS

|   |                      |
|---|----------------------|
| <b>Current Assets</b>                       |                      |
| Operating Cash                              | \$622,026,017        |
| Short-term Investments                      | 1,718,793,400        |
| Receivables & Other Current Assets          | 536,049,305          |
| <b>Total Current Assets</b>                 | <b>2,876,868,723</b> |
| <b>Capital Assets</b>                       |                      |
| Capital Assets                              | 188,538,792          |
| Less Accumulated Depreciation               | (84,399,013)         |
| <b>Capital Assets, Net of Depreciation</b>  | <b>104,139,779</b>   |
| <b>Other Assets</b>                         |                      |
| Restricted Deposits                         | 300,000              |
| Board Designated Reserves                   | 1,027,460,092        |
| Statutory Designated Reserves               | 135,204,247          |
| <b>Total Other Assets</b>                   | <b>1,162,964,339</b> |
| <b>TOTAL ASSETS</b>                         | <b>4,143,972,841</b> |
| <b>Deferred Outflows</b>                    | <b>75,899,007</b>    |
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b> | <b>4,219,871,848</b> |

## LIABILITIES & NET POSITION

|   |                      |
|---|----------------------|
| <b>Current Liabilities</b>                                    |                      |
| Accounts Payable  | \$135,669,296        |
| Medical Claims Liability                                      | 1,196,951,719        |
| Capitation and Withholds                                      | 164,897,896          |
| Other Current Liabilities                                     | 180,398,932          |
| <b>Total Current Liabilities</b>                              | <b>1,677,917,843</b> |
| <b>Other Liabilities</b>                                      |                      |
| GASB 96 Subscription Liabilities                              | 21,616,375           |
| Postemployment Health Care Plan                               | 17,459,050           |
| Net Pension Liabilities                                       | 45,981,359           |
| <b>Total Other Liabilities</b>                                | <b>85,056,784</b>    |
| <b>TOTAL LIABILITIES</b>                                      | <b>1,762,974,627</b> |
| <b>Deferred Inflows</b>                                       | <b>8,646,445</b>     |
| <b>Net Position</b>   |                      |
| Required TNE  | 131,121,016          |
| Funds in Excess of TNE  | 2,317,129,759        |
| <b>TOTAL NET POSITION</b>                                     | <b>2,448,250,775</b> |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b> | <b>4,219,871,848</b> |

# Board Designated Reserve and TNE Analysis: As of August 2024

| Investment Account Name  | Market Value  | Benchmark   |               | Variance    |              |
|--|---------------|-------------|---------------|-------------|--------------|
|  |               | Low         | High          | Mkt - Low   | Mkt - High   |
| Payden & Rygel Tier One  | 513,841,535   |             |               |             |              |
| MetLife Tier One   | 513,618,557   |             |               |             |              |
| Board Designated Reserves  | 1,027,460,092 | 890,315,208 | 1,068,378,250 | 137,144,884 | (40,918,158) |
| <i>Current Reserve Level ( X months of average monthly revenue) <sup>1</sup></i> |               |             |               |             |              |
|  | 2.89          | 2.50        | 3.00          |             |              |

## Statutory Designated Reserves

| Investment Account Name                                 | Market Value | Benchmark   |             | Variance  |             |
|---|--------------|-------------|-------------|-----------|-------------|
|   |              | Low         | High        | Mkt - Low | Mkt - High  |
| Payden & Rygel Tier Two                                 | 67,757,933   |             |             |           |             |
| MetLife Tier Two  | 67,446,314   |             |             |           |             |
| Statutory Designated Reserves                           | 135,204,247  | 131,121,016 | 144,233,118 | 4,083,231 | (9,028,871) |
| <i>Current Reserve Level ( X min. TNE) <sup>1</sup></i> |              |             |             |           |             |
|   | 1.03         | 1.00        | 1.10        |           |             |

<sup>1</sup> See CalOptima Health policy GA.3001 Statutory and Board-Designated Reserve Funds for more information

# Spending Plan: As of August 2024

| Category                                       | Item Description   | Amount (millions) | Approved Initiative | Expense to Date | %             |
|--|--|-------------------|---------------------|-----------------|---------------|
| <b>Total Net Position @ 8/31/2024</b>          |  | <b>\$2,448.3</b>  |                     |                 | <b>100.0%</b> |
| <b>Resources Assigned</b>                      | Board Designated Reserve <sup>1</sup>  | <b>\$1,027.5</b>  |                     |                 | <b>42.0%</b>  |
|  | Statutory Designated Reserve <sup>1</sup>                                    | <b>\$135.2</b>    |                     |                 | <b>5.5%</b>   |
|  | Capital Assets, net of Depreciation <sup>2</sup>                             | <b>\$104.1</b>    |                     |                 | <b>4.3%</b>   |
| <b>Resources Allocated<sup>3</sup></b>         | Homeless Health Initiative <sup>4</sup>                                      | \$16.7            | \$61.7              | 45.0            | 0.7%          |
|  | Housing and Homelessness Incentive Program <sup>4</sup>                      | 22.5              | 87.4                | 64.9            | 0.9%          |
|  | Intergovernmental Transfers (IGT)  | 59.1              | 111.7               | 52.6            | 2.4%          |
|  | Digital Transformation and Workplace Modernization <sup>5</sup>              | 55.5              | 100.0               | 44.5            | 2.3%          |
|  | CalFresh Outreach Strategy   | 0.1               | 2.0                 | 1.9             | 0.0%          |
|  | CalFresh and Redetermination Outreach Strategy                               | 2.0               | 6.0                 | 4.0             | 0.1%          |
|  | Coalition of Orange County Community Health Centers Grant                    | 30.0              | 50.0                | 20.0            | 1.2%          |
|  | OneCare Member Health Rewards and Incentives                                 | 0.2               | 0.5                 | 0.3             | 0.0%          |
|  | General Awareness Campaign   | 1.3               | 4.7                 | 3.4             | 0.1%          |
|  | Member Health Needs Assessment   | 1.1               | 1.3                 | 0.2             | 0.0%          |
|  | Five-Year Hospital Quality Program Beginning MY 2023                         | 134.3             | 153.5               | 19.2            | 5.5%          |
|  | Medi-Cal Annual Wellness Initiative  | 2.5               | 3.8                 | 1.3             | 0.1%          |
|  | Skilled Nursing Facility Access Program                                      | 10.0              | 10.0                | 0.0             | 0.4%          |
|  | 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 Gra  | 3.5               | 5.0                 | 1.5             | 0.1%          |
|  | Community Living and PACE center (previously approved for project located in | 17.6              | 18.0                | 0.4             | 0.7%          |
|  | Wellness & Prevention Program Grant  | 2.1               | 2.7                 | 0.6             | 0.1%          |
|  | CalOptima Health Provider Workforce Development Fund Grant                   | 45.6              | 50.0                | 4.4             | 1.9%          |
|  | Distribution Event- Naloxone Grant   | 2.3               | 15.0                | 12.7            | 0.1%          |
|  | Garden Grove Bldg. Improvement   | 10.0              | 10.5                | 0.5             | 0.4%          |
|  | Post-Pandemic Supplemental   | 9.6               | 107.5               | 97.9            | 0.4%          |
|  | CalOptima Health Community Reinvestment Program                              | 38.0              | 38.0                | 0.0             | 1.6%          |
|  | Dyadic Services Program Academy  | 1.0               | 1.9                 | 0.9             | 0.0%          |
|  | Outreach Strategy for newly eligible Adult Expansion members                 | 4.3               | 5.0                 | 0.7             | 0.2%          |
|  | Quality Initiatives from unearned Pay for Value Program                      | 23.3              | 23.3                | 0.0             | 1.0%          |
|  | Expansion of CalOptima Health OC Outreach and Engagement Strategy            | 0.7               | 1.0                 | 0.3             | 0.0%          |
|  | Medi-Cal Provider Rate Increases   | 491.1             | 526.2               | 35.1            | 20.1%         |
|  | <b>Subtotal:</b>   | <b>\$986.4</b>    | <b>\$1,398.7</b>    | <b>\$412.3</b>  | <b>40.3%</b>  |
| <b>Resources Available for New Initiatives</b> | Unallocated/Unassigned <sup>1</sup>  | <b>\$195.0</b>    |                     |                 | <b>8.0%</b>   |

<sup>1</sup> Total Designated Reserves and unallocated reserve amount can support approximately 114 days of CalOptima Health's current operations

<sup>2</sup> Increase due to the adoption of GASB 96 Subscription-Based Information Technology Arrangements

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

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

<sup>5</sup> On June 6, 2024, the Board of Directors approved an update to the Digital Transformation Strategy which will impact these figures beginning July 2024

# Homeless Health Initiative and Allocated Funds: As of August 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              | 813,165             | 150,096                   |
| FQHC (Community Health Center) Expansion   | 21,902               | 21,902              | -                         |
| HCAP and CalOptima Health Days   | 9,888,914            | 3,446,240           | 6,442,675                 |
| Vaccination Intervention and Member Incentive Strategy   | 123,348              | 54,649              | 68,699                    |
| Street Medicine <sup>1</sup>   | 10,076,652           | 7,079,941           | 2,996,711                 |
| Outreach and Engagement  | 7,000,000            | -                   | 7,000,000                 |
| Housing and Homelessness Incentive Program (HHIP) <sup>2</sup>                                 | 40,100,000           | -                   | 40,100,000                |
| <b>Subtotal of Approved Initiatives</b>  | <b>\$101,800,000</b> | <b>\$44,998,299</b> | <b>\$56,801,702</b>       |
| Transfer of funds to HHIP <sup>2</sup>   | (40,100,000)         | -                   | (40,100,000)              |
| <b>Program Total</b>   | <b>\$61,700,000</b>  | <b>\$44,998,299</b> | <b>\$16,701,702</b>       |

## Notes:

<sup>1</sup>On 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

<sup>2</sup>On 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 August 2024

| Summary by Funding Source:       | Total Funds        | Allocated Amount   | Utilized Amount   | Remaining Approved Amount | Funds Available for New Initiatives |
|----------------------------------|--------------------|--------------------|-------------------|---------------------------|-------------------------------------|
| DHCS HHIP Funds                  | 72,931,189         | 35,200,994         | 28,812,256        | 6,388,739                 | 37,730,195 <sup>1</sup>             |
| Existing Reserves & HHI Transfer | 87,384,530         | 87,384,530         | 64,880,597        | 22,503,933                | -                                   |
| <b>Total</b>                     | <b>160,315,719</b> | <b>122,585,524</b> | <b>93,692,853</b> | <b>28,892,672</b>         | <b>37,730,195</b>                   |

| Funds Allocation, approved initiatives:                         | Allocated Amount                 | Utilized Amount     | Remaining Approved Amount | Funding Source(s)             |
|---|----------------------------------|---------------------|---------------------------|-------------------------------|
| Office of Care Coordination                                     | 2,200,000                        | 2,200,000           | -                         | HHI                           |
| Pulse For Good  | 800,000                          | 437,950             | 362,050                   | HHI                           |
| Consultant  | 600,000                          | -                   | 600,000                   | HHI                           |
| Equity Grants for Programs Serving Underrepresented Populations | 4,021,311                        | 3,271,805           | 749,507                   | HHI & DHCS                    |
| Infrastructure Projects   | 5,832,314                        | 5,391,731           | 440,583                   | HHI                           |
| Capital Projects  | 98,247,369                       | 77,195,575          | 21,051,794                | HHI, DHCS & Existing Reserves |
| System Change Projects  | 10,184,530                       | 4,863,856           | 5,320,674                 | DHCS                          |
| Non-Profit Healthcare Academy                                   | 700,000                          | 331,935             | 368,065                   | DHCS                          |
| <b>Total of Approved Initiatives</b>                            | <b>\$122,585,524<sup>1</sup></b> | <b>\$93,692,852</b> | <b>\$28,892,672</b>       |                               |

## Notes:

<sup>1</sup>Total funding \$160.3 million: \$40.1 million Board-approved reallocation from HHI, \$47.2 million from CalOptima Health existing reserves and \$73.0 million from DHCS HHIP incentive payments



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CalOptima Health

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## **UNAUDITED FINANCIAL STATEMENTS**

**August 31, 2024**



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CalOptima Health - Consolidated  
Financial Highlights  
For the Two Months Ending August 31, 2024

| August 2024  |              |              |            |
|--------------|--------------|--------------|------------|
| Actual       | Budget       | \$ Variance  | % Variance |
| 915,950      | 902,178      | 13,772       | 1.5%       |
| 365,889,972  | 356,012,069  | 9,877,903    | 2.8%       |
| 368,111,830  | 355,421,260  | (12,690,570) | (3.6%)     |
| 19,098,354   | 23,754,190   | 4,655,836    | 19.6%      |
| (21,320,212) | (23,163,381) | 1,843,169    | 8.0%       |
| 22,498,272   | 6,666,660    | 15,831,612   | 237.5%     |
| 68,428       | (117,280)    | 185,708      | 158.3%     |
| 1,830        | -            | 1,830        | 100.0%     |
| (525,235)    | (2,068,408)  | 1,543,173    | 74.6%      |
| 55,222       | -            | 55,222       | 100.0%     |
| 22,098,517   | 4,480,972    | 17,617,545   | 393.2%     |
| 778,305      | (18,682,409) | 19,460,714   | 104.2%     |
| 100.6%       | 99.8%        | 0.8%         |            |
| 5.2%         | 6.7%         | 1.5%         |            |
| (5.8%)       | (6.5%)       | 0.7%         |            |
| 100.0%       | 100.0%       |              |            |
| 95.8%        | 94.9%        | 0.9%         |            |
| 5.2%         | 6.7%         | 1.5%         |            |

Member Months  
Revenues  
Medical Expenses  
Administrative Expenses

Operating Margin

Non-Operating Income (Loss)

Net Investment Income/Expense  
Net Rental Income/Expense  
Net MCO Tax  
Grant Expense  
Other Income/Expense

Total Non-Operating Income (Loss)

Change in Net Assets

Medical Loss Ratio  
Administrative Loss Ratio  
Operating Margin Ratio  
Total Operating

\*Adjusted MLR

\*Adjusted ALR

| July - August 2024 |              |              |            |
|--------------------|--------------|--------------|------------|
| Actual             | Budget       | \$ Variance  | % Variance |
| 1,826,878          | 1,808,900    | 17,978       | 1.0%       |
| 730,385,548        | 713,523,687  | 16,861,861   | 2.4%       |
| 737,054,238        | 712,050,583  | (25,003,655) | (3.5%)     |
| 38,020,838         | 48,328,906   | 10,308,068   | 21.3%      |
| (44,689,528)       | (46,855,802) | 2,166,274    | 4.6%       |
| 50,242,037         | 13,333,320   | 36,908,717   | 276.8%     |
| 35,889             | (234,560)    | 270,449      | 115.3%     |
| 4,139              | -            | 4,139        | 100.0%     |
| (2,479,159)        | (2,266,741)  | (212,418)    | (9.4%)     |
| 55,222             | -            | 55,222       | 100.0%     |
| 47,858,129         | 10,832,019   | 37,026,110   | 341.8%     |
| 3,168,601          | (36,023,783) | 39,192,384   | 108.8%     |
| 100.9%             | 99.8%        | 1.1%         |            |
| 5.2%               | 6.8%         | 1.6%         |            |
| (6.1%)             | (6.6%)       | 0.4%         |            |
| 100.0%             | 100.0%       |              |            |
| 96.1%              | 94.9%        | 1.2%         |            |
| 5.2%               | 6.8%         | 1.6%         |            |

\*Adjusted MLR excludes estimated provider rate increases funded by reserves

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

| <b>Total FTE's MTD</b> |              |              |            |
|------------------------|--------------|--------------|------------|
|                        | Actual       | Budget       | Fav/Unfav  |
| Medi-Cal               | 1,275        | 1,361        | 86         |
| OneCare                | 176          | 186          | 10         |
| PACE                   | 107          | 113          | 6          |
| MSSP                   | 20           | 25           | 5          |
| <b>Total</b>           | <b>1,578</b> | <b>1,685</b> | <b>106</b> |

| <b>Total FTE's YTD</b> |              |              |            |
|------------------------|--------------|--------------|------------|
|                        | Actual       | Budget       | Fav/Unfav  |
| Medi-Cal               | 2,561        | 2,722        | 161        |
| OneCare                | 346          | 372          | 26         |
| PACE                   | 214          | 226          | 12         |
| MSSP                   | 40           | 50           | 10         |
| <b>Total</b>           | <b>3,161</b> | <b>3,370</b> | <b>209</b> |

| <b>MM per FTE MTD</b> |            |            |             |
|-----------------------|------------|------------|-------------|
|                       | Actual     | Budget     | Fav/Unfav   |
| Medi-Cal              | 704        | 650        | (54)        |
| OneCare               | 98         | 93         | (5)         |
| PACE                  | 5          | 4          | (1)         |
| MSSP                  | 24         | 23         | (1)         |
| <b>Consolidated</b>   | <b>581</b> | <b>535</b> | <b>(46)</b> |

| <b>MM per FTE YTD</b> |            |            |             |
|-----------------------|------------|------------|-------------|
|                       | Actual     | Budget     | Fav/Unfav   |
| Medi-Cal              | 699        | 652        | (47)        |
| OneCare               | 100        | 93         | (7)         |
| PACE                  | 5          | 4          | (1)         |
| MSSP                  | 24         | 23         | (1)         |
| <b>Consolidated</b>   | <b>578</b> | <b>537</b> | <b>(41)</b> |

| <b>Open FTE</b> |           |           |           |
|-----------------|-----------|-----------|-----------|
|                 | Total     | Medical   | Admin     |
| Medi-Cal        | 65        | 24        | 41        |
| OneCare         | 8         | 7         | 1         |
| PACE            | 7         | 5         | 2         |
| MSSP            | 2         | 1         | 1         |
| <b>Total</b>    | <b>82</b> | <b>37</b> | <b>45</b> |

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

|  |                |             |                     |                |                   |              |
|--|----------------|-------------|---------------------|----------------|-------------------|--------------|
| <b>MEMBER MONTHS</b>                     | 915,950        |             | 902,178             |                | 13,772            |              |
|  | <b>Actual</b>  |             | <b>Budget</b>       |                | <b>Variance</b>   |              |
| <b>REVENUE</b>                           | <b>\$</b>      | <b>PMPM</b> | <b>\$</b>           | <b>PMPM</b>    | <b>\$</b>         | <b>PMPM</b>  |
| Medi-Cal                                 | \$324,832,488  | \$361.67    | \$316,796,299       | \$358.24       | \$8,036,189       | \$3.43       |
| OneCare                                  | 36,414,986     | 2,104.06    | 35,053,796          | 2,015.51       | 1,361,190         | 88.55        |
| OneCare Connect                          | -              | -           | -                   | -              | -                 | -            |
| PACE                                     | 4,426,073      | 8,712.74    | 3,908,457           | 8,315.87       | 517,616           | 396.87       |
| MSSP                                     | 216,425        | 450.88      | 253,517             | 446.33         | (37,092)          | 4.55         |
| Total Operating Revenue                  | 365,889,972    | 399.47      | 356,012,069         | 394.61         | 9,877,903         | 4.86         |
| <b>MEDICAL EXPENSES</b>                  |                |             |                     |                |                   |              |
| Medi-Cal                                 | 330,463,292    | 367.94      | 318,348,174         | 359.99         | (12,115,118)      | (7.95)       |
| OneCare                                  | 33,829,051     | 1,954.65    | 33,086,340          | 1,902.39       | (742,711)         | (52.26)      |
| OneCare Connect                          | -              | -           | -                   | -              | -                 | -            |
| PACE                                     | 3,615,104      | 7,116.35    | 3,746,005           | 7,970.22       | 130,901           | 853.87       |
| MSSP                                     | 204,383        | 425.80      | 240,741             | 423.84         | 36,358            | (1.96)       |
| Total Medical Expenses                   | 368,111,830    | 401.89      | 355,421,260         | 393.96         | (12,690,570)      | (7.93)       |
| <b>GROSS MARGIN</b>                      | (2,221,858)    | (2.42)      | 590,809             | 0.65           | (2,812,667)       | (3.07)       |
| <b>ADMINISTRATIVE EXPENSES</b>           |                |             |                     |                |                   |              |
| Salaries and Benefits                    | 12,467,625     | 13.61       | 13,414,987          | 14.87          | 947,362           | 1.26         |
| Professional Fees                        | 961,372        | 1.05        | 1,486,776           | 1.65           | 525,404           | 0.60         |
| Purchased Services                       | 1,671,479      | 1.82        | 2,623,643           | 2.91           | 952,164           | 1.09         |
| Printing & Postage                       | 381,187        | 0.42        | 843,816             | 0.94           | 462,629           | 0.52         |
| Depreciation & Amortization              | 724,988        | 0.79        | 1,027,958           | 1.14           | 302,970           | 0.35         |
| Other Expenses                           | 2,361,962      | 2.58        | 3,913,517           | 4.34           | 1,551,555         | 1.76         |
| Indirect Cost Allocation, Occupancy      | 529,742        | 0.58        | 443,493             | 0.49           | (86,249)          | (0.09)       |
| Total Administrative Expenses            | 19,098,354     | 20.85       | 23,754,190          | 26.33          | 4,655,836         | 5.48         |
| <b>NET INCOME (LOSS) FROM OPERATIONS</b> | (21,320,212)   | (23.28)     | (23,163,381)        | (25.67)        | 1,843,169         | 2.39         |
| <b>INVESTMENT INCOME</b>                 |                |             |                     |                |                   |              |
| Interest Income                          | 15,092,383     | 16.48       | 6,666,660           | 7.39           | 8,425,723         | 9.09         |
| Realized Gain/(Loss) on Investments      | 263,398        | 0.29        | -                   | -              | 263,398           | 0.29         |
| Unrealized Gain/(Loss) on Investments    | 7,142,490      | 7.80        | -                   | -              | 7,142,490         | 7.80         |
| Total Investment Income                  | 22,498,272     | 24.56       | 6,666,660           | 7.39           | 15,831,612        | 17.17        |
| <b>NET RENTAL INCOME/EXPENSE</b>         | 68,428         | 0.07        | (117,280)           | (0.13)         | 185,708           | 0.20         |
| <b>NET MCO TAX</b>                       | 1,830          | -           | -                   | -              | 1,830             | -            |
| <b>GRANT EXPENSE</b>                     | (525,235)      | (0.57)      | (2,068,408)         | (2.29)         | 1,543,173         | 1.72         |
| <b>OTHER INCOME/EXPENSE</b>              | 55,222         | 0.06        | -                   | -              | 55,222            | 0.06         |
| <b>CHANGE IN NET ASSETS</b>              | <b>778,305</b> | <b>0.85</b> | <b>(18,682,409)</b> | <b>(20.71)</b> | <b>19,460,714</b> | <b>21.56</b> |
| <b>MEDICAL LOSS RATIO</b>                | <b>100.6%</b>  |             | <b>99.8%</b>        |                | <b>0.8%</b>       |              |
| <b>ADMINISTRATIVE LOSS RATIO</b>         | <b>5.2%</b>    |             | <b>6.7%</b>         |                | <b>1.5%</b>       |              |

**CalOptima Health- Consolidated - Year to Date**  
**Statement of Revenues and Expenses**  
**For the Two Months Ending August 31, 2024**

|  |                  |             |                     |                |                   |              |
|--|------------------|-------------|---------------------|----------------|-------------------|--------------|
| <b>MEMBER MONTHS</b>                     | 1,826,878        |             | 1,808,900           |                | 17,978            |              |
|  | <b>Actual</b>    |             | <b>Budget</b>       |                | <b>Variance</b>   |              |
| <b>REVENUE</b>                           | <b>\$</b>        | <b>PMPM</b> | <b>\$</b>           | <b>PMPM</b>    | <b>\$</b>         | <b>PMPM</b>  |
| Medi-Cal                                 | \$651,478,493    | \$363.70    | \$635,010,854       | \$358.11       | \$16,467,639      | \$5.59       |
| OneCare                                  | 69,730,955       | 2,014.30    | 70,203,362          | 2,020.36       | (472,407)         | (6.06)       |
| OneCare Connect                          | -                | -           | -                   | -              | -                 | 0.00         |
| PACE                                     | 8,746,814        | 8,626.05    | 7,802,437           | 8,318.16       | 944,377           | 307.89       |
| MSSP                                     | 429,287          | 450.46      | 507,034             | 446.33         | (77,747)          | 4.13         |
| Total Operating Revenue                  | 730,385,548      | 399.8       | 713,523,687         | 394.45         | 16,861,861        | 5.35         |
| <b>MEDICAL EXPENSES</b>                  |                  |             |                     |                |                   |              |
| Medi-Cal                                 | 666,333,262      | 371.99      | 637,836,609         | 359.71         | (28,496,653)      | (12.28)      |
| OneCare                                  | 63,674,299       | 1,839.34    | 66,213,220          | 1,905.53       | 2,538,921         | 66.19        |
| OneCare Connect                          | -                | -           | -                   | -              | -                 | 0.00         |
| PACE                                     | 6,629,307        | 6,537.78    | 7,519,272           | 8,016.28       | 889,965           | 1,478.50     |
| MSSP                                     | 417,370          | 437.95      | 481,482             | 423.84         | 64,112            | (14.11)      |
| Total Medical Expenses                   | 737,054,238      | 403.45      | 712,050,583         | 393.64         | (25,003,655)      | (9.81)       |
| <b>GROSS MARGIN</b>                      | (6,668,690)      | (3.65)      | 1,473,104           | 0.81           | (8,141,794)       | (4.46)       |
| <b>ADMINISTRATIVE EXPENSES</b>           |                  |             |                     |                |                   |              |
| Salaries and Benefits                    | 25,432,775       | 13.92       | 27,395,035          | 15.14          | 1,962,260         | 1.22         |
| Professional Fees                        | 1,489,786        | 0.82        | 2,973,552           | 1.64           | 1,483,766         | 0.82         |
| Purchased Services                       | 3,678,643        | 2.01        | 5,502,801           | 3.04           | 1,824,158         | 1.03         |
| Printing & Postage                       | 562,429          | 0.31        | 1,687,813           | 0.93           | 1,125,384         | 0.62         |
| Depreciation & Amortization              | 1,436,160        | 0.79        | 2,055,916           | 1.14           | 619,756           | 0.35         |
| Other Expenses                           | 4,517,776        | 2.47        | 7,826,853           | 4.33           | 3,309,077         | 1.86         |
| Indirect Cost Allocation, Occupancy      | 903,269          | 0.49        | 886,936             | 0.49           | (16,333)          | 0.00         |
| Total Administrative Expenses            | 38,020,838       | 20.81       | 48,328,906          | 26.72          | 10,308,068        | 5.91         |
| <b>NET INCOME (LOSS) FROM OPERATIONS</b> | (44,689,528)     | (24.46)     | (46,855,802)        | (25.90)        | 2,166,274         | 1.44         |
| <b>INVESTMENT INCOME</b>                 |                  |             |                     |                |                   |              |
| Interest Income                          | 30,759,890       | 16.84       | 13,333,320          | 7.37           | 17,426,570        | 9.47         |
| Realized Gain/(Loss) on Investments      | 113,001          | 0.06        | -                   | 0.00           | 113,001           | 0.06         |
| Unrealized Gain/(Loss) on Investments    | 19,369,146       | 10.60       | -                   | 0.00           | 19,369,146        | 10.60        |
| Total Investment Income                  | 50,242,037       | 27.50       | 13,333,320          | 7.37           | 36,908,717        | 20.13        |
| <b>NET RENTAL INCOME/EXPENSE</b>         | 35,889           | 0.02        | (234,560)           | (0.13)         | 270,449           | 0.15         |
| <b>NET MCO TAX</b>                       | 4,139            | 0.00        | -                   | 0.00           | 4,139             | 0.00         |
| <b>GRANT EXPENSE</b>                     | (2,479,159)      | (1.36)      | (2,266,741)         | (1.25)         | (212,418)         | (0.11)       |
| <b>OTHER INCOME/EXPENSE</b>              | 55,222           | 0.03        | -                   | 0.00           | 55,222            | 0.03         |
| <b>CHANGE IN NET ASSETS</b>              | <b>3,168,601</b> | <b>1.73</b> | <b>(36,023,783)</b> | <b>(19.91)</b> | <b>39,192,384</b> | <b>21.64</b> |
| <b>MEDICAL LOSS RATIO</b>                | <b>100.9%</b>    |             | <b>99.8%</b>        |                | <b>1.1%</b>       |              |
| <b>ADMINISTRATIVE LOSS RATIO</b>         | <b>5.2%</b>      |             | <b>6.8%</b>         |                | <b>1.6%</b>       |              |

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

|                                      | Medi-Cal               | OneCare             | PACE              | MSSP               | Consolidated         |
|--------------------------------------|------------------------|---------------------|-------------------|--------------------|----------------------|
| <b>MEMBER MONTHS</b>                 | 898,135                | 17,307              | 508               | 480                | 915,950              |
| <b>REVENUES</b>                      |                        |                     |                   |                    |                      |
| Capitation Revenue                   | \$ 324,832,488         | \$ 36,414,986       | \$ 4,426,073      | \$ 216,425         | \$ 365,889,972       |
| <b>Total Operating Revenue</b>       | <b>324,832,488</b>     | <b>36,414,986</b>   | <b>4,426,073</b>  | <b>216,425</b>     | <b>365,889,972</b>   |
| <b>MEDICAL EXPENSES</b>              |                        |                     |                   |                    |                      |
| Provider Capitation                  | 106,808,304            | 15,144,474          |                   |                    | 121,952,778          |
| Claims                               | 151,122,148            | 6,267,996           | 1,737,540         |                    | 159,127,684          |
| MLTSS                                | 49,537,119             |                     | (521)             | 33,251             | 49,569,849           |
| Prescription Drugs                   |                        | 10,991,762          | 660,038           |                    | 11,651,800           |
| Case Mgmt & Other Medical            | 22,995,720             | 1,424,819           | 1,218,048         | 171,132            | 25,809,719           |
| <b>Total Medical Expenses</b>        | <b>330,463,292</b>     | <b>33,829,051</b>   | <b>3,615,104</b>  | <b>204,383</b>     | <b>368,111,830</b>   |
| <i>Medical Loss Ratio</i>            | <i>101.7%</i>          | <i>92.9%</i>        | <i>81.7%</i>      | <i>94.4%</i>       | <i>100.6%</i>        |
| <b>GROSS MARGIN</b>                  | <b>(5,630,803)</b>     | <b>2,585,935</b>    | <b>810,969</b>    | <b>12,041</b>      | <b>(2,221,858)</b>   |
| <b>ADMINISTRATIVE EXPENSES</b>       |                        |                     |                   |                    |                      |
| Salaries & Benefits                  | 11,125,998             | 1,097,000           | 158,458           | 86,168             | 12,467,625           |
| Non-Salary Operating Expenses        | 2,743,220              | 227,063             | 42,338            | 1,417              | 3,014,037            |
| Depreciation & Amortization          | 724,049                |                     | 939               |                    | 724,988              |
| Other Operating Expenses             | 2,336,966              | 12,989              | 4,203             | 7,804              | 2,361,962            |
| Indirect Cost Allocation, Occupancy  | (512,451)              | 1,020,480           | 14,383            | 7,330              | 529,742              |
| <b>Total Administrative Expenses</b> | <b>16,417,781</b>      | <b>2,357,533</b>    | <b>220,321</b>    | <b>102,719</b>     | <b>19,098,354</b>    |
| <i>Administrative Loss Ratio</i>     | <i>5.1%</i>            | <i>6.5%</i>         | <i>5.0%</i>       | <i>47.5%</i>       | <i>5.2%</i>          |
| <b>Operating Income/(Loss)</b>       | <b>(22,048,585)</b>    | <b>228,403</b>      | <b>590,648</b>    | <b>(90,678)</b>    | <b>(21,320,212)</b>  |
| Investments and Other Non-Operating  | 57,052                 |                     |                   |                    | 22,098,517           |
| <b>CHANGE IN NET ASSETS</b>          | <b>\$ (21,991,532)</b> | <b>\$ 228,403</b>   | <b>\$ 590,648</b> | <b>\$ (90,678)</b> | <b>\$ 778,305</b>    |
| <b>BUDGETED CHANGE IN NET ASSETS</b> | <b>(21,735,532)</b>    | <b>(1,182,421)</b>  | <b>(132,987)</b>  | <b>(112,441)</b>   | <b>(18,682,409)</b>  |
| Variance to Budget - Fav/(Unfav)     | <b>\$ (256,000)</b>    | <b>\$ 1,410,824</b> | <b>\$ 723,635</b> | <b>\$ 21,763</b>   | <b>\$ 19,460,714</b> |

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

|                                      | Medi-Cal               | OneCare             | PACE                | MSSP                | Consolidated         |
|--------------------------------------|------------------------|---------------------|---------------------|---------------------|----------------------|
| <b>MEMBER MONTHS</b>                 | 1,791,246              | 34,618              | 1,014               | 953                 | 1,826,878            |
| <b>REVENUES</b>                      |                        |                     |                     |                     |                      |
| Capitation Revenue                   | \$ 651,478,493         | \$ 69,730,955       | \$ 8,746,814        | \$ 429,287          | \$ 730,385,548       |
| <b>Total Operating Revenue</b>       | <b>651,478,493</b>     | <b>69,730,955</b>   | <b>8,746,814</b>    | <b>429,287</b>      | <b>730,385,548</b>   |
| <b>MEDICAL EXPENSES</b>              |                        |                     |                     |                     |                      |
| Provider Capitation                  | 219,782,916            | 30,144,346          |                     |                     | 249,927,262          |
| Claims                               | 300,184,907            | 11,854,517          | 2,852,159           |                     | 314,891,582          |
| MLTSS                                | 100,887,714            |                     | 14,987              | 64,141              | 100,966,842          |
| Prescription Drugs                   |                        | 19,280,975          | 1,294,043           |                     | 20,575,017           |
| Case Mgmt & Other Medical            | 45,477,725             | 2,394,461           | 2,468,119           | 353,229             | 50,693,534           |
| <b>Total Medical Expenses</b>        | <b>666,333,262</b>     | <b>63,674,299</b>   | <b>6,629,307</b>    | <b>417,370</b>      | <b>737,054,238</b>   |
| <i>Medical Loss Ratio</i>            | <i>102.3%</i>          | <i>91.3%</i>        | <i>75.8%</i>        | <i>97.2%</i>        | <i>100.9%</i>        |
| <b>GROSS MARGIN</b>                  | <b>(14,854,770)</b>    | <b>6,056,656</b>    | <b>2,117,506</b>    | <b>11,917</b>       | <b>(6,668,690)</b>   |
| <b>ADMINISTRATIVE EXPENSES</b>       |                        |                     |                     |                     |                      |
| Salaries & Benefits                  | 22,697,374             | 2,233,812           | 321,613             | 179,976             | 25,432,775           |
| Non-Salary Operating Expenses        | 5,161,635              | 457,042             | 109,347             | 2,833               | 5,730,858            |
| Depreciation & Amortization          | 1,434,282              |                     | 1,878               |                     | 1,436,160            |
| Other Operating Expenses             | 4,470,783              | 20,550              | 12,601              | 13,841              | 4,517,776            |
| Indirect Cost Allocation, Occupancy  | (1,181,118)            | 2,040,960           | 28,767              | 14,660              | 903,269              |
| <b>Total Administrative Expenses</b> | <b>32,582,956</b>      | <b>4,752,365</b>    | <b>474,206</b>      | <b>211,310</b>      | <b>38,020,838</b>    |
| <i>Administrative Loss Ratio</i>     | <i>5.0%</i>            | <i>6.8%</i>         | <i>5.4%</i>         | <i>49.2%</i>        | <i>5.2%</i>          |
| <b>Operating Income/(Loss)</b>       | <b>(47,437,726)</b>    | <b>1,304,291</b>    | <b>1,643,300</b>    | <b>(199,394)</b>    | <b>(44,689,528)</b>  |
| Investments and Other Non-Operating  | 59,361                 |                     |                     |                     | 47,858,129           |
| <b>CHANGE IN NET ASSETS</b>          | <b>\$ (47,378,365)</b> | <b>\$ 1,304,291</b> | <b>\$ 1,643,300</b> | <b>\$ (199,394)</b> | <b>\$ 3,168,601</b>  |
| <b>BUDGETED CHANGE IN NET ASSETS</b> | <b>(43,952,557)</b>    | <b>(2,358,554)</b>  | <b>(315,453)</b>    | <b>(229,238)</b>    | <b>(36,023,783)</b>  |
| Variance to Budget - Fav/(Unfav)     | <b>\$ (3,425,808)</b>  | <b>\$ 3,662,845</b> | <b>\$ 1,958,753</b> | <b>\$ 29,844</b>    | <b>\$ 39,192,384</b> |



# CalOptima Health

## Unaudited Financial Statements as of August 31, 2024

### MONTHLY RESULTS:

- Change in Net Assets is \$0.8 million, favorable to budget \$19.5 million
- Operating deficit is \$21.3 million, with a surplus in non-operating income of \$22.1 million

### YEAR TO DATE RESULTS:

- Change in Net Assets is \$3.2 million, favorable to budget \$39.2 million
- Operating deficit is \$44.7 million, with a surplus in non-operating income of \$47.9 million

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

| August 2024   |               |                 |                                    | July - August 2024 |               |                 |
|---------------|---------------|-----------------|------------------------------------|--------------------|---------------|-----------------|
| <u>Actual</u> | <u>Budget</u> | <u>Variance</u> | <u>Operating Income (Loss)</u>     | <u>Actual</u>      | <u>Budget</u> | <u>Variance</u> |
| (22.0)        | (21.7)        | (0.3)           | Medi-Cal                           | (47.4)             | (44.0)        | (3.5)           |
| 0.2           | (1.2)         | 1.4             | OneCare                            | 1.3                | (2.4)         | 3.7             |
| 0.6           | (0.1)         | 0.7             | PACE                               | 1.6                | (0.3)         | 2.0             |
| (0.1)         | (0.1)         | 0.0             | MSSP                               | (0.2)              | (0.2)         | 0.0             |
| (21.3)        | (23.2)        | 1.8             | Total Operating Income (Loss)      | (44.7)             | (46.9)        | 2.2             |
|               |               |                 | <u>Non-Operating Income (Loss)</u> |                    |               |                 |
| 22.5          | 6.7           | 15.8            | Net Investment Income/Expense      | 50.2               | 13.3          | 36.9            |
| 0.1           | (0.1)         | 0.2             | Net Rental Income/Expense          | 0.0                | (0.2)         | 0.3             |
| (0.5)         | (2.1)         | 1.5             | Grant Expense                      | (2.5)              | (2.3)         | (0.2)           |
| 0.1           | 0.0           | 0.1             | Other Income/Expense               | 0.1                | 0.0           | 0.1             |
| 22.1          | 4.5           | 17.6            | Total Non-Operating Income/(Loss)  | 47.9               | 10.8          | 37.0            |
| 0.8           | (18.7)        | 19.5            | TOTAL                              | 3.2                | (36.0)        | 39.2            |

**CalOptima Health - Consolidated  
Enrollment Summary  
For the Two Months Ending August 31, 2024**

| August 2024    |                |               |                | Enrollment (by Aid Category)   | July - August 2024 |                  |               |                |
|----------------|----------------|---------------|----------------|--------------------------------|--------------------|------------------|---------------|----------------|
| Actual         | Budget         | \$ Variance   | % Variance     |                                | Actual             | Budget           | \$ Variance   | % Variance     |
| 143,460        | 136,192        | 7,268         | 5.3%           | SPD                            | 288,715            | 272,003          | 16,712        | 6.1%           |
| 271,043        | 273,028        | (1,985)       | (0.7%)         | TANF Child                     | 543,025            | 547,211          | (4,186)       | (0.8%)         |
| 132,265        | 137,939        | (5,674)       | (4.1%)         | TANF Adult                     | 260,131            | 276,366          | (16,235)      | (5.9%)         |
| 2,457          | 2,612          | (155)         | (5.9%)         | LTC                            | 4,915              | 5,240            | (325)         | (6.2%)         |
| 338,476        | 324,967        | 13,509        | 4.2%           | MCE                            | 674,301            | 653,209          | 21,092        | 3.2%           |
| 10,434         | 9,578          | 856           | 8.9%           | WCM                            | 20,159             | 19,185           | 974           | 5.1%           |
| <b>898,135</b> | <b>884,316</b> | <b>13,819</b> | <b>1.6%</b>    | <b>Medi-Cal Total</b>          | <b>1,791,246</b>   | <b>1,773,214</b> | <b>18,032</b> | <b>1.0%</b>    |
| <b>17,307</b>  | <b>17,392</b>  | <b>(85)</b>   | <b>(0.5%)</b>  | <b>OneCare</b>                 | <b>34,618</b>      | <b>34,748</b>    | <b>(130)</b>  | <b>(0.4%)</b>  |
| <b>508</b>     | <b>470</b>     | <b>38</b>     | <b>8.1%</b>    | <b>PACE</b>                    | <b>1,014</b>       | <b>938</b>       | <b>76</b>     | <b>8.1%</b>    |
| <b>480</b>     | <b>568</b>     | <b>(88)</b>   | <b>(15.5%)</b> | <b>MSSP</b>                    | <b>953</b>         | <b>1,136</b>     | <b>(183)</b>  | <b>(16.1%)</b> |
| <b>915,950</b> | <b>902,178</b> | <b>13,772</b> | <b>1.5%</b>    | <b>CalOptima Health Total</b>  | <b>1,826,878</b>   | <b>1,808,900</b> | <b>17,978</b> | <b>1.0%</b>    |
|                |                |               |                |                                |                    |                  |               |                |
|                |                |               |                | <b>Enrollment (by Network)</b> |                    |                  |               |                |
| 293,002        | 303,964        | (10,962)      | (3.6%)         | HMO                            | 585,968            | 609,437          | (23,469)      | (3.9%)         |
| 177,803        | 179,326        | (1,523)       | (0.8%)         | PHC                            | 356,326            | 359,570          | (3,244)       | (0.9%)         |
| 144,579        | 134,111        | 10,468        | 7.8%           | Shared Risk Group              | 287,557            | 269,979          | 17,578        | 6.5%           |
| 282,751        | 266,915        | 15,836        | 5.9%           | Fee for Service                | 561,395            | 534,228          | 27,167        | 5.1%           |
| <b>898,135</b> | <b>884,316</b> | <b>13,819</b> | <b>1.6%</b>    | <b>Medi-Cal Total</b>          | <b>1,791,246</b>   | <b>1,773,214</b> | <b>18,032</b> | <b>1.0%</b>    |
| <b>17,307</b>  | <b>17,392</b>  | <b>(85)</b>   | <b>(0)</b>     | <b>OneCare</b>                 | <b>34,618</b>      | <b>34,748</b>    | <b>(130)</b>  | <b>(0)</b>     |
| <b>508</b>     | <b>470</b>     | <b>38</b>     | <b>8.1%</b>    | <b>PACE</b>                    | <b>1,014</b>       | <b>938</b>       | <b>76</b>     | <b>8.1%</b>    |
| <b>480</b>     | <b>568</b>     | <b>(88)</b>   | <b>(15.5%)</b> | <b>MSSP</b>                    | <b>953</b>         | <b>1,136</b>     | <b>(183)</b>  | <b>(16.1%)</b> |
| <b>915,950</b> | <b>902,178</b> | <b>13,772</b> | <b>1.5%</b>    | <b>CalOptima Health Total</b>  | <b>1,826,878</b>   | <b>1,808,900</b> | <b>17,978</b> | <b>1.0%</b>    |

Note:\* Total membership does not include MSSP

**CalOptima Health**  
**Enrollment Trend by Network**  
**Fiscal Year 2025**

|   | Jul-24         | Aug-24         | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | YTD Actual       | YTD Budget       | Variance        |
|---|----------------|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|------------------|-----------------|
| <b>HMOs</b>                               |                |                |        |        |        |        |        |        |        |        |        |        |                  |                  |                 |
| SPD                                       | 17,150         | 16,511         |        |        |        |        |        |        |        |        |        |        | 33,661           | 32,641           | 1,020           |
| TANF Child                                | 66,405         | 65,921         |        |        |        |        |        |        |        |        |        |        | 132,326          | 138,041          | (5,715)         |
| TANF Adult                                | 54,590         | 55,734         |        |        |        |        |        |        |        |        |        |        | 110,324          | 126,179          | (15,855)        |
| LTC                                       | 2              |                |        |        |        |        |        |        |        |        |        |        | 2                |                  | 2               |
| MCE                                       | 153,578        | 153,602        |        |        |        |        |        |        |        |        |        |        | 307,180          | 309,817          | (2,637)         |
| WCM                                       | 1,241          | 1,234          |        |        |        |        |        |        |        |        |        |        | 2,475            | 2,759            | (284)           |
| <b>Total</b>                              | <b>292,966</b> | <b>293,002</b> |        |        |        |        |        |        |        |        |        |        | <b>585,968</b>   | <b>609,437</b>   | <b>(23,469)</b> |
| <b>PHCs</b>                               |                |                |        |        |        |        |        |        |        |        |        |        |                  |                  |                 |
| SPD                                       | 4,906          | 4,644          |        |        |        |        |        |        |        |        |        |        | 9,550            | 9,023            | 527             |
| TANF Child                                | 140,053        | 138,903        |        |        |        |        |        |        |        |        |        |        | 278,956          | 284,277          | (5,321)         |
| TANF Adult                                | 3,994          | 4,186          |        |        |        |        |        |        |        |        |        |        | 8,180            | 9,802            | (1,622)         |
| LTC                                       |                |                |        |        |        |        |        |        |        |        |        |        | 0                |                  | 0               |
| MCE                                       | 22,999         | 22,762         |        |        |        |        |        |        |        |        |        |        | 45,761           | 43,538           | 2,223           |
| WCM                                       | 6,571          | 7,308          |        |        |        |        |        |        |        |        |        |        | 13,879           | 12,930           | 949             |
| <b>Total</b>                              | <b>178,523</b> | <b>177,803</b> |        |        |        |        |        |        |        |        |        |        | <b>356,326</b>   | <b>359,570</b>   | <b>(3,244)</b>  |
| <b>Shared Risk Groups</b>                 |                |                |        |        |        |        |        |        |        |        |        |        |                  |                  |                 |
| SPD                                       | 7,270          | 7,077          |        |        |        |        |        |        |        |        |        |        | 14,347           | 12,964           | 1,383           |
| TANF Child                                | 32,783         | 32,842         |        |        |        |        |        |        |        |        |        |        | 65,625           | 63,523           | 2,102           |
| TANF Adult                                | 27,519         | 29,041         |        |        |        |        |        |        |        |        |        |        | 56,560           | 58,293           | (1,733)         |
| LTC                                       |                |                |        |        |        |        |        |        |        |        |        |        | 0                | 2                | (2)             |
| MCE                                       | 74,704         | 74,918         |        |        |        |        |        |        |        |        |        |        | 149,622          | 133,726          | 15,896          |
| WCM                                       | 702            | 701            |        |        |        |        |        |        |        |        |        |        | 1,403            | 1,471            | (68)            |
| <b>Total</b>                              | <b>142,978</b> | <b>144,579</b> |        |        |        |        |        |        |        |        |        |        | <b>287,557</b>   | <b>269,979</b>   | <b>17,578</b>   |
| <b>Fee for Service (Dual)</b>             |                |                |        |        |        |        |        |        |        |        |        |        |                  |                  |                 |
| SPD                                       | 100,293        | 99,792         |        |        |        |        |        |        |        |        |        |        | 200,085          | 187,997          | 12,088          |
| TANF Child                                |                |                |        |        |        |        |        |        |        |        |        |        | 0                | 4                | (4)             |
| TANF Adult                                | 1,145          | 1,159          |        |        |        |        |        |        |        |        |        |        | 2,304            | 3,630            | (1,326)         |
| LTC                                       | 2,178          | 2,203          |        |        |        |        |        |        |        |        |        |        | 4,381            | 4,682            | (301)           |
| MCE                                       | 4,008          | 4,703          |        |        |        |        |        |        |        |        |        |        | 8,711            | 18,003           | (9,292)         |
| WCM                                       | 6              | 7              |        |        |        |        |        |        |        |        |        |        | 13               | 18               | (5)             |
| <b>Total</b>                              | <b>107,630</b> | <b>107,864</b> |        |        |        |        |        |        |        |        |        |        | <b>215,494</b>   | <b>214,334</b>   | <b>1,160</b>    |
| <b>Fee for Service (Non-Dual - Total)</b> |                |                |        |        |        |        |        |        |        |        |        |        |                  |                  |                 |
| SPD                                       | 15,636         | 15,436         |        |        |        |        |        |        |        |        |        |        | 31,072           | 29,378           | 1,694           |
| TANF Child                                | 32,741         | 33,377         |        |        |        |        |        |        |        |        |        |        | 66,118           | 61,366           | 4,752           |
| TANF Adult                                | 40,618         | 42,145         |        |        |        |        |        |        |        |        |        |        | 82,763           | 78,462           | 4,301           |
| LTC                                       | 278            | 254            |        |        |        |        |        |        |        |        |        |        | 532              | 556              | (24)            |
| MCE                                       | 80,536         | 82,491         |        |        |        |        |        |        |        |        |        |        | 163,027          | 148,125          | 14,902          |
| WCM                                       | 1,205          | 1,184          |        |        |        |        |        |        |        |        |        |        | 2,389            | 2,007            | 382             |
| <b>Total</b>                              | <b>171,014</b> | <b>174,887</b> |        |        |        |        |        |        |        |        |        |        | <b>345,901</b>   | <b>319,894</b>   | <b>26,007</b>   |
| <b>Grand Totals</b>                       |                |                |        |        |        |        |        |        |        |        |        |        |                  |                  |                 |
| SPD                                       | 145,255        | 143,460        |        |        |        |        |        |        |        |        |        |        | 288,715          | 272,003          | 16,712          |
| TANF Child                                | 271,982        | 271,043        |        |        |        |        |        |        |        |        |        |        | 543,025          | 547,211          | (4,186)         |
| TANF Adult                                | 127,866        | 132,265        |        |        |        |        |        |        |        |        |        |        | 260,131          | 276,366          | (16,235)        |
| LTC                                       | 2,458          | 2,457          |        |        |        |        |        |        |        |        |        |        | 4,915            | 5,240            | (325)           |
| MCE                                       | 335,825        | 338,476        |        |        |        |        |        |        |        |        |        |        | 674,301          | 653,209          | 21,092          |
| WCM                                       | 9,725          | 10,434         |        |        |        |        |        |        |        |        |        |        | 20,159           | 19,185           | 974             |
| <b>Total MediCal MM</b>                   | <b>893,111</b> | <b>898,135</b> |        |        |        |        |        |        |        |        |        |        | <b>1,791,246</b> | <b>1,773,214</b> | <b>18,032</b>   |
| <b>OneCare</b>                            | <b>17,311</b>  | <b>17,307</b>  |        |        |        |        |        |        |        |        |        |        | <b>34,618</b>    | <b>34,748</b>    | <b>(130)</b>    |
| <b>PACE</b>                               | <b>506</b>     | <b>508</b>     |        |        |        |        |        |        |        |        |        |        | <b>1,014</b>     | <b>938</b>       | <b>76</b>       |
| <b>MSSP</b>                               | <b>473</b>     | <b>480</b>     |        |        |        |        |        |        |        |        |        |        | <b>953</b>       | <b>1,136</b>     | <b>(183)</b>    |
| <b>Grand Total</b>                        | <b>910,928</b> | <b>915,950</b> |        |        |        |        |        |        |        |        |        |        | <b>1,826,878</b> | <b>1,808,900</b> | <b>17,978</b>   |

Note:\* Total membership does not include MSSP

## **ENROLLMENT:**

**Overall**, August enrollment was 915,950

- Favorable to budget 13,772 or 1.5%
- Increased 5,022 or 0.6% from Prior Month (PM) (July 2024)
- Decreased 74,291 or 7.5% from Prior Year (PY) (August 2023)

**Medi-Cal** enrollment was 898,135

- Favorable to budget 13,819 or 1.6%
- Medi-Cal Expansion (MCE) favorable to budget 13,509
- Seniors and Persons with Disabilities (SPD) favorable to budget 7,268
- Whole Child Model (WCM) favorable to budget 856
- Temporary Assistance for Needy Families (TANF) unfavorable to budget 7,659
- Long-Term Care (LTC) unfavorable to budget 155
- Increased 5,024 from PM

**OneCare** enrollment was 17,307

- Unfavorable to budget 85 or 0.5%
- Decreased 4 from PM

**PACE** enrollment was 508

- Favorable to budget 38 or 8.1%
- Increased 2 from PM

**MSSP** enrollment was 480

- Unfavorable to budget 88 or 15.5% due to MSSP currently being understaffed. There is a staff to member ratio that must be met.
- Increased 7 from PM

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

| Month to Date |              |              |            |  | Year to Date |              |              |            |
|---------------|--------------|--------------|------------|--|--------------|--------------|--------------|------------|
| Actual        | Budget       | \$ Variance  | % Variance |  | Actual       | Budget       | \$ Variance  | % Variance |
| 898,135       | 884,316      | 13,819       | 1.6%       | Member Months                            | 1,791,246    | 1,773,214    | 18,032       | 1.0%       |
|               |              |              |            | <b>Revenues</b>                          |              |              |              |            |
| 324,832,488   | 316,796,299  | 8,036,189    | 2.5%       | Medi-Cal Capitation Revenue              | 651,478,493  | 635,010,854  | 16,467,639   | 2.6%       |
| 324,832,488   | 316,796,299  | 8,036,189    | 2.5%       | <b>Total Operating Revenue</b>           | 651,478,493  | 635,010,854  | 16,467,639   | 2.6%       |
|               |              |              |            | <b>Medical Expenses</b>                  |              |              |              |            |
| 106,808,304   | 111,914,638  | 5,106,334    | 4.6%       | Provider Capitation                      | 219,782,916  | 224,491,686  | 4,708,770    | 2.1%       |
| 76,920,511    | 65,661,859   | (11,258,652) | (17.1%)    | Facilities Claims                        | 150,366,546  | 131,430,934  | (18,935,612) | (14.4%)    |
| 74,201,638    | 70,680,977   | (3,520,661)  | (5.0%)     | Professional Claims                      | 149,818,361  | 141,406,393  | (8,411,968)  | (5.9%)     |
| 49,537,119    | 49,071,355   | (465,764)    | (0.9%)     | MLTSS                                    | 100,887,714  | 98,105,369   | (2,782,345)  | (2.8%)     |
| 11,880,264    | 10,203,364   | (1,676,900)  | (16.4%)    | Incentive Payments                       | 23,770,412   | 20,478,924   | (3,291,488)  | (16.1%)    |
| 8,390,021     | 8,985,772    | 595,751      | 6.6%       | Medical Management                       | 16,484,032   | 18,262,885   | 1,778,853    | 9.7%       |
| 2,725,436     | 1,830,209    | (895,227)    | (48.9%)    | Other Medical Expenses                   | 5,223,282    | 3,660,418    | (1,562,864)  | (42.7%)    |
| 330,463,292   | 318,348,174  | (12,115,118) | (3.8%)     | <b>Total Medical Expenses</b>            | 666,333,262  | 637,836,609  | (28,496,653) | (4.5%)     |
| (5,630,803)   | (1,551,875)  | (4,078,928)  | (262.8%)   | <b>Gross Margin</b>                      | (14,854,770) | (2,825,755)  | (12,029,015) | (425.7%)   |
|               |              |              |            | <b>Administrative Expenses</b>           |              |              |              |            |
| 11,125,998    | 11,934,846   | 808,848      | 6.8%       | Salaries, Wages & Employee Benefits      | 22,697,374   | 24,373,665   | 1,676,291    | 6.9%       |
| 945,635       | 1,374,418    | 428,783      | 31.2%      | Professional Fees                        | 1,472,227    | 2,748,836    | 1,276,609    | 46.4%      |
| 1,531,219     | 2,107,910    | 576,691      | 27.4%      | Purchased Services                       | 3,290,255    | 4,471,335    | 1,181,080    | 26.4%      |
| 266,366       | 575,341      | 308,975      | 53.7%      | Printing & Postage                       | 399,153      | 1,150,863    | 751,710      | 65.3%      |
| 724,049       | 1,026,358    | 302,309      | 29.5%      | Depreciation & Amortization              | 1,434,282    | 2,052,716    | 618,434      | 30.1%      |
| 2,336,966     | 3,771,215    | 1,434,249    | 38.0%      | Other Operating Expenses                 | 4,470,783    | 7,542,249    | 3,071,466    | 40.7%      |
| (512,451)     | (606,431)    | (93,980)     | (15.5%)    | Indirect Cost Allocation, Occupancy      | (1,181,118)  | (1,212,862)  | (31,744)     | (2.6%)     |
| 16,417,781    | 20,183,657   | 3,765,876    | 18.7%      | <b>Total Administrative Expenses</b>     | 32,582,956   | 41,126,802   | 8,543,846    | 20.8%      |
|               |              |              |            | <b>Non-Operating Income (Loss)</b>       |              |              |              |            |
| 1,830         | -            | 1,830        | 100.0%     | Net Operating Tax                        | 4,139        | -            | 4,139        | 100.0%     |
| 55,222        | -            | 55,222       | 100.0%     | Other Income/Expense                     | 55,222       | -            | 55,222       | 100.0%     |
| 57,052        | -            | 57,052       | 100.0%     | <b>Total Non-Operating Income (Loss)</b> | 59,361       | -            | 59,361       | 100.0%     |
| (21,991,532)  | (21,735,532) | (256,000)    | (1.2%)     | <b>Change in Net Assets</b>              | (47,378,365) | (43,952,557) | (3,425,808)  | (7.8%)     |
| 101.7%        | 100.5%       | 1.2%         |            | <b>Medical Loss Ratio</b>                | 102.3%       | 100.4%       | 1.8%         |            |
| 5.1%          | 6.4%         | 1.3%         |            | <b>Admin Loss Ratio</b>                  | 5.0%         | 6.5%         | 1.5%         |            |

## **MEDI-CAL INCOME STATEMENT– AUGUST MONTH:**

**REVENUES** of \$324.8 million are favorable to budget \$8.0 million driven by:

- Favorable volume related variance of \$5.0 million
- Favorable price related variance of \$3.1 million due primarily to enrollment mix

**MEDICAL EXPENSES** of \$330.5 million are unfavorable to budget \$12.1 million driven by:

- Unfavorable volume related variance of \$5.0 million
- Unfavorable price related variance of \$7.1 million due to:
  - Facilities Claims expenses unfavorable variance of \$10.2 million due to higher-than-expected utilization
  - Professional Claims expenses unfavorable variance of \$2.4 million
  - Incentive Payments expenses unfavorable variance of \$1.5 million
  - Other Medical Expenses unfavorable variance of \$0.9 million
  - Offset by:
    - Provider Capitation expenses favorable variance of \$6.9 million due primarily to retroactive adjustments
    - Medical Management expenses favorable variance of \$0.7 million
    - Managed Long-Term Services and Supports (MLTSS) expenses favorable variance of \$0.3 million

**ADMINISTRATIVE EXPENSES** of \$16.4 million are favorable to budget \$3.8 million driven by:

- Non-Salary expenses favorable to budget \$3.0 million
- Salaries, Wages & Employee Benefits expense favorable to budget \$0.8 million

**CHANGE IN NET ASSETS** is (\$22.0) million, unfavorable to budget \$0.3 million

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

| Month to Date     |                    |                  |               |                                      | Year to Date      |                    |                  |               |
|-------------------|--------------------|------------------|---------------|--------------------------------------|-------------------|--------------------|------------------|---------------|
| Actual            | Budget             | \$ Variance      | % Variance    |                                      | Actual            | Budget             | \$ Variance      | % Variance    |
| 17,307            | 17,392             | (85)             | (0.5%)        | Member Months                        | 34,618            | 34,748             | (130)            | (0.4%)        |
|                   |                    |                  |               | <b>Revenues</b>                      |                   |                    |                  |               |
| 25,403,515        | 25,678,621         | (275,106)        | (1.1%)        | Medicare Part C Revenue              | 49,364,219        | 51,467,150         | (2,102,931)      | (4.1%)        |
| 11,011,471        | 9,375,175          | 1,636,296        | 17.5%         | Medicare Part D Revenue              | 20,366,736        | 18,736,212         | 1,630,524        | 8.7%          |
| <b>36,414,986</b> | <b>35,053,796</b>  | <b>1,361,190</b> | <b>3.9%</b>   | <b>Total Operating Revenue</b>       | <b>69,730,955</b> | <b>70,203,362</b>  | <b>(472,407)</b> | <b>(0.7%)</b> |
|                   |                    |                  |               | <b>Medical Expenses</b>              |                   |                    |                  |               |
| 15,144,474        | 15,681,832         | 537,358          | 3.4%          | Provider Capitation                  | 30,144,346        | 31,429,480         | 1,285,134        | 4.1%          |
| 4,524,817         | 4,806,534          | 281,717          | 5.9%          | Inpatient                            | 8,206,783         | 9,584,211          | 1,377,428        | 14.4%         |
| 1,743,179         | 1,747,737          | 4,558            | 0.3%          | Ancillary                            | 3,647,734         | 3,488,333          | (159,401)        | (4.6%)        |
| 10,991,762        | 8,983,699          | (2,008,063)      | (22.4%)       | Prescription Drugs                   | 19,280,975        | 17,917,870         | (1,363,105)      | (7.6%)        |
| 379,327           | 500,151            | 120,824          | 24.2%         | Incentive Payments                   | 357,422           | 1,013,707          | 656,285          | 64.7%         |
| 1,045,492         | 1,366,387          | 320,895          | 23.5%         | Medical Management                   | 2,037,039         | 2,779,619          | 742,580          | 26.7%         |
| <b>33,829,051</b> | <b>33,086,340</b>  | <b>(742,711)</b> | <b>(2.2%)</b> | <b>Total Medical Expenses</b>        | <b>63,674,299</b> | <b>66,213,220</b>  | <b>2,538,921</b> | <b>3.8%</b>   |
| <b>2,585,935</b>  | <b>1,967,456</b>   | <b>618,479</b>   | <b>31.4%</b>  | <b>Gross Margin</b>                  | <b>6,056,656</b>  | <b>3,990,142</b>   | <b>2,066,514</b> | <b>51.8%</b>  |
|                   |                    |                  |               | <b>Administrative Expenses</b>       |                   |                    |                  |               |
| 1,097,000         | 1,200,557          | 103,557          | 8.6%          | Salaries, Wages & Employee Benefits  | 2,233,812         | 2,450,056          | 216,244          | 8.8%          |
| 12,028            | 102,083            | 90,055           | 88.2%         | Professional Fees                    | 12,435            | 204,166            | 191,732          | 93.9%         |
| 101,111           | 455,700            | 354,589          | 77.8%         | Purchased Services                   | 282,456           | 911,400            | 628,944          | 69.0%         |
| 113,924           | 243,950            | 130,026          | 53.3%         | Printing & Postage                   | 162,152           | 487,900            | 325,748          | 66.8%         |
| 12,989            | 121,504            | 108,515          | 89.3%         | Other Operating Expenses             | 20,550            | 243,008            | 222,458          | 91.5%         |
| 1,020,480         | 1,026,083          | 5,603            | 0.5%          | Indirect Cost Allocation, Occupancy  | 2,040,960         | 2,052,166          | 11,206           | 0.5%          |
| <b>2,357,533</b>  | <b>3,149,877</b>   | <b>792,344</b>   | <b>25.2%</b>  | <b>Total Administrative Expenses</b> | <b>4,752,365</b>  | <b>6,348,696</b>   | <b>1,596,331</b> | <b>25.1%</b>  |
| <b>228,403</b>    | <b>(1,182,421)</b> | <b>1,410,824</b> | <b>119.3%</b> | <b>Change in Net Assets</b>          | <b>1,304,291</b>  | <b>(2,358,554)</b> | <b>3,662,845</b> | <b>155.3%</b> |
|                   |                    |                  |               | <b>Medical Loss Ratio</b>            | <b>91.3%</b>      | <b>94.3%</b>       | <b>(3.0%)</b>    |               |
| <b>92.9%</b>      | <b>94.4%</b>       | <b>(1.5%)</b>    |               | <b>Admin Loss Ratio</b>              | <b>6.8%</b>       | <b>9.0%</b>        | <b>2.2%</b>      |               |
| <b>6.5%</b>       | <b>9.0%</b>        | <b>2.5%</b>      |               |                                      |                   |                    |                  |               |



## **ONECARE INCOME STATEMENT – AUGUST MONTH:**

**REVENUES** of \$36.4 million are favorable to budget \$1.4 million driven by:

- Unfavorable volume related variance of \$0.2 million
- Favorable price related variance of \$1.5 million

**MEDICAL EXPENSES** of \$33.8 million are unfavorable to budget \$0.7 million driven by:

- Favorable volume related variance of \$0.2 million
- Unfavorable price related variance of \$0.9 million

**ADMINISTRATIVE EXPENSES** of \$2.4 million are favorable to budget \$0.8 million driven by:

- Non-Salary expenses favorable to budget \$0.7 million
- Salaries, Wages & Employee Benefits expense favorable to budget \$0.1 million

**CHANGE IN NET ASSETS** is \$0.2 million, favorable to budget \$1.4 million

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

| Month to Date |           |             |            |                                     | Year to Date |           |             |            |
|---------------|-----------|-------------|------------|-------------------------------------|--------------|-----------|-------------|------------|
| Actual        | Budget    | \$ Variance | % Variance |                                     | Actual       | Budget    | \$ Variance | % Variance |
| 508           | 470       | 38          | 8.1%       | Member Months                       | 1,014        | 938       | 76          | 8.1%       |
|               |           |             |            | Revenues                            |              |           |             |            |
| 3,265,393     | 2,954,092 | 311,301     | 10.5%      | Medi-Cal Capitation Revenue         | 6,500,465    | 5,892,737 | 607,728     | 10.3%      |
| 816,277       | 718,223   | 98,054      | 13.7%      | Medicare Part C Revenue             | 1,540,307    | 1,438,045 | 102,262     | 7.1%       |
| 344,403       | 236,142   | 108,261     | 45.8%      | Medicare Part D Revenue             | 706,042      | 471,655   | 234,387     | 49.7%      |
| 4,426,073     | 3,908,457 | 517,616     | 13.2%      | Total Operating Revenue             | 8,746,814    | 7,802,437 | 944,377     | 12.1%      |
|               |           |             |            | Medical Expenses                    |              |           |             |            |
| 1,218,048     | 1,361,285 | 143,237     | 10.5%      | Medical Management                  | 2,468,119    | 2,769,574 | 301,455     | 10.9%      |
| 697,026       | 742,271   | 45,245      | 6.1%       | Facilities Claims                   | 1,114,375    | 1,479,367 | 364,992     | 24.7%      |
| 773,261       | 817,500   | 44,239      | 5.4%       | Professional Claims                 | 1,258,611    | 1,628,788 | 370,177     | 22.7%      |
| 660,038       | 542,600   | (117,438)   | (21.6%)    | Prescription Drugs                  | 1,294,043    | 1,079,806 | (214,237)   | (19.8%)    |
| (521)         | 21,902    | 22,423      | 102.4%     | MLTSS                               | 14,987       | 40,843    | 25,856      | 63.3%      |
| 267,253       | 260,447   | (6,806)     | (2.6%)     | Patient Transportation              | 479,173      | 520,894   | 41,721      | 8.0%       |
| 3,615,104     | 3,746,005 | 130,901     | 3.5%       | Total Medical Expenses              | 6,629,307    | 7,519,272 | 889,965     | 11.8%      |
| 810,969       | 162,452   | 648,517     | 399.2%     | Gross Margin                        | 2,117,506    | 283,165   | 1,834,341   | 647.8%     |
|               |           |             |            | Administrative Expenses             |              |           |             |            |
| 158,458       | 171,367   | 12,909      | 7.5%       | Salaries, Wages & Employee Benefits | 321,613      | 350,524   | 28,911      | 8.2%       |
| 2,292         | 8,858     | 6,566       | 74.1%      | Professional Fees                   | 2,292        | 17,716    | 15,424      | 87.1%      |
| 39,150        | 60,033    | 20,883      | 34.8%      | Purchased Services                  | 105,932      | 120,066   | 14,134      | 11.8%      |
| 896           | 24,525    | 23,629      | 96.3%      | Printing & Postage                  | 1,123        | 49,050    | 47,927      | 97.7%      |
| 939           | 1,600     | 661         | 41.3%      | Depreciation & Amortization         | 1,878        | 3,200     | 1,322       | 41.3%      |
| 4,203         | 12,548    | 8,345       | 66.5%      | Other Operating Expenses            | 12,601       | 25,096    | 12,495      | 49.8%      |
| 14,383        | 16,508    | 2,125       | 12.9%      | Indirect Cost Allocation, Occupancy | 28,767       | 32,966    | 4,199       | 12.7%      |
| 220,321       | 295,439   | 75,118      | 25.4%      | Total Administrative Expenses       | 474,206      | 598,618   | 124,412     | 20.8%      |
| 590,648       | (132,987) | 723,635     | 544.1%     | Change in Net Assets                | 1,643,300    | (315,453) | 1,958,753   | 620.9%     |
|               |           |             |            |                                     |              |           |             |            |
| 81.7%         | 95.8%     | (14.2%)     |            | Medical Loss Ratio                  | 75.8%        | 96.4%     | (20.6%)     |            |
| 5.0%          | 7.6%      | 2.6%        |            | Admin Loss Ratio                    | 5.4%         | 7.7%      | 2.3%        |            |

**CalOptima Health**  
**Multipurpose Senior Services Program**  
**Statement of Revenues and Expenses**  
**For the Two Months Ending August 31, 2024**

| Month to Date |           |             |            |                                     | Year to Date |           |             |            |
|---------------|-----------|-------------|------------|-------------------------------------|--------------|-----------|-------------|------------|
| Actual        | Budget    | \$ Variance | % Variance |                                     | Actual       | Budget    | \$ Variance | % Variance |
| 480           | 568       | (88)        | (15.5%)    | Member Months                       | 953          | 1,136     | (183)       | (16.1%)    |
|               |           |             |            | Revenues                            |              |           |             |            |
| 216,425       | 253,517   | (37,092)    | (14.6%)    | Revenue                             | 429,287      | 507,034   | (77,747)    | (15.3%)    |
| 216,425       | 253,517   | (37,092)    | (14.6%)    | Total Operating Revenue             | 429,287      | 507,034   | (77,747)    | (15.3%)    |
|               |           |             |            | Medical Expenses                    |              |           |             |            |
| 171,132       | 207,784   | 36,652      | 17.6%      | Medical Management                  | 353,229      | 415,568   | 62,339      | 15.0%      |
| 33,251        | 32,957    | (294)       | (0.9%)     | Waiver Services                     | 64,141       | 65,914    | 1,773       | 2.7%       |
| 171,132       | 207,784   | 36,652      | 17.6%      | Total Medical Management            | 353,229      | 415,568   | 62,339      | 15.0%      |
| 33,251        | 32,957    | (294)       | (0.9%)     | Total Waiver Services               | 64,141       | 65,914    | 1,773       | 2.7%       |
| 204,383       | 240,741   | 36,358      | 15.1%      | Total Program Expenses              | 417,370      | 481,482   | 64,112      | 13.3%      |
|               |           |             |            |                                     |              |           |             |            |
| 12,041        | 12,776    | (735)       | (5.7%)     | Gross Margin                        | 11,917       | 25,552    | (13,635)    | (53.4%)    |
|               |           |             |            | Administrative Expenses             |              |           |             |            |
| 86,168        | 108,217   | 22,049      | 20.4%      | Salaries, Wages & Employee Benefits | 179,976      | 220,790   | 40,814      | 18.5%      |
| 1,417         | 1,417     | 0           | 0.0%       | Professional Fees                   | 2,833        | 2,834     | 1           | 0.0%       |
| 7,804         | 8,250     | 446         | 5.4%       | Other Operating Expenses            | 13,841       | 16,500    | 2,659       | 16.1%      |
| 7,330         | 7,333     | 3           | 0.0%       | Indirect Cost Allocation, Occupancy | 14,660       | 14,666    | 6           | 0.0%       |
| 102,719       | 125,217   | 22,498      | 18.0%      | Total Administrative Expenses       | 211,310      | 254,790   | 43,480      | 17.1%      |
|               |           |             |            |                                     |              |           |             |            |
| (90,678)      | (112,441) | 21,763      | 19.4%      | Change in Net Assets                | (199,394)    | (229,238) | 29,844      | 13.0%      |
|               |           |             |            |                                     |              |           |             |            |
| 94.4%         | 95.0%     | (0.5%)      |            | Medical Loss Ratio                  | 97.2%        | 95.0%     | 2.3%        |            |
| 47.5%         | 49.4%     | 1.9%        |            | Admin Loss Ratio                    | 49.2%        | 50.3%     | 1.0%        |            |

**CalOptima Health**  
**Building - 505 City Parkway**  
**Statement of Revenues and Expenses**  
**For the Two Months Ending August 31, 2024**

| Month to Date                  |           |             |             | Year to Date |           |             |             |
|--------------------------------|-----------|-------------|-------------|--------------|-----------|-------------|-------------|
| Actual                         | Budget    | \$ Variance | % Variance  | Actual       | Budget    | \$ Variance | % Variance  |
| <b>Revenues</b>                |           |             |             |              |           |             |             |
| -                              | -         | -           | 0.0%        | -            | -         | -           | 0.0%        |
| -                              | -         | -           | <b>0.0%</b> | -            | -         | -           | <b>0.0%</b> |
| <b>Administrative Expenses</b> |           |             |             |              |           |             |             |
| 45,549                         | 22,905    | (22,644)    | (98.9%)     | 92,177       | 45,810    | (46,367)    | (101.2%)    |
| 181,030                        | 195,000   | 13,970      | 7.2%        | 361,330      | 390,000   | 28,670      | 7.4%        |
| 24,795                         | 26,654    | 1,859       | 7.0%        | 49,589       | 53,308    | 3,719       | 7.0%        |
| 115,471                        | 181,186   | 65,715      | 36.3%       | 212,658      | 362,372   | 149,714     | 41.3%       |
| 97,183                         | 56,824    | (40,359)    | (71.0%)     | 176,496      | 113,648   | (62,848)    | (55.3%)     |
| (464,027)                      | (482,569) | (18,542)    | (3.8%)      | (892,249)    | (965,138) | (72,889)    | (7.6%)      |
| -                              | -         | -           | <b>0.0%</b> | -            | -         | -           | <b>0.0%</b> |
| -                              | -         | -           | <b>0.0%</b> | -            | -         | -           | <b>0.0%</b> |
| <b>Change in Net Assets</b>    |           |             |             |              |           |             |             |

**CalOptima Health**  
**Building - 500 City Parkway**  
**Statement of Revenues and Expenses**  
**For the Two Months Ending August 31, 2024**

| Month to Date                  |                 |                |               | Year to Date   |                  |                |               |
|--------------------------------|-----------------|----------------|---------------|----------------|------------------|----------------|---------------|
| Actual                         | Budget          | \$ Variance    | % Variance    | Actual         | Budget           | \$ Variance    | % Variance    |
| <b>Revenues</b>                |                 |                |               |                |                  |                |               |
| 156,423                        | 135,866         | 20,557         | 15.1%         | 312,847        | 271,732          | 41,115         | 15.1%         |
| <b>156,423</b>                 | <b>135,866</b>  | <b>20,557</b>  | <b>15.1%</b>  | <b>312,847</b> | <b>271,732</b>   | <b>41,115</b>  | <b>15.1%</b>  |
| <b>Administrative Expenses</b> |                 |                |               |                |                  |                |               |
| -                              | -               | -              | 0.0%          | -              | -                | -              | 0.0%          |
| 42,720                         | 9,330           | (33,390)       | (357.9%)      | 69,190         | 18,660           | (50,530)       | (270.8%)      |
| 34,573                         | 51,000          | 16,427         | 32.2%         | 69,146         | 102,000          | 32,854         | 32.2%         |
| 8,135                          | 8,746           | 611            | 7.0%          | 16,271         | 17,492           | 1,221          | 7.0%          |
| 54,880                         | 94,592          | 39,712         | 42.0%         | 93,712         | 189,184          | 95,472         | 50.5%         |
| 55,200                         | 25,978          | (29,222)       | (112.5%)      | 103,222        | 51,956           | (51,266)       | (98.7%)       |
| (146,076)                      | -               | 146,076        | 100.0%        | (146,076)      | -                | 146,076        | 100.0%        |
| <b>49,433</b>                  | <b>189,646</b>  | <b>140,213</b> | <b>73.9%</b>  | <b>205,466</b> | <b>379,292</b>   | <b>173,826</b> | <b>45.8%</b>  |
| <b>106,990</b>                 | <b>(53,780)</b> | <b>160,770</b> | <b>298.9%</b> | <b>107,381</b> | <b>(107,560)</b> | <b>214,941</b> | <b>199.8%</b> |
| <b>Change in Net Assets</b>    |                 |                |               |                |                  |                |               |

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

| Month to Date                  |                 |               |               | Year to Date    |                  |               |               |
|--------------------------------|-----------------|---------------|---------------|-----------------|------------------|---------------|---------------|
| Actual                         | Budget          | \$ Variance   | % Variance    | Actual          | Budget           | \$ Variance   | % Variance    |
| <b>Revenues</b>                |                 |               |               |                 |                  |               |               |
| 1,600                          | -               | 1,600         | 100.0%        | 9,600           | -                | 9,600         | 100.0%        |
| <b>1,600</b>                   | <b>-</b>        | <b>1,600</b>  | <b>100.0%</b> | <b>9,600</b>    | <b>-</b>         | <b>9,600</b>  | <b>100.0%</b> |
| <b>Administrative Expenses</b> |                 |               |               |                 |                  |               |               |
| -                              | -               | -             | 0.0%          | -               | -                | -             | 0.0%          |
| 24,870                         | 42,500          | 17,630        | 41.5%         | 50,977          | 85,000           | 34,023        | 40.0%         |
| 9,397                          | 21,000          | 11,603        | 55.3%         | 18,795          | 42,000           | 23,205        | 55.3%         |
| 4,415                          | -               | (4,415)       | (100.0%)      | 8,829           | -                | (8,829)       | (100.0%)      |
| 298                            | -               | (298)         | (100.0%)      | 595             | -                | (595)         | (100.0%)      |
| 1,183                          | -               | (1,183)       | (100.0%)      | 1,896           | -                | (1,896)       | (100.0%)      |
| -                              | -               | -             | 0.0%          | -               | -                | -             | 0.0%          |
| <b>40,162</b>                  | <b>63,500</b>   | <b>23,338</b> | <b>36.8%</b>  | <b>81,092</b>   | <b>127,000</b>   | <b>45,908</b> | <b>36.1%</b>  |
| <b>(38,562)</b>                | <b>(63,500)</b> | <b>24,938</b> | <b>39.3%</b>  | <b>(71,492)</b> | <b>(127,000)</b> | <b>55,508</b> | <b>43.7%</b>  |
| <b>Change in Net Assets</b>    |                 |               |               |                 |                  |               |               |

## **OTHER PROGRAM INCOME STATEMENTS – AUGUST MONTH:**

### **PACE**

- **CHANGE IN NET ASSETS** is \$0.6 million, favorable to budget \$0.7 million driven primarily by favorable enrollment

### **MSSP**

- **CHANGE IN NET ASSETS** is (\$90,678), favorable to budget \$21,763 due primarily to favorable Salaries, Wages and Employee Benefits expenses

## **NON-OPERATING INCOME STATEMENTS – AUGUST MONTH**

### **BUILDING 500**

- **CHANGE IN NET ASSETS** is \$106,990, favorable to budget \$160,770
  - Net of \$156,423 in rental income and \$49,433 in expenses

### **BUILDING 7900**

- **CHANGE IN NET ASSETS** is (\$38,562), favorable to budget \$24,938
  - Net of \$1,600 in rental income and \$40,162 in expenses

### **INVESTMENT INCOME**

- Favorable variance of \$15.8 million due to \$8.4 million of interest income and \$7.4 million of realized and unrealized gain on investments



**CalOptima Health**  
**Balance Sheet**  
**August 31, 2024**

|  | August-24            | July-24              | \$ Change          | % Change    |
|--|----------------------|----------------------|--------------------|-------------|
| <b>ASSETS</b>  |                      |                      |                    |             |
| <b>Current Assets</b>  |                      |                      |                    |             |
| Cash and Cash Equivalents  | 622,026,017          | 431,456,858          | 190,569,160        | 44.2%       |
| Short-term Investments   | 1,718,793,400        | 1,811,449,506        | (92,656,106)       | (5.1%)      |
| Premiums due from State of CA and CMS                              | 522,619,056          | 519,060,585          | 3,558,471          | 0.7%        |
| Prepaid Expenses and Other   | 13,430,249           | 12,258,407           | 1,171,842          | 9.6%        |
| <b>Total Current Assets</b>  | <b>2,876,868,723</b> | <b>2,774,225,356</b> | <b>102,643,366</b> | <b>3.7%</b> |
| <b>Board Designated Assets</b>                                     |                      |                      |                    |             |
| Board Designated Reserves  | 1,027,460,092        | 1,018,259,764        | 9,200,328          | 0.9%        |
| Statutory Designated Reserves                                      | 135,204,247          | 133,879,815          | 1,324,432          | 1.0%        |
| <b>Total Designated Assets</b>                                     | <b>1,162,664,339</b> | <b>1,152,139,579</b> | <b>10,524,761</b>  | <b>0.9%</b> |
| <b>Restricted Deposit</b>  | <b>300,000</b>       | <b>300,000</b>       | <b>-</b>           | <b>0.0%</b> |
| <b>Capital Assets, Net</b>   | 104,139,779          | 95,907,297           | 8,232,482          | 8.6%        |
| <b>Total Assets</b>  | <b>4,143,972,841</b> | <b>4,022,572,232</b> | <b>121,400,609</b> | <b>3.0%</b> |
| <b>Deferred Outflows of Resources</b>                              |                      |                      |                    |             |
| Advance Discretionary Payment                                      | 49,999,717           | 49,999,717           | -                  | 0.0%        |
| Net Pension  | 24,549,290           | 24,549,290           | -                  | 0.0%        |
| Other Postemployment Benefits                                      | 1,350,000            | 1,350,000            | -                  | 0.0%        |
| <b>Total Deferred Outflows of Resources</b>                        | <b>75,899,007</b>    | <b>75,899,007</b>    | <b>-</b>           | <b>0.0%</b> |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>             | <b>4,219,871,848</b> | <b>4,098,471,239</b> | <b>121,400,609</b> | <b>3.0%</b> |
| <b>LIABILITIES</b>   |                      |                      |                    |             |
| <b>Current Liabilities</b>   |                      |                      |                    |             |
| Medical Claims Liability   | 1,184,240,188        | 1,156,284,351        | 27,955,837         | 2.4%        |
| Provider Capitation and Withholds                                  | 164,897,896          | 161,546,335          | 3,351,561          | 2.1%        |
| Accrued Reinsurance Costs to Providers                             | 12,711,531           | 9,111,531            | 3,600,000          | 39.5%       |
| Unearned Revenue   | 49,940,490           | 15,773,081           | 34,167,409         | 216.6%      |
| Accounts Payable and Other   | 135,669,296          | 89,909,675           | 45,759,621         | 50.9%       |
| Accrued Payroll and Employee Benefits and Other                    | 22,969,190           | 22,030,992           | 938,198            | 4.3%        |
| Other Current Liabilities  | 107,489,252          | 107,551,092          | (61,841)           | (0.1%)      |
| <b>Total Current Liabilities</b>                                   | <b>1,677,917,843</b> | <b>1,562,207,057</b> | <b>115,710,786</b> | <b>7.4%</b> |
| GASB 96 Subscription Liabilities                                   | 21,616,375           | 16,754,820           | 4,861,555          | 29.0%       |
| Postemployment Health Care Plan                                    | 17,459,050           | 17,409,087           | 49,963             | 0.3%        |
| Net Pension Liability  | 45,981,359           | 45,981,359           | -                  | 0.0%        |
| <b>Total Liabilities</b>   | <b>1,762,974,627</b> | <b>1,642,352,323</b> | <b>120,622,304</b> | <b>7.3%</b> |
| <b>Deferred Inflows of Resources</b>                               |                      |                      |                    |             |
| Net Pension  | 2,248,445            | 2,248,445            | -                  | 0.0%        |
| Other Postemployment Benefits                                      | 6,398,000            | 6,398,000            | -                  | 0.0%        |
| <b>Total Deferred Inflows of Resources</b>                         | <b>8,646,445</b>     | <b>8,646,445</b>     | <b>-</b>           | <b>0.0%</b> |
| <b>Net Position</b>  |                      |                      |                    |             |
| Required TNE   | 131,121,016          | 129,641,346          | 1,479,670          | 1.1%        |
| Funds in excess of TNE   | 2,317,129,759        | 2,317,831,124        | (701,365)          | (0.0%)      |
| <b>Total Net Position</b>  | <b>2,448,250,775</b> | <b>2,447,472,470</b> | <b>778,305</b>     | <b>0.0%</b> |
| <b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS &amp; NET POSITION</b> | <b>4,219,871,848</b> | <b>4,098,471,239</b> | <b>121,400,609</b> | <b>3.0%</b> |

## **BALANCE SHEET – AUGUST MONTH:**

**ASSETS** of \$4.2 billion increased \$121.4 million from July or 3.0%

- Operating Cash and Short-term Investments net increase of \$97.9 million is due to variable timing of the quarterly Managed Care Organization (MCO) tax of \$125.5 million paid last month, along with variable monthly Medi-Cal (MC) capitation
- Total Designated Assets increased \$10.5 million due to interest income, realized gains and change in unrealized gains in long-term investments
- Capital Assets, Net increased \$8.2 million

**LIABILITIES** of \$1.8 billion increased \$120.6 million from July or 7.3%

- Accounts Payable and Other increased \$45.8 million due to MCO tax payments
- Deferred Revenue increased \$34.2 million due to timing of capitation payments received from the Centers for Medicare & Medicaid Services (CMS) for September
- Medical Claims Liabilities increased \$28.0 million due to timing of claim payments

**NET ASSETS** of \$2.4 billion, increased \$0.8 million from July or 0.0%

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

**Board Designated Reserves**

| Investment Account Name   | Market Value  | Benchmark   |               | Variance    |              |
|---|---------------|-------------|---------------|-------------|--------------|
|   |               | Low         | High          | Mkt - Low   | Mkt - High   |
| Payden & Rygel Tier One   | 513,841,535   |             |               |             |              |
| MetLife Tier One  | 513,618,557   |             |               |             |              |
| Board Designated Reserves   | 1,027,460,092 | 890,315,208 | 1,068,378,250 | 137,144,884 | (40,918,158) |
| <i>Current Reserve Level ( X months of average monthly revenue)<sup>1</sup></i> |               |             |               |             |              |
|   | 2.89          | 2.50        | 3.00          |             |              |

**Statutory Designated Reserves**

| Investment Account Name                                | Market Value | Benchmark   |             | Variance  |             |
|--|--------------|-------------|-------------|-----------|-------------|
|  |              | Low         | High        | Mkt - Low | Mkt - High  |
| Payden & Rygel Tier Two                                | 67,757,933   |             |             |           |             |
| MetLife Tier Two                                       | 67,446,314   |             |             |           |             |
| Statutory Designated Reserves                          | 135,204,247  | 131,121,016 | 144,233,118 | 4,083,231 | (9,028,871) |
| <i>Current Reserve Level ( X min. TNE)<sup>1</sup></i> |              |             |             |           |             |
|  | 1.03         | 1.00        | 1.10        |           |             |

<sup>1</sup> See CalOptima Health policy GA.3001 Statutory and Board-Designated Reserve Funds for more information

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

|   | <u>August 2024</u>            | <u>July - August 2024</u>     |
|---|-------------------------------|-------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                               |                               |
| Change in net assets  | 778,305                       | 3,168,601                     |
| Adjustments to reconcile change in net assets<br>to net cash provided by operating activities |                               |                               |
| Depreciation & Amortization   | 949,988                       | 1,885,431                     |
| Changes in assets and liabilities:  |                               |                               |
| Prepaid expenses and other  | (1,171,842)                   | (2,261,129)                   |
| Capitation receivable   | (3,558,471)                   | 32,067,428                    |
| Medical claims liability  | 31,555,837                    | 45,107,594                    |
| Deferred revenue  | 34,167,409                    | 34,679,327                    |
| Payable to health networks  | 3,351,561                     | (11,335,798)                  |
| Accounts payable  | 45,759,621                    | (36,650,310)                  |
| Accrued payroll   | 988,161                       | (2,828,428)                   |
| Other accrued liabilities   | 4,799,714                     | 5,456,749                     |
| Net cash provided by/(used in) operating activities   | <u>117,620,285</u>            | <u>69,289,464</u>             |
| <br>GASB 68, GASB 75 and Advance Discretionary Payment Adjustments                            | <br>-                         | <br>-                         |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                              |                               |                               |
| Net Asset transfer from Foundation  | -                             | -                             |
| Net cash provided by (used in) in capital and related financing activities                    | <u>-</u>                      | <u>-</u>                      |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                               |                               |
| Change in Investments   | 92,656,106                    | 59,102,539                    |
| Change in Property and Equipment  | (9,182,470)                   | (9,464,402)                   |
| Change in Restricted Deposit & Other  | -                             | -                             |
| Change in Board designated reserves   | (10,524,761)                  | (24,900,901)                  |
| Change in Homeless Health Reserve   | -                             | -                             |
| Net cash provided by/(used in) investing activities   | <u>72,948,875</u>             | <u>24,737,236</u>             |
| <br>NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS  | <br>190,569,160               | <br>94,026,700                |
| <br>CASH AND CASH EQUIVALENTS, beginning of period  | <br><u>431,456,858</u>        | <br><u>527,999,317</u>        |
| <br><b>CASH AND CASH EQUIVALENTS, end of period</b>   | <br><b><u>622,026,017</u></b> | <br><b><u>622,026,017</u></b> |

**CalOptima Health  
Spending Plan  
For the Two Months Ending August 31, 2024**

| Category                                       | Item Description   | Total Net Position @ 8/31/2024 | Amount (millions)<br>\$2,448.3 | Approved Initiative | Expense to Date | %<br>100.0%  |
|--|--|--------------------------------|--------------------------------|---------------------|-----------------|--------------|
| <b>Resources Assigned</b>                      | Board Designated Reserve <sup>1</sup>  |                                | \$1,027.5                      |                     |                 | 42.0%        |
|  | Statutory Designated Reserve <sup>1</sup>  |                                | \$135.2                        |                     |                 | 5.5%         |
|  | Capital Assets, net of Depreciation <sup>2</sup>                                     |                                | \$104.1                        |                     |                 | 4.3%         |
| <b>Resources Allocated<sup>3</sup></b>         | Homeless Health Initiative <sup>4</sup>  |                                | \$16.7                         | \$61.7              | 45.0            | 0.7%         |
|  | Housing and Homelessness Incentive Program <sup>4</sup>                              |                                | 22.5                           | 87.4                | 64.9            | 0.9%         |
|  | Intergovernmental Transfers (IGT)  |                                | 59.1                           | 111.7               | 52.6            | 2.4%         |
|  | Digital Transformation and Workplace Modernization <sup>5</sup>                      |                                | 55.5                           | 100.0               | 44.5            | 2.3%         |
|  | CalFresh Outreach Strategy   |                                | 0.1                            | 2.0                 | 1.9             | 0.0%         |
|  | CalFresh and Redetermination Outreach Strategy                                       |                                | 2.0                            | 6.0                 | 4.0             | 0.1%         |
|  | Coalition of Orange County Community Health Centers Grant                            |                                | 30.0                           | 50.0                | 20.0            | 1.2%         |
|  | OneCare Member Health Rewards and Incentives   |                                | 0.2                            | 0.5                 | 0.3             | 0.0%         |
|  | General Awareness Campaign   |                                | 1.3                            | 4.7                 | 3.4             | 0.1%         |
|  | Member Health Needs Assessment   |                                | 1.1                            | 1.3                 | 0.2             | 0.0%         |
|  | Five-Year Hospital Quality Program Beginning MY 2023                                 |                                | 134.3                          | 153.5               | 19.2            | 5.5%         |
|  | Medi-Cal Annual Wellness Initiative  |                                | 2.5                            | 3.8                 | 1.3             | 0.1%         |
|  | Skilled Nursing Facility Access Program  |                                | 10.0                           | 10.0                | 0.0             | 0.4%         |
|  | 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 Grant        |                                | 3.5                            | 5.0                 | 1.5             | 0.1%         |
|  | Community Living and PACE center (previously approved for project located in Tustin) |                                | 17.6                           | 18.0                | 0.4             | 0.7%         |
|  | Wellness & Prevention Program Grant  |                                | 2.1                            | 2.7                 | 0.6             | 0.1%         |
|  | CalOptima Health Provider Workforce Development Fund Grant                           |                                | 45.6                           | 50.0                | 4.4             | 1.9%         |
|  | Distribution Event- Naloxone Grant   |                                | 2.3                            | 15.0                | 12.7            | 0.1%         |
|  | Garden Grove Bldg. Improvement   |                                | 10.0                           | 10.5                | 0.5             | 0.4%         |
|  | Post-Pandemic Supplemental   |                                | 9.6                            | 107.5               | 97.9            | 0.4%         |
|  | CalOptima Health Community Reinvestment Program                                      |                                | 38.0                           | 38.0                | 0.0             | 1.6%         |
|  | Dyadic Services Program Academy  |                                | 1.0                            | 1.9                 | 0.9             | 0.0%         |
|  | Outreach Strategy for newly eligible Adult Expansion members                         |                                | 4.3                            | 5.0                 | 0.7             | 0.2%         |
|  | Quality Initiatives from unearned Pay for Value Program                              |                                | 23.3                           | 23.3                | 0.0             | 1.0%         |
|  | Expansion of CalOptima Health OC Outreach and Engagement Strategy                    |                                | 0.7                            | 1.0                 | 0.3             | 0.0%         |
|  | Medi-Cal Provider Rate Increases   |                                | 491.1                          | 526.2               | 35.1            | 20.1%        |
|  | <b>Subtotal:</b>   |                                | <b>\$986.4</b>                 | <b>\$1,398.7</b>    | <b>\$412.3</b>  | <b>40.3%</b> |
| <b>Resources Available for New Initiatives</b> | Unallocated/Unassigned <sup>1</sup>  |                                | <b>\$195.0</b>                 |                     |                 | <b>8.0%</b>  |

<sup>1</sup> Total Designated Reserves and unallocated reserve amount can support approximately 114 days of CalOptima Health's current operations

















<sup>2</sup> Increase due to the adoption of GASB 96 Subscription-Based Information Technology Arrangements

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

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

<sup>5</sup> On June 6, 2024, the Board of Directors approved an update to the Digital Transformation Strategy which will impact these figures beginning July 2024

**CalOptima Health**  
**Key Financial Indicators**  
As of August 31, 2024

|                  | Item Name                          | August 2024 |              |              |        |   | July - August 2024 |              |              |          |   |
|------------------|------------------------------------|-------------|--------------|--------------|--------|---|--------------------|--------------|--------------|----------|---|
|                  |                                    | Actual      | Budget       | Variance     | %      |   | Actual             | Budget       | Variance     | %        |   |
| Income Statement | Member Months                      | 915,950     | 902,178      | 13,772       | 1.5%   |  | 1,826,878          | 1,808,900    | 17,978       | 1.0%     |  |
|                  | Operating Revenue                  | 365,889,972 | 356,012,069  | 9,877,903    | 2.8%   |  | 730,385,548        | 713,523,687  | 16,861,861   | 2.4%     |  |
|                  | Medical Expenses                   | 368,111,830 | 355,421,260  | (12,690,570) | (3.6%) |  | 737,054,238        | 712,050,583  | (25,003,655) | (3.5%)   |  |
|                  | General and Administrative Expense | 19,098,354  | 23,754,190   | 4,655,836    | 19.6%  |  | 38,020,838         | 48,328,906   | 10,308,068   | 21.3%    |  |
|                  | Non-Operating Income/(Loss)        | 22,098,517  | 4,480,972    | 17,617,545   | 393.2% |  | 47,858,129         | 10,832,019   | 37,026,110   | (341.8%) |  |
|                  | Summary of Income & Expenses       | 778,305     | (18,682,409) | 19,460,714   | 104.2% |  | 3,168,601          | (36,023,783) | 39,192,384   | 108.8%   |  |
| Ratios           | Medical Loss Ratio (MLR)           | Actual      | Budget       | Variance     |        |   | Actual             | Budget       | Variance     |          |   |
|                  | Consolidated                       | 100.6%      | 99.8%        | 0.8%         |        |  | 100.9%             | 99.8%        | 1.1%         |          |  |
|                  | Administrative Loss Ratio (ALR)    | Actual      | Budget       | Variance     |        |   | Actual             | Budget       | Variance     |          |   |
|                  | Consolidated                       | 5.2%        | 6.7%         | 1.5%         |        |  | 5.2%               | 6.8%         | 1.6%         |          |  |

Key:



|            | Investment Balance (excluding CCE)     | Current Month | Prior Month                  | Change       | %      |
|------------|--|---------------|------------------------------|--------------|--------|
|            |  | @ 8/31/2024   | 2,921,427,043                | (83,686,883) | (2.9%) |
| Investment | Unallocated/Unassigned Reserve Balance | Current Month | Fiscal Year Ending June 2024 | Change       | %      |
|            | Consolidated                           | @ August 2024 | 187,643,914                  | 7,398,810    | 3.9%   |
|            | Days Cash On Hand*                     | 114           |                              |              |        |

\*Total Designated Reserves and unallocated reserve amount can support approximately 114 days of CalOptima Health's current operations.

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

|  | August 2024  |                 |             |            |  | July - August 2024 |                 |             |            |
|--|--------------|-----------------|-------------|------------|--|--------------------|-----------------|-------------|------------|
|  | Actual Spend | Approved Budget | Variance \$ | Variance % |  | Actual Spend       | Approved Budget | Variance \$ | Variance % |
| Capital Assets (Cost, Information Only): |              |                 |             |            |  |                    |                 |             |            |
| Total Capital Assets                     | 701,610      | 104,923         | (596,687)   | (568.7%)   |  | 1,185,186          | 200,756         | (984,430)   | (490.4%)   |

|  | All Time to Date |                   |                   |              |
|--|------------------|-------------------|-------------------|--------------|
|  | Actual Spend     | Approved Budget   | Variance \$       | Variance %   |
|  | <b>9,628,046</b> | <b>24,201,465</b> | <b>14,573,419</b> | <b>60.2%</b> |

|                                 |                  |                  |                |              |                  |                  |                |              |  |
|---------------------------------|------------------|------------------|----------------|--------------|------------------|------------------|----------------|--------------|--|
| <b>Operating Expenses:</b>      |                  |                  |                |              |                  |                  |                |              |  |
| Salaries, Wages & Benefits      | 525,698          | 589,848          | 64,150         | 10.9%        | 1,104,214        | 1,179,696        | 75,482         | 6.4%         |  |
| Professional Fees               | 335,305          | 522,875          | 187,570        | 35.9%        | 611,517          | 1,045,750        | 434,233        | 41.5%        |  |
| Purchased Services              | 28,953           | 142,000          | 113,048        | 79.6%        | 51,800           | 284,000          | 232,200        | 81.8%        |  |
| GASB 96 Amortization Expenses   | 46,878           | 293,417          | 246,539        | 84.0%        | 93,756           | 586,834          | 493,078        | 84.0%        |  |
| Other Expenses                  | 698,199          | 747,888          | 49,689         | 6.6%         | 1,379,118        | 1,495,776        | 116,658        | 7.8%         |  |
| Medical Management              | 229,256          | -                | (229,256)      | 0.0%         | 458,513          | -                | (458,513)      | 0.0%         |  |
| <b>Total Operating Expenses</b> | <b>1,864,289</b> | <b>2,296,028</b> | <b>431,739</b> | <b>18.8%</b> | <b>3,698,918</b> | <b>4,592,056</b> | <b>893,138</b> | <b>19.4%</b> |  |

|  |                   |                   |                |             |
|--|-------------------|-------------------|----------------|-------------|
|  | 12,110,481        | 12,185,963        | 75,482         | 0.6%        |
|  | 2,372,580         | 2,806,813         | 434,233        | 15.5%       |
|  | 201,800           | 434,000           | 232,200        | 53.5%       |
|  | 2,064,959         | 2,558,037         | 493,078        | 19.3%       |
|  | 14,908,610        | 15,025,268        | 116,658        | 0.8%        |
|  | 3,209,591         | 2,751,078         | (458,513)      | (16.7%)     |
|  | <b>34,868,021</b> | <b>35,761,159</b> | <b>893,138</b> | <b>2.5%</b> |

|  |                        |                     |                   |
|--|------------------------|---------------------|-------------------|
| <b>Funding Balance Tracking:</b>         | <b>Approved Budget</b> | <b>Actual Spend</b> | <b>Variance</b>   |
| Beginning Funding Balance                | 100,000,000            | 100,000,000         | -                 |
| Less:                                    |                        |                     |                   |
| Capital Assets <sup>1</sup>              | 31,525,709             | 9,628,046           | 21,897,663        |
| FY2023 Operating Budget <sup>2</sup>     | 8,381,011              | 8,381,011           | -                 |
| FY2024 Operating Budget                  | 22,788,092             | 22,788,092          | -                 |
| FY2025 Operating Budget                  | 27,552,335             | 3,698,918           | 23,853,417        |
| Ending Funding Balance                   | <b>9,752,853</b>       | <b>55,503,933</b>   | <b>45,751,080</b> |
| Add: Prior year unspent Operating Budget | -                      |                     |                   |
| Total available Funding                  | <b>9,752,853</b>       |                     |                   |

<sup>1</sup> Staff will continue to monitor the project status of DTS' Capital Assets  
<sup>2</sup> Unspent budget from this period is added back to available DTS funding  
<sup>3</sup> On June 6, 2024, the Board of Directors approved an update to the Digital Transformation Strategy which will impact these figures beginning July 2024.

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



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

| <b>Funds Allocation, approved initiatives:</b>   | <b>Allocated Amount</b> | <b>Utilized Amount</b> | <b>Remaining Approved Amount</b> |
|--|-------------------------|------------------------|----------------------------------|
| 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                 | 813,165                | 150,096                          |
| FQHC (Community Health Center) Expansion   | 21,902                  | 21,902                 | -                                |
| HCAP and CalOptima Health Days   | 9,888,914               | 3,446,240              | 6,442,675                        |
| Vaccination Intervention and Member Incentive Strategy   | 123,348                 | 54,649                 | 68,699                           |
| Street Medicine <sup>1</sup>   | 10,076,652              | 7,079,941              | 2,996,711                        |
| Outreach and Engagement  | 7,000,000               | -                      | 7,000,000                        |
| Housing and Homelessness Incentive Program (HHIP) <sup>2</sup>                                 | 40,100,000              | -                      | 40,100,000                       |
| <b>Subtotal of Approved Initiatives</b>  | <b>\$101,800,000</b>    | <b>\$44,998,299</b>    | <b>\$56,801,702</b>              |
| Transfer of funds to HHIP <sup>2</sup>   | (40,100,000)            | -                      | (40,100,000)                     |
| <b>Program Total</b>   | <b>\$61,700,000</b>     | <b>\$44,998,299</b>    | <b>\$16,701,702</b>              |

**Notes:**

<sup>1</sup>On 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

<sup>2</sup>On 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 August 31, 2024**

| <b>Summary by Funding Source:</b>           | <b>Total Funds</b> | <b>Allocated Amount</b> | <b>Utilized Amount</b> | <b>Remaining<br/>Approved<br/>Amount</b> | <b>Funds Available for New<br/>Initiatives</b> |
|---|--------------------|-------------------------|------------------------|--|--|
| <b>DHCS HHIP Funds</b>                      | 72,931,189         | 35,200,994              | 28,812,256             | 6,388,739                                | 37,730,195 <sup>1</sup>                        |
| <b>Existing Reserves &amp; HHI Transfer</b> | 87,384,530         | 87,384,530              | 64,880,597             | 22,503,933                               | -  |
| <b>Total</b>                                | <b>160,315,719</b> | <b>122,585,524</b>      | <b>93,692,853</b>      | <b>28,892,672</b>                        | <b>37,730,195</b>                              |

| <b>Funds Allocation, approved initiatives:</b>                  | <b>Allocated Amount</b>          | <b>Utilized Amount</b> | <b>Remaining<br/>Approved<br/>Amount</b> | <b>Funding Source(s)</b>      |
|---|----------------------------------|------------------------|--|-------------------------------|
| Office of Care Coordination                                     | 2,200,000                        | 2,200,000              | -  | HHI                           |
| Pulse For Good  | 800,000                          | 437,950                | 362,050                                  | HHI                           |
| Consultant  | 600,000                          | -                      | 600,000                                  | HHI                           |
| Equity Grants for Programs Serving Underrepresented Populations | 4,021,311                        | 3,271,805              | 749,507                                  | HHI & DHCS                    |
| Infrastructure Projects   | 5,832,314                        | 5,391,731              | 440,583                                  | HHI                           |
| Capital Projects  | 98,247,369                       | 77,195,575             | 21,051,794                               | HHI, DHCS & Existing Reserves |
| System Change Projects  | 10,184,530                       | 4,863,856              | 5,320,674                                | DHCS                          |
| Non-Profit Healthcare Academy                                   | 700,000                          | 331,935                | 368,065                                  | DHCS                          |
| <b>Total of Approved Initiatives</b>                            | <b>\$122,585,524<sup>1</sup></b> | <b>\$93,692,852</b>    | <b>\$28,892,672</b>                      |                               |

**Notes:**

<sup>1</sup>Total funding \$160.3 million: \$40.1 million Board-approved reallocation from HHI, \$47.2 million from CalOptima Health existing reserves and \$73.0 million from DHCS HHIP incentive payments

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

| Transfer Month | Line of Business | From  | To  | Amount    | Expense Description  | Fiscal Year |
|----------------|------------------|---|---|-----------|--|-------------|
| July           | Medi-Cal         | ITS - Applications Management - System Development Enhancement for CalAIM             | ITS - Applications Management - Care Management System - ZeOmega JIVA                             | \$249,000 | To reallocate funds from ITS - Applications Management - System Development Enhancement for CalAIM to Care Management System – ZeOmega JIVA for reporting post Go Live.                      | 2024-25     |
| July           | Medi-Cal         | ITS - Infrastructure - Other Operating Expenses - Maintenance HW/SW - Server - VMWare | ITS - Infrastructure - Other Operating Expenses - Maintenance HW/SW - DocuSign                    | \$32,650  | To repurpose funds from ITS - Infrastructure - Maintenance HW/SW - VMWare to Maintenance HW/SW – DocuSign to provide funding for additional signatures needed to avoid overage fees.         | 2024-25     |
| July           | Medi-Cal         | Accounting - Purchased Services   | Accounting - Printing and Postage   | \$20,000  | To reallocate funds from Accounting - Purchased Services to Accounting – Printing and Postage to provide additional funding for toner purchase.  | 2024-25     |
| August         | Medi-Cal         | ITS - Infrastructure - Other Operating Expenses - VMWare                              | ITS - Infrastructure - Other Operating Expenses - IT Service Management                           | \$38,490  | To reallocate funds from ITS - Infrastructure - Maintenance HW/SW - Server - VMWare to IT Service Management to address additional licensing needs and increased costs for the Impact Guide. | 2024-25     |
| August         | Medi-Cal         | IS - Applications Management - Professional Fees - Salesforce CRM                     | ITS - Applications Management - Other Operating Expenses - Crowe Subscription License Fee         | \$38,500  | To reallocate funds from ITS - Applications Management - Salesforce CRM to Crowe Subscription License Fee to provide funding needed for its licensing.                                       | 2024-25     |
| August         | Medi-Cal         | ITS - Infrastructure - Modern Customer Contact Center                                 | ITS - Infrastructure - Network Bandwidth Upgrade for All Sites (Wide Area Network)                | \$10,349  | To reallocate funds from ITS - Infrastructure - Modern Customer Contact Center to Network Bandwidth Upgrade for All Sites (Wide Area Network) due to increase in expenses.                   | 2024-25     |
| August         | Medi-Cal         | ITS - Infrastructure - Modern Customer Contact Center                                 | ITS - Application Development - Digital Transformation Strategy Planning and Execution Support    | \$32,425  | To reallocate funds from ITS - Infrastructure - Modern Customer Contact Center to Digital Transformation Strategy Planning and Execution Support due to increase in expenses.                | 2024-25     |
| August         | Medi-Cal         | ITS - Infrastructure - Modern Customer Contact Center                                 | ITS - Applications Management - Clinical Data Sets Quality Assurance & Data Aggregator Validation | \$70,000  | To reallocate funds from ITS - Infrastructure - Modern Customer Contact Center to Clinical Data Sets Quality Assurance & Data Aggregator Validation due to increase in expenses.             | 2024-25     |
| August         | Medi-Cal         | ITS - Application Development - Other Operating Expenses - Veracode Code Scanning     | Executive Office - Other Operating Expenses - CEO Leadership Alliance of Orange County (CLAOC)    | \$40,000  | To reallocate funds from ITS - Application Development - Veracode Code Scanning to Executive Office - CEO Leadership Alliance of Orange County (CLAOC) Associations dues.                    | 2024-25     |

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 October 3, 2024**

### **Monthly Compliance Report**

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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**

- **Calendar Year (CY) 2022 Centers for Medicare & Medicaid Services (CMS) 1/3 Financial Audit (*applicable to OneCare*):**

##### **Update:**

- August 19, 2024 – CMS requested completion and signatures of an updated Agree/Disagree (A/D) Letter, Management Representation Letter and Subsequent Events Inquiry Form
  - CMS downgraded a previous finding to an Observation
- August 21, 2024 – CalOptima Health submitted requested files
- CalOptima Health is pending the Final Report, which will include two findings and two observations.

##### **Background:**

- CMS is required by statute to audit at least one-third of Medicare Advantage (MA) organizations' financial records each year which will include data relating to Medicare utilization, costs and development of the bid.
- CMS notified CalOptima Health that its OneCare plan had been selected for the CY 2022 CMS Financial Audit and Davis Farr LLP (CPA firm) will conduct the audit. Davis Farr LLP acted in the capacity of CMS agents and requested 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 Compliance Program Effectiveness (CPE) Audit:**

**Update:**

- August 29, 2024 – Kick-off meeting
- CalOptima Health is finalizing the CPE audit deliverables.
- Below are key updates for the audit:
  - Universe and supporting documentation are due by September 23, 2024
  - Audit Webinar Week is October 15, 2024 – October 21, 2024

**Background:**

- CalOptima Health is required to conduct an independent audit on the effectiveness of its Compliance program on an annual basis, and to share the results with its governing body.
- CalOptima Health engaged an independent consultant to conduct the audit to ensure that its Compliance Program is administering the elements of an effective compliance program as outlined in the CMS Medicare Parts C and D Program Audit Protocols.
- The audit will start in early August and continue through November 2024.
- The audit review period will be from February 1, 2024, through August 1, 2024.

- **2025 Department of Managed Care (DMHC) Routine Financial Examination:**

**Update:**

- September 5, 2024 -- the DMHC engaged CalOptima Health for the 2025 DMHC Routine Examination. The examination will be of the Plan's fiscal and administrative affairs, including an examination of CalOptima Health's financial reports.
- December 16, 2024 -- Pre-audit deliverables due to DMHC
- January 13, 2025 – Examination to commence and will be conducted remotely.
- Regulatory Affairs and Compliance (RAC) Medicare has provided a copy of the Entrance Letter and pre-audit deliverables to the business areas and will continue to work with the impacted areas to ensure audit readiness.

**Background:**

- Pursuant to Section 1382 of the Knox-Keene Health Care Service Plan Act, the DMHC is responsible for conducting routine financial examinations of each health plan and issuing a public report for each plan.
- The purpose of the financial examinations is to evaluate and report on regulatory compliance with the Knox Keene Act. Each financial examination discusses plan performance in the areas of health plan fiscal and administrative functions.

## 2. Medi-Cal

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

**Update:**

- August 22, 2024 -- CalOptima Health received a formal request for corrective action plan (CAP) from DHCS.
- September 23, 2024 -- CAP response is due to DHCS

- Regulatory Affairs and Compliance (RAC) Medi-Cal has met with the impacted business areas and confirmed remedial efforts are underway. RAC Medi-Cal anticipates a timely CAP submission.

**Background:**

- The DHCS Routine Medical Audit consists of DHCS's review of both the Primary (aka "Main Contract") and Secondary contracts (aka "State Supported Services"). The findings are as follows:
  - Primary/Main Contract
    - Draft & Final Report Identified **10 Findings**
  - Secondary Contract - State Supported Services (SSS)
    - Draft & Final Report Identified **No Findings**
- The 10 findings on the Primary/Main contract were across 4 audit categories, as follows:

| Category # | Audit Area                                 | Finding     |
|------------|--|-------------|
| 1          | Utilization Management (UM)                | 3 Findings  |
| 2          | Case Management and Coordination of Care   | 2 Findings  |
| 3          | Access and Availability of Care            | 4 Findings  |
| 4          | Members' Rights                            | 1 Finding   |
| 5          | Quality Management                         | No Findings |
| 6          | Administrative and Organizational Capacity | No Findings |

- **2023 DHCS Routine Medical Audit (Focused Scope):**

**Update:**

- September 6, 2024 -- CalOptima Health received a formal request for corrective action plan (CAP) from DHCS.
- October 6, 2024 -- CAP response is due to DHCS. RAC Medi-Cal anticipates a timely CAP submission.

**Background:**

- In 2022, DHCS notified all Medi-Cal managed care health plans (MCPs) that it would be conducting focused audits to assess performance in certain identified high-risk areas. DHCS scheduled these focused audits concurrently with the routine annual medical audit. CalOptima Health's annual audit was conducted in February-March 2023 and the corresponding CAP was closed on 12/29/23; the draft report with findings for the *focused audit* were not issued until 6/19/24.
- CalOptima Health submitted its response to DHCS on Tuesday, July 9, 2024, and did not dispute the contents of the draft report.
- The areas reviewed and results are as follows:

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>▪ <b>Audit Period:</b> 2/1/22-1/31/23</li><li>▪ <b>Audit Dates:</b> 2/27/23-3/10/23</li><li>▪ <b>Draft Report Date:</b> 6/19/24</li></ul> |  |
|---|--|

|   |              |
|---|--------------|
| <ul style="list-style-type: none"> <li>▪ <b>Transportation</b> <ul style="list-style-type: none"> <li>○ Non-Emergency Medical Transportation (NEMT)</li> <li>○ Non-Medical Transportation (NMT)</li> </ul> </li> </ul>  | No findings  |
| <ul style="list-style-type: none"> <li>▪ <b>Behavioral Health</b> <ul style="list-style-type: none"> <li>○ Specialty Mental Health Services (SMHS)</li> <li>○ Non-Specialty Mental Health Services (NSMHS)</li> <li>○ Substance Use Disorder Services (SUDS)</li> </ul> </li> </ul> | Two Findings |

- **California State Audit (CSA):**

**Update:**

- As of September 9, 2024, CalOptima Health awaits a response from CSA to its 1-year response.

**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.

**B. Regulatory Notices of Non-Compliance**

- CalOptima Health did not receive any notices of non-compliance from its regulators for the month of August 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:
  - Amvi Care Health Network – Lookback: April 1, 2023 – April 30, 2024
  - Prospect Medical Group – Lookback: April 1, 2023 – April 30, 2024

**D. Internal Audit Updates**

- The following annual audits have concluded:
  - 2024 Customer Service (OneCare) Annual Audit
    - Observation Requiring Corrective Action (ORCA) CAP accepted and closed on 8/13/2024
    - To be presented to the Compliance Committee at the next scheduled meeting
  - 2024 Customer Service (Medi-Cal) Annual Audit
    - CAP was not required
    - To be presented to the Compliance Committee at the next scheduled meeting
  - 2024 Human Resources: Cultural & Linguistics Department Annual Audit
    - CAP was not required
    - To be presented to the Compliance Committee at the next scheduled meeting



- The following annual audits are currently in progress:
  - 2024 Grievances and Appeals (OneCare) Annual Audit
  - 2024 Grievances and Appeals (Medi-Cal) Annual Audit
    - Exempt Grievances Annual Audit (Customer Service Department)
  - 2024 Utilization Management (OneCare) Annual Audit

- **Board-Approved Initiatives Review:**

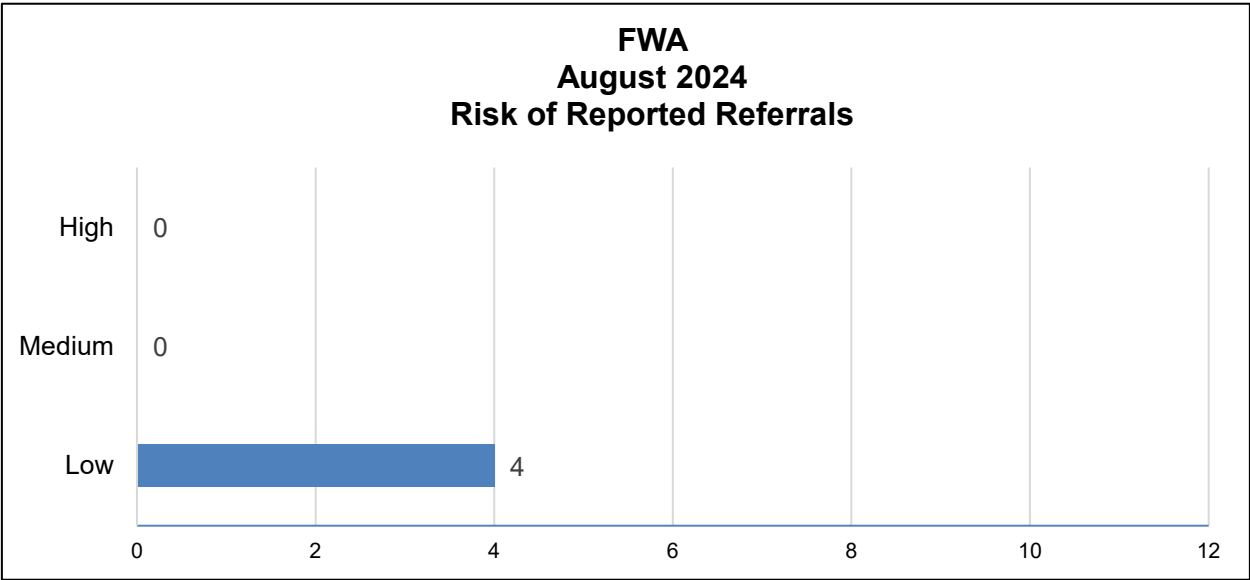
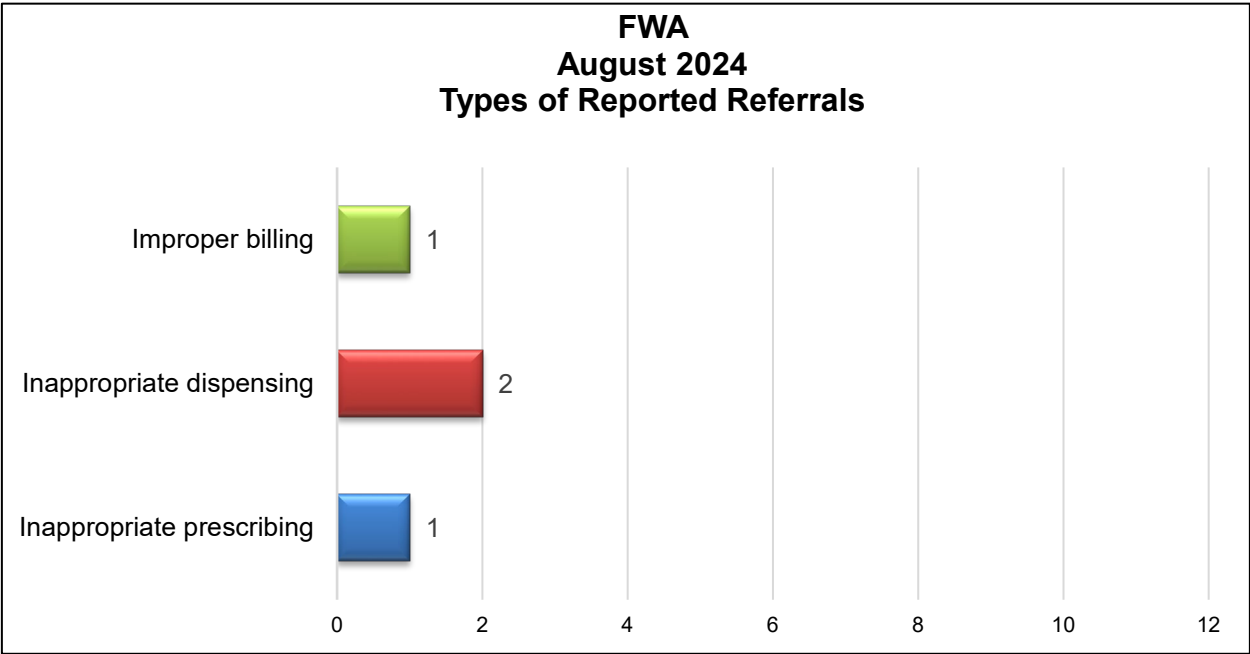
- Update:**

- Renewal of the consultant's engagement received Board approval at the September 5, 2024, Board of Directors meeting.
    - Phase II Scope of Work includes assistance to implement phase I recommendations and close-out review of grants as they are completed.
    - Consultant has completed preliminary close out reviews for the following grants:
      - Be Well/Mind OC, Irvine
      - Be Well/Mind OC, Orange
      - Mind OC close-out reviews presented to internal leadership on August 16
      - Expanded scope review to be performed on Mind OC Irvine and Orange grants

- Background:**

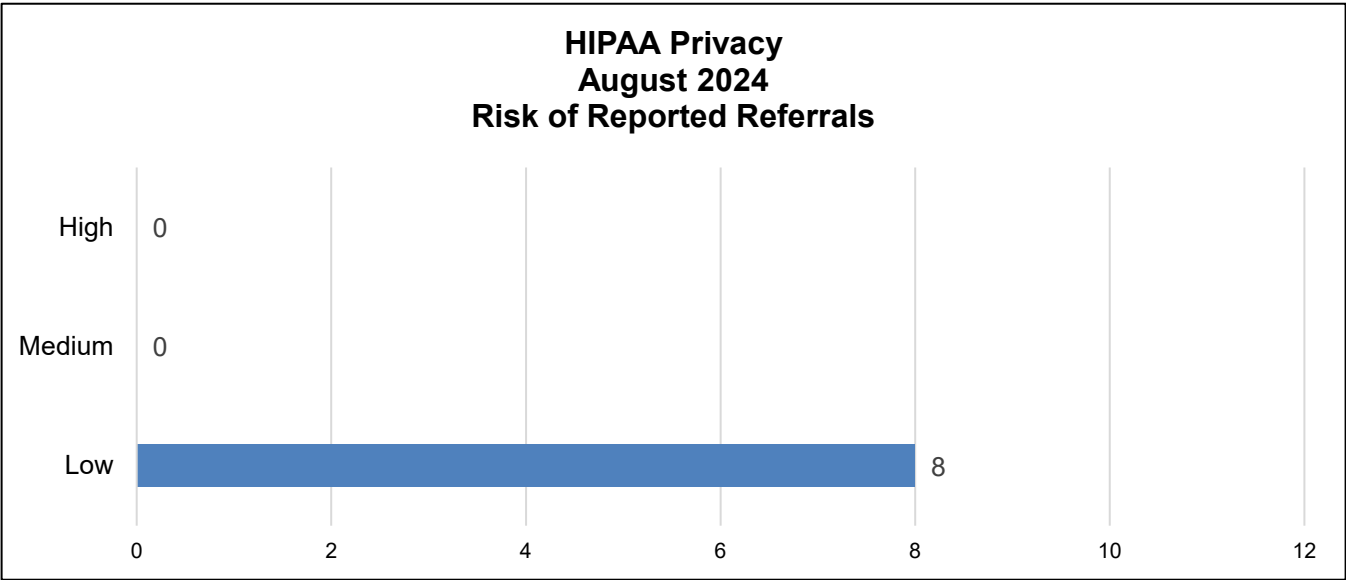
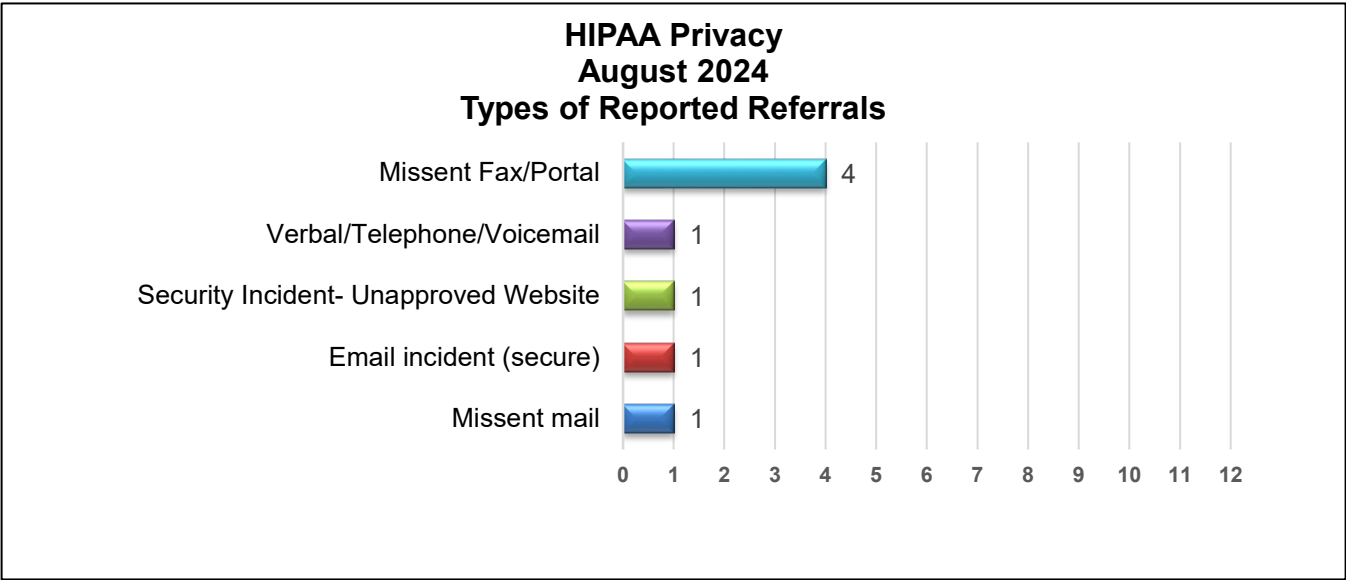
- CalOptima Health's Internal Audit department is currently in the process of reviewing CalOptima Health's Board-approved initiatives. Internal Audit's goal is to identify opportunities to strengthen the oversight of the fund's surplus expenditure management process, including the structure for reviewing and signing off on grant programs and initiatives as they are completed.

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



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

F. Privacy Update (August 2024)



|   |   |
|---|---|
| Total Number of Referrals Reported to DHCS (State)                                      | 8 |
| Total Number of Referrals / Breaches Reported to DHCS and Office for Civil Rights (OCR) | 0 |

## MEMORANDUM

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TO: CalOptima Health  
Board of Directors

FROM: Chamber Hill Strategies

DATE: September 24, 2024

SUBJECT: October Board of Directors Report

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### **CalOptima Health and Chamber Hill Strategies Meet with Congressional Delegation, Raise Awareness of Proposal to Enter Covered California Market**

On September 17 and 18, CalOptima Health and Chamber Hill Strategies met with staff to the U.S. Senators from California and several members of the Orange County delegation to Congress to discuss CalOptima Health's proposal to enter the Covered California market as well as the consideration and steps required before the proposal can move forward. Over the course of the two days, CalOptima Health and Chamber Hill Strategies met with staff members to Senator Laphonza Butler (D-CA), Senator Alex Padilla (D-CA), Representative Lou Correa (D-CA-46), Representative Mike Levin (D-CA-49), and Representative Linda Sanchez (D-CA-38).

### **PACE Center Hosts Staff to Rep. Young Kim**

CalOptima Health and Chamber Hill Strategies team members partnered to schedule a September 6 tour of the CalOptima Health PACE Center in Garden Grove for Shine Lee, Legislative Assistant and health policy advisor to Rep. Young Kim (R-CA-40). The tour provided Ms. Lee the opportunity to observe and learn firsthand how CalOptima Health is serving over 500 members through its PACE program.

### **Congressional Leaders Move to Fund Government, Avert Shutdown**

Heading into the last full week of September, the House and Senate had yet to pass the appropriations bills to fund government agencies and programs for Fiscal Year 2025 (FY2025). Funding for FY2024 expires on September 30. Some members of the House Republican Conference had pushed for a measure to fund government operations at FY2024 levels through March 2025, but that proposal failed in a House vote. On September 22, congressional leaders announced that an agreement had been reached to extend appropriations to fund government operations through December 20, 2024. While this legislation (H.R. 9747) will continue funding government programs at FY2024 levels through December 20, 2024, it also means that Congress will need to revisit its work to pass legislation to fund the federal government for FY2025 after the election. As of this writing, the House and Senate had yet to consider and approve H.R. 9747, but it was expected that the chambers would pass the legislation and send it to the President for signature in advance of the September 30 deadline.

### **House Committee Meets to Consider, Move Health Legislation**

On September 18, 2024, the House Energy and Commerce Committee met to consider 16 bills, including 10 pieces of health-related legislation. The legislation considered covered a variety of topics, including telehealth permanency, Medicaid eligibility for military members and seniors, and nursing home-related issues, including a

resolution condemning the Centers for Medicare and Medicaid's (CMS) rule on nursing home staffing. In a 41 to 0 vote, the Committee offered unanimous support for a permanent extension of telehealth flexibilities, and there was bipartisan support for much of the legislation considered as well; but there was also strong disagreement and heated debate on the nursing home staffing rule. More detail on the bills with a direct or potential impact on Medicaid and Medicare plans and recipients that were approved by the Committee follow:

- H.R. 7623—The Telehealth Modernization Act of 2024 would permanently extend telehealth flexibilities that were authorized during the COVID public health emergency. In addition, the bill would allow (1) federally qualified health centers to serve as the distant site (i.e., the location of the health care practitioner); (2) the home of a beneficiary to serve as the originating site (i.e., the location of the beneficiary); and (3) all types of practitioners to furnish telehealth services.
- H.R. 8107—The Ensuring Access to Medicaid Buy-in Programs Act of 2024 would remove age restrictions on Medicaid eligibility and allow working adults with disabilities over 65 to be eligible for Medicaid.
- H.R. 8108—This legislation would add a Medicaid state plan requirement regarding the residency of individuals serving in the Armed Forces and would allow those who are deployed to keep receiving Medicaid benefits from their home state.
- H.R. 9067—The Building America's Health Care Workforce Act would establish a waiver of certain training and certification requirements for specified skilled nursing facilities and nursing facilities.
- H.R. 3227—The Ensuring Seniors' Access to Quality Care Act would repeal restrictions under Medicare and Medicaid that prohibit the approval of nurse-aide training and competency evaluation programs in skilled nursing facilities that have been subject to actions for substandard quality of care. The bill would also allow skilled nursing facilities to access disciplinary information for affiliated physicians and other health care practitioners.
- H.R. 670—The Think Differently Database Act would create a clearinghouse on intellectual disabilities, through a publicly-available website to provide information with respect to resources and information for people with a disability and their caregivers and families.
- H.J. Res. 139—This resolution would express congressional disapproval for the CMS rule relating to minimum staffing standards at nursing homes.

Having been approved by the House Energy and Commerce Committee, these health care bills could be among those moved by the House later this year. In fact, after clearing the Committee, H.R. 8108 was passed by the full House on September 23. In addition to possible consideration by the full House, some of these bills could be considered for inclusion in larger health care legislation later this year. While an agreement has not yet been reached, congressional leaders could make a push to pass a larger health care package following the election. In addition to smaller health care authorizations that are set to expire at the end of 2024, measures to extend telehealth flexibilities and to address concerns regarding pharmacy benefit manager practices have been mentioned as being under consideration.

### **House Approves Bipartisan Health Legislation before Breaking for Elections**

While the effort to fund the government beyond September 30 garnered much of the public attention, September also saw the U.S. House of Representatives move several pieces of bipartisan health-related legislation—many of which are directly related to Medicaid and Medicare or would seek to ensure or improve access to certain services delivered under those programs. The House-passed bills cover a range of issues including bolstering efforts to address and prevent fraud, improving access to mental health services delivered via telehealth, and supporting access to language services for non-English speakers to help improve access to health care services. Among the bills approved by the House over the last two weeks in September were the following:

- H.R. 8111—The Medicaid Program Improvement Act would require Medicaid programs to implement a process to obtain updated addresses for enrollees. It would also require all contracted managed care plans to report the verified addresses of enrollees to the states.

- H.R. 8112—The bill would require states to check monthly if a provider's or supplier's participation in Medicare or Medicaid is still active.
- H.R. 8089—The Medicare and Medicaid Fraud Prevention Act of 2024 would require states to check with the Social Security Death Master File before re-enrolling Medicaid providers. The bill would also enable the state to deactivate deceased providers' National Provider Identifiers (NPIs).
- H.R. 8084—The LIVE Beneficiaries Act would require states to verify individuals' eligibility for medical assistance quarterly, and it would require states to check quarterly to ensure deceased individuals are no longer enrolled in Medicaid.
- H.R. 6033—The SPEAK Act of 2024, which was introduced by Rep. Michelle Steel (R-CA-45) from Orange County, would require the U.S. Department of Health and Human Services (HHS) to issue guidance for improving telehealth services for non-English speakers.
- H.R. 7858—The TELEMH Act of 2024 would create a new code for telehealth-delivered mental health services in Medicare.
- H.R. 4758—The Accelerating Kids' Access to Care Act would require Medicaid programs to establish a process through which qualifying out-of-state providers may temporarily treat children without undergoing additional screening requirements. It would also require pass-through pricing models for covered drugs in Medicaid and prohibit spread pricing for payment arrangements with pharmacy benefit managers under Medicaid.
- H.R. 8108—This legislation would add a Medicaid state plan requirement regarding the residency of individuals serving in the Armed Forces and would allow those who are deployed to keep receiving Medicaid benefits from their home state.
- H.R. 5526—The Seniors' Access to Critical Medications Act of 2024 would clarify that delivering medicines by mail, courier or allowing a family member or caregiver to pick up medicines on behalf of a patient is allowed under Medicare. It would also require CMS to revise its interpretation of current law that prohibits delivery of medicines to patients who are not physically present in the physician's office.
- H.R. 2706—The Charlotte Woodward Organ Transplant Discrimination Prevention Act would prohibit denying or restricting an individual's access to organ transplants solely based on disability.

Having passed the House, these bills have been referred to the Senate for consideration. As noted with the bills passed by the Energy and Commerce Committee, some of these bills could be considered for inclusion in larger health care legislation later this year as well.

### **House Subcommittee Holds Hearing on Chronic Disease Prevention and Management**

On September 18, the House Ways and Means Health Subcommittee held a hearing on chronic disease prevention and management. Representatives and witnesses expressed concerns regarding rising rates of chronic disease, while noting that prevention efforts are lacking and agreeing that not enough is being done to promote healthy nutrition. Member questions and discussions focused on how Congress can best implement policies to better prevent, treat, and reduce rates of chronic diseases by addressing the root causes of these diseases. For example, discussions were had on the promotion of food as medicine, the provision of medically tailored meals and therapy, addressing social determinants of health, and meeting the needs of individuals enrolled in both Medicare and Medicaid and those enrolled in special needs plans. Orange County Rep. Michelle Steel (R-CA-45), who serves on the Subcommittee, highlighted her bill H.R.6033, the Supporting Patient Education And Knowledge (SPEAK) Act of 2024, which would seek to improve access to telehealth services for non-English speakers. (Note: The House of Representatives approved the SPEAK Act on September 17.)

### **Regulatory Outlook – Mental Health Parity Rule Released, More Rules on the Horizon**

On September 9, HHS, the Department of Labor, and the Department of the Treasury released the final mental health parity rule. This rule clarifies many provisions from the 2008 Mental Health Parity and Addiction Equity Act which required health plans and insurance to cover mental health and substance abuse treatment. The rule also expands certain provisions and creates new rules around nonquantitative treatment limitations, data sources, and provider networks.



Washington is also preparing for the release of several final rules later this fall. Earlier this spring and summer, CMS released several proposed rules for physician, home health, and hospital outpatient prospective payments; those final rules are expected to be released in late October or early November. CMS is also slated to release the proposed rule on Medicare Advantage and Part D rates in November.

### **Interagency Council on Homelessness Releases Homelessness Prevention Framework**

On September 23, the U.S. Interagency Council on Homelessness (USICH) released *Ending Homelessness Before It Starts: A Federal Homelessness Prevention Framework*, as well as launched a new series spotlighting local and federal efforts to prevent homelessness. The framework was informed by people who have experienced homelessness and was developed with multiple federal agencies; it was formally adopted by agency leaders at the USICH meeting on September 23 that included White House Cabinet members from the departments of HHS and Agriculture. The framework is intended to serve as a guide for a wide range of partners, including, but not limited to, state, local, and tribal governments; nonprofits; systems; providers; and advocates. Among its features, the framework details steps for developing a broad community-based approach to homelessness prevention, defines categories of homelessness prevention, shares practices for homelessness prevention, and lists federal homelessness prevention resources.

### **MACPAC Holds First Meeting of 2024-2025 Cycle**

On September 19 and 20, the Medicaid and CHIP Payment and Access Commission (MACPAC) met for its first meeting of the 2024-2025 cycle. On the first day, topics ranged from a summary of recent CMS Medicaid rules, discussions around Home and Community-Based Services (HCBS) and HCBS recommendations, and a discussion and panel on the Program of All-Inclusive Care for the Elderly (PACE). On the second day, themes included work on residential services for youth with behavioral health needs, managed care external quality review, work related to care for justice-involved youth, and themes from the Hospital Payment Index Technical Expert Panel (TEP).

Highlights from the sessions included the following:

- **HCBS**—There was discussion of policy options related to HCBS where staff reviewed previous work on 1915 waiver authority and the amount of time it takes for states to apply for waivers. Staff showed analysis demonstrating how waiver programs save Medicaid dollars compared to traditional facilities.
- **PACE**—Commissioners expressed strong support for PACE programs but expressed concern about low enrollment in PACE.
- **Residential Services for Youth with Behavioral Health Needs**—MACPAC staff announced a multi-phase work plan to address ongoing interest in care for Medicaid-enrolled children and youth with behavioral health needs.
- **Managed Care External Quality Review (EQR)**—Staff reviewed prior MACPAC work on the EQR process and included a discussion of how EQR findings can be made more useful for enrollees, state and federal officials, and other stakeholders.
- **Justice-Involved Youth**—MACPAC reviewed work on efforts to address the needs of Medicaid-enrolled individuals who are incarcerated or have been involved with the criminal justice system. While no vote was taken, interest was expressed in recommending that all Medicaid-eligible youth receive Medicaid while incarcerated.

### **MedPAC Holds First Meeting of 2024-2025 Cycle**

On September 8, the Medicare Payment Advisory Commission (MedPAC) met in its first meeting of the 2024-2025 cycle. While much of the discussion touched on rural health care issues, the meeting also included a discussion of the Medicare context chapter, which will be included MedPAC's upcoming report on Medicare payment policy and is slated for release in March 2025. The discussion of the Medicare context chapter examined future funding and viability of the Medicare program and included a conversation on clinical workforce availability and shortages in the U.S. During the discussion, it was noted that Medicare's Hospital



Insurance Trust Fund is projected to become insolvent in 2035. Multiple factors, including demographics, an aging population, and inflation, were mentioned when discussing increased health care spending, but the Commission also highlighted the rising cost of pharmaceuticals, noting that drugs are estimated to increase Medicare Part D spending by \$36 billion over the next 10 years.

# CALOPTIMA HEALTH - STATE LEGISLATIVE REPORT

## September 23, 2024

### General Update

The legislature adjourned on August 31, 2024, ending the final year of the 2023-2024 regular legislative session. Approximately 900 bills were passed in the last two weeks of the session and sent to Governor Newsom to sign, veto, or approve without signing by the September 30th deadline. With eight days left before the deadline, he still needs to act on approximately 85 bills a day.

Thus far, the Governor has been slow to act on bills and some media speculate this is in response to the legislature not acting on his last-minute energy bill package before adjourning regular session. The Assembly and Senate leadership are now sparring over how to proceed with the Governor's energy bill package aimed at trying to curb gas price spikes.

The Assembly refused to act during the regular session, so the Governor called a Special Session. The Assembly has moved forward on hearings, chaired by Assemblymember Cottie Petrie-Norris (D-Irvine), and scheduled a Special Session floor vote on October 1. However, the Senate leadership has stated they will only convene a Special Session once the Assembly passes the bills. The Senate seems confident in being able to pass the Governor's bill package, while the Assembly is uncertain.

### Budget Update

There are seven final budget cleanup bills that passed the legislature and await the Governor's expected support. The Governor signed a separate Health Omnibus bill on September 22, which includes non-controversial and non-substantive changes to various statutes. The Governor has the month of September to sign the remaining budget bills.

**Managed Care Organization (MCO) Tax** – The budget included many Medi-Cal provider rate increases from last year's MCO Tax Coalition agreement; however, there were significant changes. The investments are decreased, partially redistributed, delayed to 2025 or 2026, and additional provider types will receive a portion of the monies (reducing the overall funding of the original provider types).

Several provisions of the budget's MCO tax agreement will become inoperable if voters approve the related MCO Tax Initiative (Proposition 35) on the November 5th ballot. If Proposition 35 passes, the California Department of Finance (DOF) estimates it will amount to a \$12 billion decrease in funds that the state had planned to balance the budget through 2027.

**Health Care Worker \$25/Hour Minimum Wage Increase** – Under the budget agreement, the minimum wage increase for health care workers will be implemented once one of the following occurs: 1) the state determines that in the first quarter of the fiscal year cash receipts are 3% higher than what was projected at the time of budget passage; or 2) when DHCS notifies the Joint Legislative Budget Committee that it is seeking CMS approval to increase hospital quality assurance fees to support more revenue for Medi-Cal to offset costs. The wage increase is estimated to be implemented no earlier than October 1, 2024, and no later than January 1, 2025.

## Key Legislation Update

**Medi-Cal Medically Supportive Food – AB 1975 (Bonta)** – AB 1975 is on the Governor’s desk for action. This bill makes medically supportive food and nutrition services under Medi-Cal a permanent benefit when determined to be medically necessary to a patient’s medical condition. These benefits are currently covered through a temporary waiver program as part of CalAIM. This bill was supported by Local Health Plans of California (LHPC) and California Association of Health Plans (CAHP).

**Claim Reimbursement – AB 3275 (Soria)** – AB 3275 passed the legislature and is on the Governor’s desk. This bill requires health plans to reimburse a complete claim no later than 30 calendar days after receipt of the claim with a major goal of getting timely payments to distressed hospitals. CAHP, LHPC and the DOF all opposed the bill because of the significant costs of the dramatic shortening of the window to pay claims, particularly those that have not been submitted properly.

**Prior Authorization - SB 516 (Skinner)** – This bill died after the author suddenly pulled the bill off the August 27, 2024, Assembly Health Committee agenda. SB 516 mandated that the California Department of Managed Health Care (DMHC) and California Department of Insurance (CDI) issue instructions to health plans to provide specific information about the use of prior authorizations. Originally a “gut and amend” bill at the end of the 2023 session, this bill became active again on August 7, 2024, and was subsequently amended to exempt Medi-Cal plans.

**Utilization Review for Health Care - SB 1120 (Becker)** – This bill passed the legislature and was presented to the Governor on September 11. Sponsored by the California Medical Association, SB 1120 mandates that health plans using AI for utilization review and utilization management decisions comply with specified requirements. This includes that those decisions be based on medical history, individual clinical circumstances, and be fairly and equitably applied. DOF and CAHP removed their opposition in the final version of the bill.

## Propositions and Initiatives

**Proposition 1: Behavioral Health Transformation (BHT)** – Approved by voters in March, this is an overhaul of California’s mental health funding system and a \$6.4 billion bond for facilities. The request for applications for Round 1 of bond funding (\$3.3 billion) was released in July and applications are due in December, with a required pre-application consultation in October.

DHCS is utilizing the previously authorized Behavioral Health Continuum Infrastructure Program (BHCIP) for the release of bond funds. Counties, cities, tribes, non-profits, and for-profits are eligible to apply. DHCS prioritizes collaborative partnerships and campus-type models. County mental health departments must support the proposed projects and matching funds/collateral are required.

**Proposition 35: “Protect Access to Health Care Act of 2024” (MCO Tax)** – Passage would be the first time this tax, which leverages federal reimbursement dollars, is made a permanent tax on health plans. The Governor and legislature have previously used this tax administratively to balance the budget. The MCO Tax deal in the current budget will become inoperable should Proposition 35 succeed.

The Governor has indicated his opposition to the measure because it “hamstrings” the legislature’s and Governor’s ability to balance the state budget. However, he has not formally opposed Proposition 35. The campaign in support has raised almost \$49 million. There is no organized campaign against Proposition 35 and current polling suggests a 63% chance of success. Figure 1 (below), provided by the Legislative Analyst’s Office, outlines the short-term funding changes should Proposition 35 pass.

Figure 1

## Proposition 35 Changes Which Services Get Funding Increases

Funding Increases in the Short Term (in 2025 and 2026)

|  | Current Law | Proposition 35 <sup>a</sup> |
|--|-------------|-----------------------------|
| Doctors and other related providers <sup>b</sup>               | ✓           | ✓                           |
| Specified hospital services                                    |             | ✓                           |
| Outpatient facilities  |             | ✓                           |
| Safety net clinics   | ✓           | ✓                           |
| Behavioral health facilities                                   |             | ✓                           |
| Reproductive health and family planning                        | ✓           | ✓                           |
| Emergency medical transportation                               | ✓           | ✓                           |
| Nonemergency medical transportation                            | ✓           |                             |
| Private duty nursing   | ✓           |                             |
| Certain long-term supports                                     | ✓           |                             |
| Community health workers                                       | ✓           | <sup>c</sup>                |
| Continuous Medi-Cal coverage for children up to five-years old | ✓           |                             |
| Medi-Cal workforce programs                                    | ✓           | ✓                           |
| Doctor postgraduate training programs                          |             | ✓                           |

<sup>a</sup> More services are eligible for funding increases in the long term (beginning in 2027).

<sup>b</sup> Current law and Proposition 35 include some differences over which related providers get funding increases.

<sup>c</sup> Eligible for funding increases in the long term (beginning in 2027), depending on how much money is raised by the health plan tax.

## 2023–24 Legislative Tracking Matrix

| Bill Number<br>Author                             | Bill Summary   | Bill Status   | Position/Notes          |
|---|--|---|-------------------------|
| <b>Behavioral Health</b>                          |  |   |                         |
| <b><u>S. 3430</u></b><br>Wyden (OR)<br>Crapo (ID) | <p><b>Better Mental Health Care, Lower-Cost Drugs, and Extenders Act:</b> 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"> <li>Increasing all Medicare physician fee schedule payments by 2.5% (rather than 1.25%) for 2024 services.</li> <li>Increasing Medicare physician fee schedule payments for certain behavioral health integration services in primary care settings during 2026–28.</li> <li>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.</li> <li>Expanding access to behavioral telehealth services across state lines and for those with limited English proficiency.</li> <li>Medicaid funding of up to seven days for services delivered to incarcerated individuals diagnosed with an SUD and pending disposition of charges.</li> <li>Eliminating cuts to Medicaid disproportionate share hospital payments through September 30, 2025.</li> </ul> <p>Additionally, would include provisions from S. 3059, the Requiring Enhanced &amp; Accurate Lists of (REAL) Health Providers Act, to require accurate provider directories on public websites updated every 90 days.</p> <p><b>Potential CalOptima Health Impact:</b> 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> | <b>12/07/2023</b><br>Introduced; referred to Senate Finance Committee | CalOptima Health: Watch |

| Bill Number<br>Author                      | Bill Summary   | Bill Status   | Position/Notes          |
|--|--|---|-------------------------|
| <b><u>S. 923</u></b><br>Bennet (CO)        | <p><b>Better Mental Health Care for Americans Act:</b> 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><b>Potential CalOptima Health Impact:</b> Increased access to behavioral health services for CalOptima Health members; increased funding for contracted providers; increased staff oversight of OneCare provider directory.</p> | <b>03/22/2023</b><br>Introduced; referred to Senate Finance Committee   | CalOptima Health: Watch |
| <b><u>S. 1378</u></b><br>Cortez Masto (NV) | <p><b>Connecting Our Medical Providers with Links to Expand Tailored and Effective (COMPLETE) Care Act:</b> 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><b>Potential CalOptima Health Impact:</b> Increased resources and access to behavioral health services for CalOptima Health OneCare members; increased funding for contracted providers.</p>   | <b>04/27/2023</b><br>Introduced; referred to Senate Finance Committee   | CalOptima Health: Watch |
| <b><u>SB 363</u></b><br>Eggman             | <p><b>Behavioral Health Facilities Database:</b> 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><b>Potential CalOptima Health Impact:</b> Increased resources and access to behavioral health services for CalOptima Health Medi-Cal members.</p>   | <p><b>08/16/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>06/13/2023</b><br/>Passed Assembly Health Committee</p> <p><b>05/24/2023</b><br/>Passed Senate floor</p> | CalOptima Health: Watch |

| Bill Number<br>Author              | Bill Summary  | Bill Status  | Position/Notes          |
|------------------------------------|---|--|-------------------------|
| <b><u>AB 492</u></b><br>Pellerin   | <p><b>Reproductive and Behavioral Health Integration Pilot Programs:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Increased funding and access to reproductive and behavioral health services.</p>   | <p><b>07/03/2024</b><br/>Died in Senate Health Committee</p> <p><b>05/31/2023</b><br/>Passed Assembly floor</p>  | CalOptima Health: Watch |
| <b><u>AB 512</u></b><br>Waldron    | <p><b>Behavioral Health Facilities Database:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Increased efficiency and timeliness of facility referrals; decreased visits to the emergency department.</p> | <p><b>01/19/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>03/14/2023</b><br/>Passed Assembly Health Committee</p>   | CalOptima Health: Watch |
| <b><u>AB 940</u></b><br>Villapudua | <p><b>Eating Disorder Treatment:</b> Would expand the approved facilities for inpatient treatment of eating disorders to include psychiatric health facilities.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> Increased access to treatment for eating disorders.</p>   | <p><b>01/12/2024</b><br/>Died in Assembly Health Committee</p>   | CalOptima Health: Watch |
| <b><u>AB 1316</u></b><br>Irwin     | <p><b>Psychiatric Emergency Medical Conditions:</b> Would require the Medi-Cal program to cover emergency services and care necessary to treat a psychiatric emergency medical condition, including post-stabilization care services, emergency room professional services, and facility charges for emergency room visits — regardless of whether the beneficiary was voluntarily or involuntarily admitted.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> Increased scope of behavioral health services for CalOptima Health Medi-Cal members.</p>  | <p><b>08/27/2024</b><br/>Assembly concurred in amendments; ordered to the Governor</p> <p><b>08/26/2024</b><br/>Passed Senate floor</p> <p><b>01/25/2024</b><br/>Passed Assembly floor</p> | CalOptima Health: Watch |



| Bill Number<br>Author                  | Bill Summary  | Bill Status  | Position/Notes             |
|--|---|--|----------------------------|
| <b><u>AB 1470</u></b><br>Quirk-Silva   | <p><b>Behavioral Health Documentation Standards:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> New data requirements; additional training for CalOptima Health behavioral health staff on new documentation.</p>                   | <p><b>09/14/2024</b><br/>Vetoed (<a href="#">see veto message</a>)</p>   | CalOptima Health:<br>Watch |
| <b><u>AB 1936</u></b><br>Cervantes     | <p><b>Maternal Mental Health Screenings:</b> Would require a health plan's maternal mental health program to consist of at least one maternal mental health screening during pregnancy, at least one additional screening during the first six weeks of the postpartum period, and additional postpartum screenings, if determined medically necessary and clinically appropriate, to improve treatment and referrals to other maternal mental health services, including coverage for doulas.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> Expanded Medi-Cal benefit for CalOptima Health Medi-Cal members.</p> | <p><b>08/29/2024</b><br/>Assembly concurred in amendments; ordered to the Governor</p> <p><b>08/21/2024</b><br/>Passed Senate floor</p> <p><b>05/09/2024</b><br/>Passed Assembly floor</p> | CalOptima Health:<br>Watch |
| <b>Budget</b>                          |   |  |                            |
| <b><u>H.R. 2872</u></b><br>Graves (LA) | <p><b>Further Additional Continuing Appropriations and Other Extensions Act, 2024:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Continuation of current federal spending on programs impacting CalOptima Health members.</p>   | <p><b>01/19/2024</b><br/>Signed into law</p>   | CalOptima Health:<br>Watch |

| Bill Number<br>Author                     | Bill Summary   | Bill Status                          | Position/Notes             |
|---|--|--------------------------------------|----------------------------|
| <b><u>H.R. 2882</u></b><br>Ciscomani (AZ) | <p><b>Further Consolidated Appropriations Act, 2024:</b> 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"> <li>• Department of Defense Appropriations Act, 2024</li> <li>• Financial Services and General Government Appropriations Act, 2024</li> <li>• Department of Homeland Security Appropriations Act, 2024</li> <li>• Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2024</li> <li>• Legislative Branch Appropriations Act, 2024</li> <li>• Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024</li> </ul> <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><b>Potential CalOptima Health Impact:</b> Adjusted but broadly sustained funding for federal programs impacting CalOptima Health members.</p> | <b>03/23/2024</b><br>Signed into law | CalOptima Health:<br>Watch |
| <b><u>H.R. 4366</u></b><br>Carter (TX)    | <p><b>Consolidated Appropriations Act, 2024:</b> 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"> <li>• Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024</li> <li>• Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2024</li> <li>• Commerce, Justice, Science, and Related Agencies Appropriations Act, 2024</li> <li>• Energy and Water Development and Related Agencies Appropriations Act, 2024</li> <li>• Department of the Interior, Environment, and Related Agencies Appropriations Act, 2024</li> <li>• Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2024</li> </ul> <p>In addition, extends several expiring programs and authorities, including several public health programs.</p> <p><b>Potential CalOptima Health Impact:</b> Adjusted but broadly sustained funding for federal programs impacting CalOptima Health members.</p>                   | <b>03/09/2024</b><br>Signed into law | CalOptima Health:<br>Watch |

| Bill Number<br>Author   | Bill Summary   | Bill Status                          | Position/Notes             |
|---|--|--------------------------------------|----------------------------|
| <b><u>H.R. 7463</u></b><br>Granger (TX)                             | <p><b>Extension of Continuing Appropriations and Other Matters Act, 2024:</b> 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><b>Potential CalOptima Health Impact:</b> Continuation of current federal spending on programs impacting CalOptima Health members.</p>  | <b>03/01/2024</b><br>Signed into law | CalOptima Health:<br>Watch |
| <b><u>SB 136</u></b><br>Committee on<br>Budget and<br>Fiscal Review | <p><b>Managed Care Organization (MCO) Provider Tax Amendment Trailer Bill I:</b> 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><b>Potential CalOptima Health Impact:</b> Increased tax liability on CalOptima Health to be reimbursed at an approximately equivalent amount; increased funding for Medi-Cal programs and provider rates.</p>   | <b>03/25/2024</b><br>Signed into law | CalOptima Health:<br>Watch |
| <b><u>SB 159</u></b><br>Committee on<br>Budget and<br>Fiscal Review | <p><b>Health Trailer Bill:</b> Consolidates and enacts certain budget trailer bill language containing the policy changes needed to implement health-related expenditures in the FY 2024-25 state budget.</p> <p><b>Potential CalOptima Health Impact:</b> Impacts are discussed in the enclosed analysis of the FY 2024–25 Enacted State Budget.</p>  | <b>06/29/2024</b><br>Signed into law | CalOptima Health:<br>Watch |
| <b><u>AB 106</u></b><br>Gabriel                                     | <p><b>Budget Acts of 2022 and 2023:</b> 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"> <li>• Behavioral Health Continuum Infrastructure Program: \$140.4 million delay</li> <li>• Behavioral Health Bridge Housing: \$235 million delay</li> <li>• MCO Provider Tax: \$3.8 billion in revenue borrowing</li> </ul> <p><b>Potential CalOptima Health Impact:</b> Adjusted but broadly sustained funding for behavioral health programs impacting CalOptima Health members.</p> | <b>04/03/2024</b><br>Signed into law | CalOptima Health:<br>Watch |

| Bill Number<br>Author   | Bill Summary   | Bill Status  | Position/Notes                             |
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| <b><u>AB 107</u></b><br>Gabriel<br><br><b><u>SB 108</u></b><br>Wiener | <b>Budget Act of 2024:</b> Makes appropriations for the government of the State of California for FY 2024–25. Total spending is \$293 billion, of which \$211.5 billion is from the General Fund.<br><br><b><i>Potential CalOptima Health Impact:</i></b> Impacts are discussed in the enclosed analysis of the FY 2024–25 Enacted State Budget.   | <b>6/29/2024</b><br>Signed into law  | CalOptima Health:<br>Watch                 |
| <b><u>AB 160</u></b><br>Committee on<br>Budget                        | <b>MCO Provider Tax Amendment Trailer Bill II:</b> Subject to approval by CMS, further increases the Medi-Cal per enrollee tax amount on health plans in Medi-Cal taxing tier II from \$205 to \$274 during the 2024, 2025 and 2026 calendar years.<br><br><b><i>Potential CalOptima Health Impact:</i></b> Impacts are discussed in the enclosed analysis of the FY 2024–25 Enacted State Budget.   | <b>06/29/2024</b><br>Signed into law   | CalOptima Health:<br>Watch                 |
| <b>California Advancing and Innovating Medi-Cal (CalAIM)</b>          |  |  |  |
| <b><u>AB 586</u></b><br>Calderon                                      | <b>Community Support: Climate Change or Environmental Remediation Devices:</b> 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.<br><br><b><i>Potential CalOptima Health Impact:</i></b> New services available for CalOptima Health Medi-Cal members to address social determinants of health (SDOH). | <b>01/19/2024</b><br>Died in Assembly<br>Appropriations<br>Committee<br><br><b>04/11/2023</b><br>Passed Assembly<br>Health Committee   | CalOptima Health:<br>Watch                 |
| <b><u>AB 1338</u></b><br>Petrie-Norris                                | <b>Community Support: Fitness:</b> Would add fitness, physical activity, or recreational sports programs, activities, or memberships as a Medi-Cal Community Support option.<br><br><b><i>Potential CalOptima Health Impact:</i></b> New services available for CalOptima Health Medi-Cal members to address SDOH.   | <b>01/19/2024</b><br>Died in Assembly<br>Appropriations<br>Committee<br><br><b>04/18/2023</b><br>Passed Assembly<br>Health Committee   | CalOptima Health:<br>Watch                 |
| <b>Covered Benefits</b>   |  |  |  |
| <b><u>SB 324</u></b><br>Limón   | <b>Endometriosis:</b> Would add any clinically indicated treatment for endometriosis as a covered benefit without prior authorization or other utilization review.<br><br><b><i>Potential CalOptima Health Impact:</i></b> Expanded covered benefit for CalOptima Health Medi-Cal members.   | <b>08/16/2024</b><br>Died in Assembly<br>Appropriations<br>Committee<br><br><b>06/27/2023</b><br>Passed Assembly<br>Health Committee<br><br><b>05/24/2023</b><br>Passed Senate floor | CalOptima Health:<br>Watch<br>CAHP: Oppose |

| Bill Number<br>Author                 | Bill Summary  | Bill Status  | Position/Notes                                 |
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| <b><u>SB 339</u></b><br>Wiener        | <p><b>Human Immunodeficiency Virus (HIV) Preexposure Prophylaxis (PrEP) and Postexposure Prophylaxis (PEP):</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Expanded Medi-Cal Rx benefit for CalOptima Health Medi-Cal members.</p> | <p><b>02/06/2024</b><br/>Signed into law</p>   | CalOptima Health:<br>Watch<br>CAHP: Oppose     |
| <b><u>SB 953</u></b><br>Menjivar      | <p><b>Menstrual Products:</b> Would add menstrual products as covered Medi-Cal benefits.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> New covered benefits for CalOptima Health Medi-Cal members.</p>  | <p><b>05/17/2024</b><br/>Died in Senate Appropriations Committee</p> <p><b>03/20/2024</b><br/>Passed Senate Health Committee</p>   | CalOptima Health:<br>Watch                     |
| <b><u>SB 1180</u></b><br>Ashby        | <p><b>Emergency Medical Services:</b> Would add services provided by a community paramedicine program, triage to alternate destination program, or mobile integrated health program as covered Medi-Cal benefits, subject to an appropriation by the Legislature.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> Expanded covered benefits for CalOptima Health Medi-Cal members.</p>  | <p><b>08/30/2024</b><br/>Senate concurred in amendments; ordered to the Governor</p> <p><b>08/28/2024</b><br/>Passed Assembly floor</p> <p><b>05/21/2024</b><br/>Passed Senate floor</p>   | CalOptima Health:<br>Watch<br>CAHP: Oppose     |
| <b><u>AB 47</u></b><br>Boerner        | <p><b>Pelvic Floor Physical Therapy:</b> Beginning January 1, 2024, would require health plans to provide coverage for pelvic floor physical therapy after pregnancy.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> New covered benefit for CalOptima Health Medi-Cal members.</p>  | <p><b>01/12/2024</b><br/>Died in Assembly Health Committee</p>   | CalOptima Health:<br>Watch<br>CAHP: Oppose     |
| <b><u>AB 365</u></b><br>Aguilar-Curry | <p><b>Continuous Glucose Monitors (CGMs):</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Expanded covered benefits for CalOptima Health Medi-Cal members.</p>       | <p><b>08/31/2024</b><br/>Died on Senate floor</p> <p><b>08/21/2023</b><br/>Re-referred to Senate floor</p> <p><b>06/21/2023</b><br/>Passed Senate Health Committee; referred to Senate Appropriations Committee</p> <p><b>05/31/2023</b><br/>Passed Assembly floor</p> | CalOptima Health:<br>Watch<br>CalPACE: Support |

| Bill Number<br>Author  | Bill Summary   | Bill Status   | Position/Notes  |
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| <b><u>AB 1036</u></b><br>Bryan                               | <p><b>Emergency Medical Transportation:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Increased CalOptima Health costs for reimbursement of emergency transportation services.</p>   | <b>01/12/2024</b><br>Died in Assembly Health Committee  | CalOptima Health: Watch                                   |
| <b><u>AB 1975</u></b><br><b><u>(AB 1644)</u></b><br>Bonta    | <p><b>Medically Supportive Food:</b> No sooner than July 1, 2026, and subject to an appropriation by the Legislature, 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><b><i>Potential CalOptima Health Impact:</i></b> Formalization and expansion of certain Community Support services as covered benefits for eligible CalOptima Health Medi-Cal members.</p> | <p><b>08/29/2024</b><br/>Assembly concurred in amendments; ordered to the Governor</p> <p><b>08/28/2024</b><br/>Passed Senate floor</p> <p><b>05/21/2024</b><br/>Passed Assembly floor</p> <p><b>01/30/2024</b><br/>Re-introduced as AB 1975</p> <p><b>01/19/2024</b><br/>Died in Assembly Appropriations Committee as AB 1644</p>    | CalOptima Health: Watch<br>LHPC: Support<br>CAHP: Support |
| <b><u>AB 2105</u></b><br><b><u>(AB 907)</u></b><br>Lowenthal | <p><b>PANDAS and PANS:</b> 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 as medically necessary.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> Continued covered benefit for pediatric CalOptima Health Medi-Cal members.</p>  | <p><b>08/29/2024</b><br/>Assembly concurred in amendments; ordered to the Governor</p> <p><b>08/28/2024</b><br/>Passed Senate floor</p> <p><b>05/21/2024</b><br/>Passed Assembly floor</p> <p><b>02/05/2024</b><br/>Re-introduced as AB 2105</p> <p><b>10/07/2023</b><br/>Vetoed as AB 907<br/>(see <a href="#">veto message</a>)</p> | CalOptima Health: Watch<br>CAHP: Oppose                   |

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| <b><u>AB 2446</u></b><br>Ortega        | <p><b>Diapers:</b> Would add diapers as a covered Medi-Cal benefit for the following individuals, contingent upon an appropriation by the Legislature:</p> <ul style="list-style-type: none"> <li>• Children greater than three years of age diagnosed with a condition that contributes to incontinence</li> <li>• Other individuals under 21 years of age to address a condition pursuant to Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) standards</li> </ul> <p><b><i>Potential CalOptima Health Impact:</i></b> New covered benefit for pediatric CalOptima Health Medi-Cal members.</p> | <p><b>08/29/2024</b><br/>Assembly concurred in amendments; ordered to the Governor</p> <p><b>08/28/2024</b><br/>Passed Senate floor</p> <p><b>05/21/2024</b><br/>Passed Assembly floor</p> | CalOptima Health:<br>Watch                 |
| <b><u>AB 2668</u></b><br>Berman        | <p><b>Cranial Prostheses:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Expanded covered benefit for CalOptima Health Medi-Cal members.</p>  | <p><b>05/17/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>04/23/2024</b><br/>Passed Assembly Health Committee</p>   | CalOptima Health:<br>Watch<br>CAHP: Oppose |
| <b><u>AB 2843</u></b><br>Petrie-Norris | <p><b>Rape and Sexual Assault Care:</b> Beginning July 1, 2025, 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><b><i>Potential CalOptima Health Impact:</i></b> Expanded covered benefits for CalOptima Health Medi-Cal members.</p>  | <p><b>08/29/2024</b><br/>Assembly concurred in amendments; ordered to the Governor</p> <p><b>08/28/2024</b><br/>Passed Senate floor</p> <p><b>05/16/2024</b><br/>Passed Assembly floor</p> | CalOptima Health:<br>Watch                 |



| Bill Number<br>Author  | Bill Summary   | Bill Status   | Position/Notes             |
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| <b>Medi-Cal Eligibility and Enrollment</b>   |  |   |                            |
| <u><b>S. 423</b></u><br>Van Hollen<br>(MD)<br><br><u><b>H.R. 1113</b></u><br>Bera (CA) | <p><b>Easy Enrollment in Health Care Act:</b> 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><b>Potential CalOptima Health Impact:</b> Expanded eligibility standards and procedures for enrollment of CalOptima Health members.</p> | <b>02/14/2023</b><br>Introduced; referred to committees   | CalOptima Health:<br>Watch |
| <u><b>H.R. 8084</b></u><br>Bilirakis (FL)  | <p><b>LIVE Beneficiaries Act:</b> Beginning January 1, 2026, would require states to verify the Medicaid eligibility of current enrollees by checking the Social Security Death Master File quarterly to ensure deceased individuals are no longer enrolled in Medicaid.</p> <p><b>Potential CalOptima Health Impact:</b> Improved accuracy of member data files from DHCS.</p>  | <b>09/17/2024</b><br>Passed House floor; referred to Senate Finance Committee   | CalOptima Health:<br>Watch |
| <u><b>H.R. 8111</b></u><br>Miller-Meeks<br>(IA)  | <p><b>Medicaid Program Improvement Act:</b> Beginning January 1, 2026, would require Medicaid programs to implement a process to obtain updated addresses for enrollees. Would also require all Medicaid MCPs to report addresses that are directly verified by enrollees to the state.</p> <p><b>Potential CalOptima Health Impact:</b> Additional transmission of member data to DHCS.</p>   | <b>09/17/2024</b><br>Passed House floor; referred to Senate Finance Committee   | CalOptima Health:<br>Watch |
| <u><b>SB 1289</b></u><br>Roth  | <p><b>Medi-Cal Call Center Data:</b> Beginning on January 1, 2026, would require county Medi-Cal call centers to collect and submit monthly data metrics to DHCS. Beginning on May 15, 2026, would require DHCS to prepare a publish online a quarterly report on submitted call center.</p> <p><b>Potential CalOptima Health Impact:</b> Increased resources for CalOptima Health members; increased number of CalOptima Health members as a result of additional new enrollments and fewer disenrollments.</p>   | <p><b>08/28/2024</b><br/> Senate concurred in amendments; ordered to the Governor</p> <p><b>08/27/2024</b><br/> Passed Assembly floor</p> <p><b>05/21/2024</b><br/> Passed Senate floor</p> | CalOptima Health:<br>Watch |

| Bill Number<br>Author                         | Bill Summary   | Bill Status  | Position/Notes                             |
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| <b><u>AB 1608</u></b><br>Patterson            | <p><b>Regional Center Clients:</b> 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><b>Potential CalOptima Health Impact:</b> Decreased number of CalOptima Health members.</p>  | <b>01/12/2024</b><br>Died in Assembly Health Committee   | CalOptima Health: Watch                    |
| <b><u>AB 1783</u></b><br>Essayli              | <p><b>Unsatisfactory Immigration Status:</b> 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><b>Potential CalOptima Health Impact:</b> Decreased number of CalOptima Health members</p>   | <b>05/03/2024</b><br>Died without referral to committee  | CalOptima Health: Watch                    |
| <b><u>AB 2956</u></b><br>Boerner              | <p><b>Adult Continuous Eligibility and Redetermination:</b> 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><b>Potential CalOptima Health Impact:</b> Expanded eligibility standards and procedures for enrollment and re-enrollment of CalOptima Health members.</p>   | <p><b>05/17/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>04/16/2024</b><br/>Passed Assembly Health Committee</p> | CalOptima Health: Watch<br>LHPC: Support   |
| <b>Medi-Cal Operations and Administration</b> |  |  |  |
| <b><u>H.R. 2811</u></b><br>Arrington (TX)     | <p><b>Limit, Save, Grow Act of 2023:</b> 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><b>Potential CalOptima Health Impact:</b> Disenrollment of certain CalOptima Health Medi-Cal members, especially those who experience homelessness, who are not exempt from work requirements.</p> | <b>04/26/2023</b><br>Passed House floor; referred to Senate Budget Committee   | CalOptima Health: Concerns<br>ACAP: Oppose |

| Bill Number<br>Author           | Bill Summary   | Bill Status  | Position/Notes  |
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| <b><u>SB 1120</u></b><br>Becker | <p><b>Artificial Intelligence (AI) in Utilization Review:</b> Would require a health plan's use of algorithms, AI, and other software tools for utilization management (UM) purposes to comply with specified fairness and equity requirements and to be based on individual clinical history and circumstances.</p> <p><b><i>Potential CalOptima Health Impact:</i></b><br/>Implementation of new UM procedures</p>   | <p><b>08/31/2024</b><br/>Senate concurred in amendments; ordered to the Governor</p> <p><b>08/30/2024</b><br/>Passed Assembly floor</p> <p><b>05/23/2024</b><br/>Passed Senate floor</p>   | CalOptima Health:<br>Watch<br>CAHP: Oppose unless amended |
| <b><u>AB 1690</u></b><br>Kalra  | <p><b>Universal Health Care Coverage:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> 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><b>01/19/2024</b><br/>Died without referral to committee</p>  | CalOptima Health:<br>Watch                                |
| <b><u>AB 2200</u></b><br>Kalra  | <p><b>Guaranteed Health Care for All:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> 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><b>05/17/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>04/23/2024</b><br/>Passed Assembly Health Committee</p>   | CalOptima Health:<br>Watch<br>CAHP: Oppose                |
| <b><u>AB 2340</u></b><br>Bonta  | <p><b>EPSDT Informational Materials:</b> 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 a certain period (as determined by DHCS) of initial enrollment into the MCP and annually thereafter.</p> <p><b><i>Potential CalOptima Health Impact:</i></b><br/>Standardization and increased number of mailings to certain CalOptima Health Medi-Cal members.</p> | <p><b>08/26/2024</b><br/>Assembly concurred in amendments; ordered to the Governor</p> <p><b>08/21/2024</b><br/>Passed Senate floor</p> <p><b>05/16/2024</b><br/>Passed Assembly floor</p> | CalOptima Health:<br>Watch                                |

| Bill Number<br>Author                 | Bill Summary   | Bill Status   | Position/Notes  |
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| <b><u>AB 2466</u></b><br>Carrillo     | <p><b>Network Adequacy Standards:</b> 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"> <li>Fewer than 85% of network providers had an appointment available within the standards</li> <li>DHCS receives information establishing that the plan was unable to deliver timely, available or accessible health care services</li> </ul> <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><b>Potential CalOptima Health Impact:</b> Increased network analysis and reporting to DHCS.</p> | <p><b>05/17/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>04/16/2024</b><br/>Passed Assembly Health Committee</p>  | CalOptima Health: Watch<br>LHPC: Oppose<br>CAHP: Oppose |
| <b><u>AB 3260</u></b><br>Pellerin     | <p><b>Utilization Reviews and Grievances:</b> Would require health plans to complete utilization review decisions within 72 hours. If a plan fails to meet such deadline, the plan must automatically open a grievance on behalf of the affected beneficiary. Additionally, would require plans to review urgent grievances, as determined by the provider, within 72 hours.</p> <p><b>Potential CalOptima Health Impact:</b> Expedited and modified UM and Grievance procedures for covered Medi-Cal benefits.</p>  | <p><b>08/16/2024</b><br/>Died in Senate Appropriations Committee</p> <p><b>06/26/2024</b><br/>Passed Senate Health Committee</p> <p><b>05/21/2024</b><br/>Passed Assembly floor</p> | CalOptima Health: Watch<br>CAHP: Oppose                 |
| <b>Older Adult Services</b>           |  |   |   |
| <b><u>S. 1002</u></b><br>Cassidy (LA) | <p><b>No Unreasonable Payments, Coding, or Diagnoses for the Elderly (No UPCODE) Act:</b> Would modify the MA risk adjustment model to prevent overpayment to MA plans, as follows:</p> <ul style="list-style-type: none"> <li>Utilization of two years instead of one of diagnostic data</li> <li>Exclusion of outdated diagnoses solely included on health risk assessments</li> <li>Coding adjustment to account for other payment differences between MA and Medicare FFS</li> </ul> <p><b>Potential CalOptima Health Impact:</b> Decreased reimbursement rates from the CMS for CalOptima Health OneCare members.</p>   | <p><b>03/28/2023</b><br/>Introduced; referred to Senate Finance Committee</p>   | CalOptima Health: Watch                                 |

| Bill Number<br>Author  | Bill Summary  | Bill Status   | Position/Notes  |
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| <b><u>S. 1703</u></b><br>Carper (DE)<br><br><b><u>H.R. 3549</u></b><br>Wenstrup (OH) | <b>Program of All-Inclusive Care for the Elderly (PACE) Part D Choice Act of 2023:</b> 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.<br><br><b><i>Potential CalOptima Health Impact:</i></b> Increased enrollment into CalOptima Health PACE by Medicare-only beneficiaries due to decreased out-of-pocket costs. | <b>05/18/2023</b><br>Introduced; referred to committees               | <b><u>08/30/2023</u></b><br>CalOptima Health: SUPPORT<br><br>NPA: Support |
| <b><u>S. 3950</u></b><br>Cassidy (LA)  | <b>Delivering Unified Access to Lifesaving Services (DUALS) Act of 2024:</b> 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.<br><br><b><i>Potential CalOptima Health Impact:</i></b> Increased coordination and benefits for dually eligible CalOptima Health members; increased enrollment into CalOptima Health PACE.                   | <b>03/14/2024</b><br>Introduced; referred to Senate Finance Committee | CalOptima Health: Watch   |
| <b><u>AB 1022</u></b><br>Mathis  | <b>PACE Rates and Assessments:</b> 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.<br><br><b><i>Potential CalOptima Health Impact:</i></b> Increased capitation rates for CalOptima Health PACE participants; expanded use of video telehealth assessments.  | <b>01/12/2024</b><br>Died in Assembly Health Committee                | CalOptima Health: Watch   |
| <b><u>AB 1223</u></b><br>Hoover  | <b>PACE Audits:</b> 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.<br><br><b><i>Potential CalOptima Health Impact:</i></b> Modified audit protocols for CalOptima Health PACE.   | <b>01/12/2024</b><br>Died in Assembly Health Committee                | CalOptima Health: Watch   |
| <b><u>AB 1230</u></b><br>Valencia  | <b>Special Needs Plans (SNPs):</b> 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.<br><br><b><i>Potential CalOptima Health Impact:</i></b> Increased number of SNPs in Orange County; decreased number of CalOptima Health OneCare members.   | <b>01/12/2024</b><br>Died in Assembly Health Committee                | CalOptima Health: Watch<br>LHPC: Oppose                                   |

| Bill Number<br>Author                  | Bill Summary  | Bill Status  | Position/Notes          |
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| <b>Providers</b>                       |   |  |                         |
| <b><u>S. 3059</u></b><br>Bennet (CO)   | <p><b>Requiring Enhanced &amp; Accurate Lists of (REAL) Health Providers Act:</b> 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><b>Potential CalOptima Health Impact:</b> Increased staff oversight of CalOptima Health's OneCare provider directory.</p> | <b>10/17/2023</b><br>Introduced; referred to Senate Finance Committee            | CalOptima Health: Watch |
| <b><u>H.R. 497</u></b><br>Duncan (SC)  | <p><b>Freedom for Health Care Workers Act:</b> 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><b>Potential CalOptima Health Impact:</b> Elimination of COVID-19 vaccination mandate for CalOptima Health PACE staff and contracted providers.</p>   | <b>01/31/2023</b><br>Passed House floor; referred to Senate Finance Committee    | CalOptima Health: Watch |
| <b><u>H.R. 4758</u></b><br>Trahan (MA) | <p><b>Accelerating Kids' Access to Care Act:</b> Would require Medicaid programs to establish a process through which qualifying out-of-state providers may temporarily treat children without undergoing additional screening requirements. In addition, would require pass-through pricing models for covered drugs under Medicaid payment arrangements with pharmacy benefit managers.</p> <p><b>Potential CalOptima Health Impact:</b> Improved access to care for pediatric CalOptima Health Medi-Cal members with complex medical conditions.</p>   | <b>09/17/2024</b><br>Passed House floor; referred to Senate Finance Committee    | CalOptima Health: Watch |
| <b><u>H.R. 7149</u></b><br>Steel (CA)  | <p><b>Equal Access to Specialty Care Everywhere (EASE) Act of 2024:</b> 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><b>Potential CalOptima Health Impact:</b> Expanded telehealth access for CalOptima Health members.</p>  | <b>01/30/2024</b><br>Introduced; referred to House Energy and Commerce Committee | CalOptima Health: Watch |



| Bill Number<br>Author                      | Bill Summary  | Bill Status   | Position/Notes   |
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| <b><u>H.R. 7858</u></b><br>James (MI)      | <p><b>TELEMH Act of 2024:</b> No later than January 1, 2026, would require HHS to create a new code or billing modifier related to telehealth-delivered mental health services in Medicare.</p> <p><b>Potential CalOptima Health Impact:</b> Continued use of telehealth by CalOptima Health OneCare members to access mental health services; modified Medicare coding and claims processing.</p>  | <b>09/17/2024</b><br>Passed House floor;<br>referred to Senate<br>Finance Committee | CalOptima Health:<br>Watch   |
| <b><u>H.R. 8089</u></b><br>Garcia (CA)     | <p><b>Medicare and Medicaid Fraud Prevention Act of 2024:</b> Beginning January 1, 2027, would require states to check the Social Security Death Master File quarterly to determine whether Medicaid providers and suppliers are deceased. Would also enable the state to deactivate the National Provider Identifiers (NPIs) of deceased providers.</p> <p><b>Potential CalOptima Health Impact:</b> Improved accuracy of provider enrollment data from DHCS.</p>  | <b>09/17/2024</b><br>Passed House floor;<br>referred to Senate<br>Finance Committee | CalOptima Health:<br>Watch   |
| <b><u>H.R. 8112</u></b><br>D’Esposito (NY) | <p><b>Medicaid Provider Screening Requirements:</b> Beginning January 1, 2027, would require states to check monthly if a Medicaid provider’s or supplier’s participation in Medicare, CHIP or another state’s Medicaid program is still active.</p> <p><b>Potential CalOptima Health Impact:</b> Improved accuracy of provider enrollment data from DHCS.</p>  | <b>09/17/2024</b><br>Passed House floor;<br>referred to Senate<br>Finance Committee | CalOptima Health:<br>Watch   |
| <b><u>SB 819</u></b><br>Eggman             | <p><b>Medi-Cal Mobile Health Care Site Enrollment:</b> Would exempt intermittent or mobile health care sites from enrolling in Medi-Cal as a separate provider if operated by a government-operated clinic that is exempt from licensure by the California Department of Public Health (CDPH).</p> <p><b>Potential CalOptima Health Impact:</b> Expansion of intermittent and mobile health care sites; increased access to care for CalOptima Health members.</p>  | <b>9/22/2024</b><br>Signed into law   | CalOptima Health:<br>Watch   |
| <b><u>SB 1268</u></b><br>Nguyen, J.        | <p><b>Medi-Cal Safety Net Provider Contracts:</b> 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><b>Potential CalOptima Health Impact:</b> Revision of current provider contract language; decreased oversight and accountability of contracted providers.</p> | <b>04/26/2024</b><br>Died in Senate Health<br>Committee                             | <p><b>04/15/2024</b><br/>CalOptima Health:<br/>OPPOSE</p> <p>LHPC: Oppose<br/>CAHP: Oppose</p> |



| Bill Number<br>Author                  | Bill Summary   | Bill Status  | Position/Notes  |
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| <b><u>AB 236</u></b><br>Holden         | <p><b>Provider Directory Audits:</b> 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 July 1, 2025, with increasing percentage accuracy each year until the directories are 95% accurate by July 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><b>Potential CalOptima Health Impact:</b> Increased oversight of CalOptima Health provider directory; increased coordination with contracted providers; increased penalty payments to DHCS.</p> | <p><b>08/16/2024</b><br/>Died in Senate Appropriations Committee</p> <p><b>06/26/2024</b><br/>Passed Senate Health Committee</p> <p><b>01/30/2024</b><br/>Passed Assembly floor</p>        | CalOptima Health: Watch<br>LHPC: Oppose<br>CAHP: Oppose |
| <b><u>AB 564</u></b><br>Villapudua     | <p><b>Medi-Cal Claim Signatures:</b> Would allow Medi-Cal providers to submit electronic signatures for claims and remittance forms.</p> <p><b>Potential CalOptima Health Impact:</b> Reduced administrative burden for CalOptima Health contracted providers.</p>   | <p><b>07/03/2024</b><br/>Died in Senate Health Committee</p> <p><b>05/31/2023</b><br/>Passed Assembly floor</p>  | CalOptima Health: Watch                                 |
| <b><u>AB 2110</u></b><br>Arambula      | <p><b>Adverse Childhood Experiences (ACEs) Trauma Screenings:</b> 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><b>Potential CalOptima Health Impact:</b> Increased access to care for eligible CalOptima Health Medi-Cal members; additional provider contracting and credentialing.</p>  | <p><b>05/17/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>04/09/2024</b><br/>Passed Assembly Health Committee</p>   | CalOptima Health: Watch<br>LHPC: Support                |
| <b><u>AB 2129</u></b><br>Petrie-Norris | <p><b>Immediate Postpartum Contraception:</b> 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 licensed birth center.</p> <p><b>Potential CalOptima Health Impact:</b> Modified Claims procedures for a covered Medi-Cal benefit.</p>  | <p><b>08/27/2024</b><br/>Assembly concurred in amendments; ordered to the Governor</p> <p><b>08/20/2024</b><br/>Passed Senate floor</p> <p><b>05/02/2024</b><br/>Passed Assembly floor</p> | CalOptima Health: Watch                                 |

| Bill Number<br>Author   | Bill Summary  | Bill Status  | Position/Notes          |
|---|---|--|-------------------------|
| <b><u>AB 2339</u></b><br>Aguilar-Curry  | <p><b>Medi-Cal Asynchronous Telehealth:</b> 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 the visit is related to sensitive services.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> Expanded telehealth capabilities for CalOptima Health Medi-Cal members.</p>   | <b>09/20/2024</b><br>Vetoed ( <a href="#">see veto message</a> )   | CalOptima Health: Watch |
| <b><u>AB 2726</u></b><br>Flora  | <p><b>Telehealth and Specialty Care Networks:</b> Would require CalHHS to establish a demonstration project for a grant program aimed at facilitating 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><b><i>Potential CalOptima Health Impact:</i></b> Expanded telehealth capabilities and virtual specialty networks.</p> | <p><b>05/17/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>04/23/2024</b><br/>Passed Assembly Health Committee</p> | CalOptima Health: Watch |
| <b>Rates &amp; Financing</b>  |   |  |                         |
| <b><u>S. 570</u></b><br>Cardin (MD)<br><br><b><u>H.R. 1342</u></b><br>Barragan (CA) | <p><b>Medicaid Dental Benefit Act of 2023:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Increased payments to CalOptima Health and contracted providers; additional quality metrics.</p>   | <b>02/28/2023</b><br>Introduced; referred to committees  | CalOptima Health: Watch |
| <b><u>S. 1038</u></b><br>Welch (VT)<br><br><b><u>H.R. 1613</u></b><br>Carter (GA)   | <p><b>Drug Price Transparency in Medicaid Act of 2023:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Lower costs and increased transparency in drug prices under the Medi-Cal Rx program,</p>   | <b>03/29/2023</b><br>Introduced; referred to committees  | CalOptima Health: Watch |

| Bill Number<br>Author                   | Bill Summary   | Bill Status   | Position/Notes                           |
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| <b><u>S. 3578</u></b><br>Cassidy (LA)   | <p><b>Protect Medicaid Act:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> New financial reporting requirements.</p>  | <b>01/11/2024</b><br>Introduced; referred to Senate Finance Committee   | CalOptima Health: Watch                  |
| <b><u>H.R. 485</u></b><br>McMorris (WA) | <p><b>Protecting Health Care for All Patients Act of 2023:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Modified authorization limits for certain CalOptima Health members.</p>  | <p><b>02/07/2024</b><br/>Passed House floor; referred to Senate Finance Committee</p> <p><b>03/24/2023</b><br/>Passed House Energy and Commerce Committee</p>                         | CalOptima Health: Watch                  |
| <b><u>SB 282</u></b><br>Eggman          | <p><b>FQHCs and Rural Health Clinic (RHC) Same-Day Visits:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Timelier access to services at CalOptima Health’s contracted FQHCs.</p> | <p><b>08/16/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>07/11/2023</b><br/>Passed Assembly Health Committee</p> <p><b>05/25/2023</b><br/>Passed Senate floor</p> | CalOptima Health: Watch<br>LHPC: Support |
| <b><u>SB 340</u></b><br>Eggman          | <p><b>Eyeglasses Reimbursement:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Timelier access to prescription eyeglasses for CalOptima Health Medi-Cal members.</p>   | <p><b>07/03/2024</b><br/>Died in Assembly Health Committee and Assembly Public Safety Committee</p> <p><b>05/25/2023</b><br/>Passed Senate floor</p>                                  | CalOptima Health: Watch                  |
| <b><u>SB 828</u></b><br>Durazo          | <p><b>Health Care Workers Minimum Wage Delay:</b> Would delay the minimum wage adjustments enacted pursuant to SB 525 (2023) by one month from June 1, 2024, to July 1, 2024, effective immediately as an urgency statute.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> No expected impact since CalOptima Health previously increased its minimum wage.</p>  | <b>5/31/2024</b><br>Signed into law   | CalOptima Health: Watch                  |

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|------------------------------------|---|--|-------------------------|
| <b><u>SB 870</u></b><br>Caballero  | <p><b>MCO Tax:</b> 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><b>Potential CalOptima Health Impact:</b> Increased tax liability on CalOptima Health.</p>   | <p><b>01/19/2024</b><br/>Died in Senate Appropriations Committee</p> <p><b>04/26/2023</b><br/>Passed Senate Health Committee</p>     | CalOptima Health: Watch |
| <b><u>SB 1423</u></b><br>Dahle     | <p><b>Rural Hospital Technical Advisory Group:</b> Would require DHCS to convene a Rural Hospital Technical Advisory Group — including representatives from Medi-Cal MCPs and their state associations — to analyze the ability of small, rural and critical access hospitals to remain financially viable under existing Medi-Cal reimbursement methodologies and to provide related recommendations by March 31, 2026.</p> <p><b>Potential CalOptima Health Impact:</b> CalOptima Health representation on DHCS committee; consideration of modified payments to CalOptima Health contracted critical access hospitals.</p> | <p><b>9/22/2024</b><br/>Vetoed (<a href="#">see veto message</a>)</p>  | CalOptima Health: Watch |
| <b><u>SB 1492</u></b><br>Menjivar  | <p><b>Private Duty Nursing Rate Increases:</b> 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><b>Potential CalOptima Health Impact:</b> Increased payments to CalOptima Health contracted home health agencies.</p>  | <p><b>05/17/2024</b><br/>Died in Senate Appropriations Committee</p> <p><b>04/24/2024</b><br/>Passed Senate Health Committee</p>     | CalOptima Health: Watch |
| <b><u>AB 55</u></b><br>Rodriguez   | <p><b>Ground Ambulance Transportation:</b> 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><b>Potential CalOptima Health Impact:</b> Increased financial stability for CalOptima Health's contracted transportation providers; increased costs for CalOptima Health.</p>  | <p><b>01/19/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>04/25/2023</b><br/>Passed Assembly Health Committee</p> | CalOptima Health: Watch |
| <b><u>AB 488</u></b><br>Nguyen, S. | <p><b>Vision Loss:</b> 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><b>Potential CalOptima Health Impact:</b> 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><b>01/12/2024</b><br/>Died in Assembly Health Committee</p>   | CalOptima Health: Watch |

| Bill Number<br>Author                                      | Bill Summary   | Bill Status  | Position/Notes  |
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| <b><u>AB 1549</u></b><br>Carrillo                          | <p><b>FQHC and RHC Rates:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Increased financial stability for CalOptima Health's contracted FQHCs.</p>  | <p><b>01/19/2024</b><br/>Died in Assembly Appropriations Committee</p> <p><b>04/25/2023</b><br/>Passed Assembly Health Committee</p>   | CalOptima Health: Watch                                 |
| <b><u>AB 1698</u></b><br>Wood                              | <p><b>Medi-Cal Funding:</b> States the intent of the Legislature to enact future legislation to increase overall funding and reimbursement for the Medi-Cal program.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> Increased financial stability for CalOptima Health and its contracted providers.</p>  | <p><b>01/19/2024</b><br/>Died without referral to committee</p>  | CalOptima Health: Watch                                 |
| <b><u>AB 2043</u></b><br><b><u>(AB 719)</u></b><br>Boerner | <p><b>Public Transit Contracts:</b> Would authorize DHCS to direct 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><b><i>Potential CalOptima Health Impact:</i></b> Increased payments to public paratransit operations for NMT and NEMT services.</p> | <p><b>08/16/2024</b><br/>Died in Senate Appropriations Committee</p> <p><b>06/12/2024</b><br/>Passed Senate Health Committee</p> <p><b>05/21/2024</b><br/>Passed Assembly floor</p> <p><b>02/01/2024</b><br/>Re-introduced as AB 2043</p> <p><b>10/07/2023</b><br/>Vetoed as AB 719<br/>(see <a href="#">veto message</a>)</p> | CalOptima Health: Watch<br>LHPC: Oppose<br>CAHP: Oppose |
| <b><u>AB 2303</u></b><br>Carrillo                          | <p><b>Minimum Wage Add-On Payment:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Increased financial stability for CalOptima Health contracted community health centers.</p>   | <p><b>04/26/2024</b><br/>Died in Assembly Health Committee</p>   | CalOptima Health: Watch                                 |

| Bill Number<br>Author                           | Bill Summary   | Bill Status  | Position/Notes  |
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| <b><u>AB 2342</u></b><br>Lowenthal              | <p><b>Island-Based Critical Access Hospitals:</b> 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><b><i>Potential CalOptima Health Impact:</i></b> Increased payments to certain critical access facilities for Medi-Cal services.</p>  | <b>04/26/2024</b><br>Died in Assembly Health Committee   | CalOptima Health: Watch                                 |
| <b><u>AB 2428</u></b><br>Calderon               | <p><b>Community-Based Adult Services (CBAS) Rates:</b> Would require Medi-Cal MCPs to reimburse contracted CBAS provider at an amount equal to or greater than the Medi-Cal FFS rate.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> Increased payments to CalOptima Health contracted CBAS providers.</p>  | <b>09/14/2024</b><br>Vetoed (see <a href="#">veto message</a> )  | CalOptima Health: Watch                                 |
| <b><u>AB 3275</u></b><br>Soria                  | <p><b>Claim Reimbursement:</b> Beginning January 1, 2026, would require health plans to reimburse, contest or deny a complete claim within 30 calendar days after receipt of the claim, or otherwise be subject to current 15% per annum interest requirements. If a plan does not automatically include any accrued interest in its payment, this bill would increase the penalty fee from \$10 to the greater of \$15 or 10% of accrued interest.</p> <p>In addition, would require health plans to treat a complaint from an enrollee about the delay or denial of a claim payment to be treated as a grievance, regardless of whether the term grievance is used.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> Decreased claim review time for CalOptima Health staff; increased number of member grievances; increased interest and penalty payments to CalOptima Health contracted providers.</p> | <p><b>08/29/2024</b><br/>Assembly concurred in amendments; ordered to the Governor</p> <p><b>08/28/2024</b><br/>Passed Senate floor</p> <p><b>05/21/2024</b><br/>Passed Assembly floor</p> | CalOptima Health: Watch<br>LHPC: Oppose<br>CAHP: Oppose |
| <b>Social Determinants of Health</b>            |  |  |   |
| <b><u>H.R. 1066</u></b><br>Blunt Rochester (DE) | <p><b>Collecting and Analyzing Resources Integral and Necessary for Guidance (CARING) for Social Determinants Act of 2023:</b> Would require CMS to update guidance at least once every three years to help states address SDOH under Medicaid and CHIP.</p> <p><b><i>Potential CalOptima Health Impact:</i></b> Increased opportunities for CalOptima Health to address SDOH.</p>   | <b>02/17/2023</b><br>Introduced; referred to House Energy and Commerce Committee   | CalOptima Health: Watch                                 |



| Bill Number<br>Author                                   | Bill Summary  | Bill Status   | Position/Notes                           |
|---|---|---|--|
| <b><u>AB 257</u></b><br>Hoover                          | <p><b>Encampment Restrictions:</b> 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><b>Potential CalOptima Health Impact:</b> Increased outreach and support services for unsheltered CalOptima Health Medi-Cal members.</p>  | <p><b>01/19/2024</b><br/>Died in Assembly Public Safety Committee</p> <p><b>03/07/2023</b><br/>Failed passage in Assembly Public Safety Committee</p> | CalOptima Health: Watch                  |
| <b><u>AB 2250</u></b><br><b><u>(AB 85)</u></b><br>Weber | <p><b>SDOH Screenings:</b> Would add SDOH screenings as a covered Medi-Cal benefit on or after January 1, 2027, contingent upon an appropriation by the Legislature. 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><b>Potential CalOptima Health Impact:</b> New covered benefits for CalOptima Health Medi-Cal members.</p> | <p><b>9/22/2024</b><br/>Vetoed (<a href="#">see veto message</a>)</p>   | CalOptima Health: Watch<br>LHPC: Support |

### 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)

### 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)

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: September 24, 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).

# Fiscal Year 2024–25 Enacted State Budget

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## Background

On January 10, Gov. Gavin Newsom unveiled his Fiscal Year (FY) 2024–25 Proposed State Budget. With a spending plan of \$291.5 billion (\$223.6 billion General Fund [GF]), the governor predicted a budget deficit of \$37.9 billion – about half the \$68 billion initially projected by the Legislative Analyst’s Office last year. Gov. Newsom attributed the past two years’ shortfall to stock market declines in 2022, driving down revenue and delays in income tax collection. Most proposed budget solutions included reserve withdrawals, loans, fund shifts, and spending delays and deferrals.

To immediately address some of the budget deficit, the administration and California State Legislature attempted to minimize \$17.3 billion of the overall shortfall by taking “early action” in April via a limited budget agreement that included some spending cuts that largely avoided health care programs.

Despite efforts in the early budget deal, revenues continued to come in below projections and further increase the deficit by an estimated \$7 billion for a new remaining total of \$27.6 billion. On May 10, Gov. Newsom released his May Revision to the Proposed State Budget, which largely reversed an agreement to fund Medi-Cal provider rate increases using Managed Care Organization (MCO) tax dollars. The May Revision also proposed several additional spending reductions to health care programs to address both the near-term budget deficit and look beyond FY 2024-25 in hopes of achieving positive operating reserves in the future. On May 29, leaders from both houses of the Legislature released a joint counterproposal to the May Revision, which would have instead delayed future rate increases funded by MCO tax revenues by one-year year from January 1, 2025, to January 1, 2026, rather than eliminate them. On June 13, the State Senate and State Assembly both passed its counterproposal (Assembly Bill [AB] 107) as a placeholder budget to meet the constitutional deadline while negotiations with the governor remained ongoing.

On June 22, Gov. Newsom and legislative leaders announced that a final budget agreement had been reached. After both houses of the Legislatures passed the agreed-upon budget revisions as Senate Bill (SB) 108 on June 26, Gov. Newsom signed both AB 107 and SB 108 into law. Additionally, the governor signed the MCO Tax Trailer Bill (AB 160) and consolidated Health Trailer Bill (SB 159) on June 29, containing policy changes needed to implement health-related budget expenditures. Together, these bills represent the FY 2024-25 Enacted State Budget.

## Overview

The final budget agreement includes obligations to support further resilience by adding financial protection so that the state doesn't overcommit anticipated revenues until it has been completely realized. The enacted budget eliminates the projected FY 2024-25 shortfall of approximately \$45 billion and the FY 2025-26 shortfall of over \$30 billion through a combination of spending cuts, fund shifts, delays, deferrals and reserves, including utilizing approximately half of the Rainy Day Fund over the next two budget years. Another goal of the final budget agreement is to strengthen the Rainy Day Fund by increasing the maximum limit from 10% to 20% of GF tax revenue, subject to future voter approval, and creating a new "Projected Surplus Temporary Holding Account."

The final Medi-Cal budget includes \$161 billion (\$35 billion GF) to cover a projected 14.5 million beneficiaries in FY 2024-25 – more than one-third of the state's population.

## MCO Provider Tax

The FY 2024-25 Enacted Budget restores several MCO tax investments for future Medi-Cal provider rate increases that were proposed to be eliminated in the governor's May Revision. The final agreement includes \$133 million in FY 2024-25, \$728 million in FY 2025-26 and \$1.2 billion in FY 2026-27 in addition to the approximately \$300 million in provider rate increases that already became effective January 1, 2024, and will be maintained. However, total investments are less and partially redistributed compared with the original agreement reached with the MCO tax coalition last year. Some increases will still be effective on January 1, 2025, some will be delayed until January 1, 2026, and others have been eliminated. Additional provider types not included in the MCO tax coalition will now also receive a portion of the investments, further reducing total funding for the originally included provider types.

Effective **January 1, 2025**, Medi-Cal rate increases apply to:

- Emergency Department Physician Services (\$100 million)
- Abortion Care and Family Planning (\$90 million)
- Ground Emergency Medical Transportation (\$50 million)
- Air Emergency Medical Transportation (\$8 million)

- Community-Based Adult Services (\$8 million)
- Congregate Living Health Facilities (\$8 million)
- Pediatric Day Health Centers (\$3 million)
- Community Health Workers to achieve 100 percent of Medicare rate

Effective **January 1, 2026**, Medi-Cal rate increases apply to:

- Physician/Non-Physician Professional Health Services (\$753 million)
  - » Evaluation & Management Codes for Primary Care and Specialist Office Visits, Preventative Services and Care Management (95% of Medicare rate)
  - » Obstetric Services (95% of Medicare rate)
  - » Non-Specialty Mental Health Services (87.5% of Medicare rate)
  - » Vaccine Administration (87.5% of Medicare rate)
  - » Vision (Optometric Services (87.5% of Medicare rate)
  - » Other Evaluation & Management Codes (80% of Medicare rate)
  - » Other Procedure Codes commonly utilized by Primary Care, Specialist and Emergency Department Providers (80% of Medicare rate)
- Private Duty Nursing (\$62 million)
- Federally Qualified Health Centers (FQHCs)/Rural Health Clinics (RHCs) (\$50 million)
- Non-Emergency Medical Transportation (\$25 million)

The final agreement allows the California Department of Health Care Services (DHCS) to develop specific rate increase methodologies and supplemental payment amounts, particularly for 2025 investments.

Additional MCO tax investments include \$145.4 million in FY 2024-25 to sustain Proposition 56-funded payments to address revenue decline and \$40 million in FY 2026-27 for Medi-Cal workforce development through the California Department of Health Care Access and Information (HCAI). The final agreement also includes funding to enact continuous Medi-Cal eligibility for children 0-5, effective January 1, 2026. Notably, if Proposition 35 ("Protect Access to Care" MCO Tax Initiative) is approved by voters in the November 5, 2024, general election, the aforementioned provisions relating to the MCO provider tax will be inoperable since both are not financially sustainable.

## CalOptima Health Budget and Provider Rate Increase

CalOptima Health developed our proposed FY 2024-25 operating budget factoring in assumptions related to Medi-Cal program and policy changes, including the state budget. On May 2, the CalOptima Health Board of Directors approved an investment of **\$526 million** to increase rates paid to delegated networks, hospitals, physicians, community clinics, behavioral health providers and ancillary services providers. It is the largest provider rate increase of its kind in our nearly 30-year history. This unprecedented investment is intended to support timely access to critical health care services for members and promote longer-term financial stability of the managed care network over a 30-month period from July 2024 to December 2026. The uncertain nature of the state budget negotiations underscores why CalOptima Health's action to deliver our own separate provider rate increase is so significant.

## Continuing Priorities in Medi-Cal

The enacted state budget continues to reflect funding for Medi-Cal benefits that were initially proposed to be eliminated in the May Revision. Key investments that have been protected include but are not limited to:

- Full-scope Medi-Cal coverage and In-Home Supportive Services (IHSS) for all ages, regardless of immigration status.
- **Adult Acupuncture** as a Medi-Cal covered benefit.
- Continued funding for **Health Enrollment Navigators** at clinics, but not at other entities. This does not impact CalOptima Health's own reserve-funded grants for community enrollers.
- **Free Clinics Augmentation** funding.
- Nearly all funding for the **Multifamily Housing Program**.

In addition, the final budget includes \$230 million (\$115 million GF) for a new directed payment program for children's hospitals to support critically ill children.

## Significant Adjustments to Programs

To address the projected budget shortfall, the final budget includes several adjustments in the form of delays, triggers and reductions to certain programs and legislation that has not been implemented. Key program adjustments include but are not limited to:

- \$39 million savings in the **Naloxone Distribution Project** from lower naloxone drug costs due to

Medi-Cal Rx, while adding \$8.3 million in special funds to expand the distribution of naloxone. This does not impact CalOptima Health's own reserve-funded naloxone distribution initiative.

- Reduced funding for **Equity and Practice Transformation (EPT) Program** payments by \$111.3 million, which will eliminate the remaining funding for the program but preserve funding previously included in the 2022 Budget Act.
- Reverts all unexpended funds for the **Clinic Workforce Stabilization & Retention Payment Program**.
- Reduces or eliminates funding for several elements of the **Children and Youth Behavioral Health Initiative** (CYBHI), as follows:
  - » Eliminates funding for school-linked partnership and capacity grants for community colleges, University of California and California State University systems.
  - » Eliminates funding for the services and supports platform.
  - » Reduces funding for the public education and change campaign.
  - » Allows school districts to use a third-party administrator and/or managed care plans directly for billing related to the school-linked fee schedule.
  - » Despite overall reductions, allocates new funding to establish the **wellness coach** benefit, effective January 1, 2025, to provide wellness promotion, education, screening, care coordination, individual and group support, and crisis referral in school-linked settings and across the Medi-Cal behavioral health delivery system.
- Reduces some funding for state and local public health.
- Reverts \$450.7 million from the last round of the **Behavioral Health Continuum Infrastructure Program**, which leaves \$1.75 billion to support existing projects.
- Reduces and delays funding for **Behavioral Health Bridge Housing** by one year from FY 2024-25 until FY 2025-26.
- Ends continued funding for the **Medication Assisted Treatment** program, which funds startup grants for new treatment facilities.

### Next Steps

State agencies, including DHCS, will begin implementing the policies included in the enacted budget. Staff will continue to monitor these policies and provide updates regarding issues that have a significant CalOptima Health impact. In addition, the Legislature will continue to advance policy bills through the legislative process. Bills with funding allocated in the enacted budget are more likely to be passed and signed into law. The Legislature has until August 31 to pass legislation, and Gov. Newsom has until September 30 to either sign or veto that passed legislation.

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### About CalOptima Health

CalOptima Health, a county organized health system (COHS), is the single plan providing guaranteed access to Medi-Cal for all eligible individuals in Orange County and is responsible for almost all medical acute services, including custodial long-term care. CalOptima Health is governed by a locally appointed Board of Directors, which represents the diverse interests that impact Medi-Cal.

If you have any questions, please contact [GA@caloptima.org](mailto:GA@caloptima.org).



## CalOptima Health Community Outreach Summary — September and October 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

CalOptima Health is working in partnership with the city of Anaheim and the Orange County Aging Services Collaborative in hosting a Community Health and Wellness Fair for active older adults on Saturday, October 19, 2024, from 9 a.m. to 1 p.m. at the Brookhurst Community Center in Anaheim. This event will provide an excellent platform for OneCare and PACE to showcase their programs tailored for active adults in Anaheim and the surrounding communities. The fair will also feature community resources for basic needs, mental health and programs and services for older adults and people with disabilities. Attendees will have the opportunity to participate in Talk to a Doc and Navigating Housing Resources workshops, health screenings, COVID and flu vaccines, food, and an array of activities making the event a comprehensive and enjoyable experience in support of Orange County's older adults.

### Summary of Public Activities

As of September 4, CalOptima Health plans to participate in, organize or convene 65 public activities in September and October. In September, there were 35 public activities, including 10 virtual community/collaborative meetings, two community-based presentation, 22 community events and one Health Network Forum. In October, there will be 30 public activities, including 10 virtual community/collaborative meetings, 18 community events, one Cafecito and one Health Network Forum. A summary of the agency's participation in community events throughout Orange County is attached.

## Endorsements

CalOptima Health provided two 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 Celebrating Life Community Health Center's (CLCHC) FY 2025 New Access Point application to expand access to affordable, and quality primary health care for underserved residents in its proposed service areas.
2. Letter of support for the City of Westminster's Family Resource Center's application for the County of Orange Social Services Agency's funding for the 2025-2030 contract cycle to continue assisting underserved residents in the proposed service areas.

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



## Community events hosted by CalOptima Health and community partners in September and October 2024:

### September 2024



#### **September 4, 5–7 p.m., Back-to-School Night, hosted by Danbrook Elementary School**

Danbrook Elementary School, 320 S. Danbrook Dr., Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



#### **September 5, 4:30–6 p.m., Back-to-School Night, hosted by Willard Elementary School**

Willard Elementary School, 1342 N. Ross St., Santa Ana

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



#### **September 5, 5–7 p.m., Ready, Set, School Community Resource Fair, hosted by the County of Orange Social Service Agency**

Oak View Family Resources Center, 17261 Oak Lane, Huntington Beach

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



#### **September 6, 8 a.m.–3:15 p.m., Alzheimer's Research Disease Conference, hosted by UCI Institute for Memory Impairments and Neurological Disorders**

Hilton Irvine Orange County Airport, 18800 MacArthur Blvd., Irvine

- Sponsorship fee: \$3,000; included four general admission tickets, placement of logo and website link on event website, signage and a resource fair booth.
- At least four staff members attended (in person).
- Health/resource fair, open to the public.



#### **September 6, 10:30 a.m.–1:30 p.m., Community Resource Fair, hosted by Garden Grove Unified School District**

Edgar Elementary, 6202 Cerulean Ave., Garden Grove

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



#### **September 7, 10 a.m.–2 p.m., Wings of Hope Mental Health and Wellness Fair, hosted by the City of Anaheim Councilmember Natalie Rubalcava**

Pearson Park, 400 N. Harbor Blvd., 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



**September 7, 11 a.m.–3 p.m., City of Tustin Police Department Open House, hosted by the City of Tustin Police Department**

Tustin Civic Center, 300 Centennial Way, Tustin

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



**September 7, 11 a.m.–3 p.m., Grandparents Day, hosted by Olive Community Services**

Stanton Central Park, 10660 Western Ave., Stanton

- Sponsorship fee: \$2,500; included a resource table and speaking opportunity.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



**September 12-13, 9:30 a.m.–4:15 p.m., California Recuperative Care Symposium, hosted by the National Health Care Center for the Homeless Council**

Hilton Arden West, 2200 Harvard St., Sacramento

- Sponsorship fee: \$2,500; included recognition on symposium webpage, symposium registrations, logo and name placement in all symposium related emails, pre and post symposium acknowledgement on social media, logo visibility on site, in program and printed and digital signage. Opportunity to provide materials for attendees in tote bags, and post symposium attendee list.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



**September 14, 9:30 a.m.–4:15 p.m., Active Living Expo, hosted by the Huntington Beach Council on Aging**

Senior Center in Central Park, 18041 Goldenwest St., Huntington Beach

- Sponsorship fee: \$1,000; included a resource table and a quarter page ad in the program.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



**September 14, 6:30–8:30 p.m., AIDS Walk Orange County, hosted by Orange County Health Care Agency**

Orange Coast College, 2701 Fairview Rd., Costa Mesa

- Registration fee: \$250; included a resource table.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



**September 14, 10 a.m.–3 p.m., Annual Recovery Happens Picnic, hosted by Radiant Health Centers**

Centennial Park, 3000 W. Edinger Ave., Santa Ana

- 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



### **September 16, 11 a.m.– Noon, CalOptima Health Medi-Cal Overview in English**

Community Health Enrichment Collaborative (CHEC) Family Resource Center, Virtual

- At least one staff member presented.
- Community-based organization presentation, open to members/community.



### **September 18, 10 a.m.–2 p.m., Community Event, hosted by Equus Workforce Solutions**

Downtown Anaheim Community Center, 120 N. Janss St., Anaheim

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



### **September 18, Noon–2 p.m., Wellness Resource Fair, hosted by Marshall B. Ketchum University**

Marshall B. Ketchum University, 2575 Yorba Linda Blvd., Fullerton

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



### **September 20, 9 a.m.–4 p.m., 8th Annual Orange County Regional Network Conference, hosted by Vision y Compromiso**

San Bonifacio Church, 120 N. Janss St., Anaheim

- Sponsorship fee: \$1,000; included a resource table.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



### **September 20, 9 a.m.–Noon, Healthy Living Expo, hosted by the City of Irvine**

Lakeview Senior Center, 20 Lake Rd., Irvine

- Registration fee: \$325; included an exhibitor booth.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.



### **September 20, 10 a.m.–2 p.m., Member Health Fair, hosted by Prospect Orange Office**

Prospect Orange Office, 600 Parkway W., Orange

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



### **September 21, 7–11 a.m., Bike Ride to Raise Prostate Cancer Awareness, hosted by Orange County Supervisor Doug Chaffee**

Craig Regional Park, 3300 N. State College Blvd., Fullerton

- At least one staff member attended (in person).
- Health/resource fair, open to the public.



### **September 26, 8:30 –9:30 a.m., CalOptima Health Medi-Cal Overview in Spanish**

Garfield Elementary School, 850 E. Brown St., Santa Ana

- At least one staff member presented (in person).
- Community-based organization presentation, open to members/community.



CalOptima Health-hosted



Exhibitor/Attendee



CalFresh Outreach (e.g., colleges, food banks)



Community Presentation

**September 26, 4–5 p.m., Mini-Health Fair, hosted by Warwick Family Resource Center**

Warwick Family Resource Center, 780 S. Lyon St., Santa Ana

- At least one staff member attended (in person).
- Health/resource fair, open to the public.

**September 26, 4–6:30 p.m., Navigating Benefits with Confidence Fair, hosted by Community Health Initiative of Orange County**

Community Health Initiative of Orange County, 1505 E. 17<sup>th</sup> St., Santa Ana

- Sponsorship fee: \$5,000; included a resource table and logo on flyer.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.

**September 28, 10 a.m.–2 p.m., Community Health Fair, hosted by Hoag Hospital**

The Presbyterian Church of the Covenant, 2850 Fairview Rd., Costa Mesa

- At least one staff member attended (in person).
- Health/resource fair, open to the public.

**September 28, 1–5 p.m., Embrace Aging Expo, hosted by the Westminster Senior Center**

Westminster Senior Center, 8200 Westminster Blvd., Westminster

- Registration fee: \$190; included an exhibitor booth.
- At least one staff member attended (in person).
- Health/resource fair, open to the public.

## October 2024

**October 1, 8:30–11:30 a.m., All about Alzheimer's, hosted by the Office of Representative Blakespear**

San Juan Capistrano Community Center, 25925 Camino Del Avion, San Juan Capistrano

- At least one staff member attended (in person).
- Health/resource fair, open to the public.

**October 2, 11 a.m.–3 p.m., Health and Wellness Fair, hosted by CalOptima Health in collaboration with Orange Coast College**

Orange Coast College, 2701 Fairview Rd., Costa Mesa

- At least seven staff members attended (in person).
- Health/resource fair, open to the public.

**October 4, 9 a.m.–1 p.m., Senior Summit, hosted by CalOptima Health in collaboration with Orange County Supervisor Katrina Foley**

Aliso Creek Ranch, 100 Park Ave., Aliso Viejo

- At least five staff members 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

**October 5, 10 a.m.–1 p.m., Walk to End Alzheimer’s, hosted by Alzheimer’s Association**

Mike Ward Community Park, 20 Lake Rd., Irvine

- Sponsorship fee: \$2,500; includes a resource table and logo on flyer.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.

**October 5, 10 a.m.–2 p.m., Fall Community Resource Fair, hosted by Assemblywoman Sharon Quirk-Silva**

Stoddard Park, 1901 9<sup>th</sup> St., Anaheim

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.

**October 5, 11 a.m.–8 p.m., Orange County Pride, hosted by OC Pride**

Orange County Fairgrounds, 88 Fair Dr., Costa Mesa

- Registration fee: \$515; includes a resource table.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.

**October 9, 11 a.m.–1 p.m., Resource Fair, hosted by Golden West College**

Golden West College, 15744 Goldenwest St., Huntington Beach

- At least one staff member to attend (in person).
- Health/resource fair, open to the public.

**October 10, 11 a.m.–1 p.m., Orange County Grantmakers Summit, hosted by Orange County Grantmakers**

Orange Coast College, 2701 Fairview Rd., Costa Mesa

- Sponsorship fee: \$2,500; includes two event tickets, logo & link on Summit Website, logo & link on all Summit e-communications. We will be included on sponsor page of summit app, logo and link on bronze sponsor social media promotion, and recognition as a summit sponsor at beginning of event.
- At least two staff members to attend (in person).
- Health/resource fair, open to the public.

**October 11, 9 a.m.–12 p.m., Naloxone Distribution, hosted by CalOptima Health**

CalOptima Health, 505 City Parkway W., Orange

- At least six staff members 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



### **October 12, 8:30 a.m.–2 p.m., InfluenceHER Summit, hosted by Girls Inc. of Orange County**

Santa Ana College, 1530 W. 17<sup>th</sup> St., Santa Ana

- Sponsorship fee: \$2,500; includes a resource table, recognition and signage at breakfast and lunch, logo placement, sponsorship recognition in all summit emails, marketing materials and logo and name on event signage.
- At least two staff members to attend (in person).
- Health/resource fair, open to the public.



### **October 12, 10 a.m.–4 p.m., Native Hawaiian Pacific Islander Peace and Justice Summit, hosted by Project-Respect Inc.**

Nazarene Church, 13411 S. Euclid St., Garden Grove

- Sponsorship fee: \$9,500; includes a resource table and logo on flyer.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



### **October 13, 9 a.m.–3 p.m., Battle of the Mariachis, hosted by the Power of One**

Eddie West Stadium, 602 N. Flower St., Santa Ana

- Sponsorship fee: \$10,000; includes a resource table and speaking opportunity.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



### **October 18, 8:30 a.m.–2 p.m., Alzheimer's Latino Conference, hosted by Alzheimer's Orange County**

Delhi Community Center, 505 E. Central Ave., Santa Ana

- Sponsorship fee: \$1,000; includes recognition at the event during opening ceremonies, logo placed around conference and on agenda, information in goody bag, opportunity for at table at the information fair, lunch for two, and certificate of recognition.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



### **October 19, 9 a.m.–2 p.m., City of Fullerton Effort for Medi-Cal Expansion Community Event, hosted by Asian American Senior Citizens Service Center**

Topaz Elementary School, 3232 Topaz Ln., Fullerton

- Sponsorship fee: \$10,000; includes a resource table and speaking opportunity.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



### **October 19, 6–11:30 p.m., Cultural Awareness & Indian Festival Diwali Event, hosted by the Shriji Mandir and Cultural Center**

City of Buena Park Community Center, 8150 Knott Ave., Buena Park

- Sponsorship fee: \$10,000; includes a resource table and speaking opportunity.
- 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



**October 19, 9 a.m.–1 p.m., Health and Wellness Fair, hosted by CalOptima Health in collaboration with the city of Anaheim and the Orange County Aging Services Collaborative**

Brookhurst Community Center, 2271 Crescent Ave, Anaheim

- At least twenty staff members to attend (in person).
- Health/resource fair, open to the public.



**October 20, 8:30 a.m.–12:30 p.m., Dignity Day, hosted by Sabil USA**

Sports Basement Orange County, 10800 Kalama River Ave., Fountain Valley

- Sponsorship fee: \$10,000; includes a resource table and speaking opportunity.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



**October 20, 9 a.m.–2 p.m., Recognizing Promotor Excellence, hosted by Vision y Compromiso**

Give for a Smile, 20861 Acacia Parkway Suite 119, Garden Grove

- Sponsorship fee: \$2,500; includes a resource table.
- At least one staff member to attend (in person).
- Health/resource fair, open to the public.



**October 22, 9–10:30 a.m., Cafecito Meeting, hosted by CalOptima Health**

Virtual

- At least six staff members to attend.
- Steering committee meeting, open to collaborative members.

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 October 3, 2024**

### **Regular Meeting of the CalOptima Health Board of Directors**

#### **Report Item**

14. Accept, Receive, and File the Fiscal Year 2023-24 CalOptima Health Audited Financial Statements

#### **Contact**

Nancy Huang, Chief Financial Officer (657) 235-6935

#### **Recommended Action**

Accept, receive, and file the fiscal year 2023-24 CalOptima Health consolidated audited financial statements as submitted by independent auditors Moss Adams, LLP.

#### **Background**

CalOptima Health has contracted with financial auditors Moss Adams, LLP (Moss Adams) to complete CalOptima Health's annual financial audit. At the May 23, 2024, meeting of the CalOptima Health Finance and Audit Committee, Moss Adams presented the Fiscal Year (FY) 2023-24 Audit Plan. The plan included performing the mandatory annual consolidated financial statement audit and review of relevant internal controls and compliance for CalOptima Health's major programs.

#### **Discussion**

Moss Adams conducted the interim audit beginning May 21, 2024, and the year-end audit during July to August 2024. This year's significant audit areas that Moss Adams reviewed included:

- Medical claims liability and claims expense;
- Capitation revenue and receivables; and
- Amounts due to the State of California or the California Department of Health Care Services.

Moss Adams auditors conducted their audit in accordance with auditing standards generally accepted in the United States of America (GAAS), as well as Government Auditing Standards.

Results from CalOptima Health's FY 2023-24 audit were positive. Moss Adams:

- Made no changes in CalOptima Health's approach to applying critical accounting policies;
- Did not report any significant difficulties during the audit; and
- Identified no material misstatements nor control deficiencies.

As such, management recommends that the Finance and Audit Committee recommend that the CalOptima Health Board of Directors accept the CalOptima Health FY 2023-24 audited financial statements, as presented.

#### **Fiscal Impact**

There is no fiscal impact related to this recommended action.

**Concurrence**

Troy R. Szabo, Outside General Counsel, Kennaday Leavitt  
Board of Directors' Finance and Audit Committee

**Attachments**

1. FY 2023-24 CalOptima Health Audited Financial Statements
2. Presentation by Moss Adams, LLP

/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**



Report of Independent Auditors and Financial Statements with  
Supplementary Information

**Orange County Health Authority, A Public Agency dba  
Orange Prevention and Treatment Integrated Medical  
Assistance dba CalOptima Health**

June 30, 2024 and 2023



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## **Management's Discussion and Analysis**

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# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health

## Management's Discussion and Analysis

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The intent of management's discussion and analysis of CalOptima Health's financial performance is to provide readers with an overview of the agency's financial activities for the fiscal years ended June 30, 2024, 2023, and 2022. Readers should review this summation in conjunction with CalOptima Health's financial statements and accompanying notes to the financial statements to enhance their understanding of CalOptima Health's financial performance.

### Key Operating Indicators

The table below compares key operating indicators for CalOptima Health for the fiscal years ended June 30, 2024, 2023, and 2022:

| Key Operating Indicators                            | 2024          | 2023          | 2022          |
|---|---------------|---------------|---------------|
| Members (at end of fiscal period)                   |               |               |               |
| Medi-Cal program                                    | 901,303       | 970,590       | 897,134       |
| OneCare   | 17,253        | 17,687        | 2,668         |
| OneCare Connect                                     | -             | -             | 14,415        |
| PACE  | 496           | 439           | 429           |
| Average member months                               |               |               |               |
| Medi-Cal program                                    | 932,770       | 940,893       | 859,290       |
| OneCare   | 17,488        | 17,443        | 2,342         |
| OneCare Connect                                     | -             | 14,360        | 14,682        |
| PACE  | 457           | 434           | 417           |
| Operating revenues (in millions)                    | \$ 5,372      | \$ 4,239      | \$ 4,227      |
| Operating expenses (in millions)                    |               |               |               |
| Medical expenses                                    | 4,510         | 3,862         | 3,946         |
| Administrative expenses                             | 230           | 192           | 150           |
| Operating income (in millions)                      | <u>\$ 633</u> | <u>\$ 184</u> | <u>\$ 131</u> |
| Operating revenues PMPM (per member per month)      | \$ 471        | \$ 369        | \$ 402        |
| Operating expenses PMPM                             |               |               |               |
| Medical expenses PMPM                               | 395           | 336           | 375           |
| Administrative expenses PMPM                        | 20            | 17            | 14            |
| Operating income PMPM                               | <u>\$ 56</u>  | <u>\$ 16</u>  | <u>\$ 13</u>  |
| Medical loss ratio                                  | 84%           | 91%           | 93%           |
| Administrative expenses ratio                       | 4.3%          | 4.5%          | 3.6%          |
| Premium tax revenue and expenses not included above |               |               |               |
| Operating revenues (in millions)                    | \$ 658        | \$ 90         | \$ 168        |
| Administrative expenses (in millions)               | \$ 658        | \$ 92         | \$ 166        |

# **Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health Management's Discussion and Analysis**

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## **Overview of the Financial Statements**

This annual report consists of financial statements and notes to those statements, which reflect CalOptima Health's financial position as of June 30, 2024, 2023, and 2022, and the results of its operations for the fiscal years ended June 30, 2024, 2023, and 2022. The financial statements of CalOptima Health, including the statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows, represent the accounts and transactions of the five (5) lines of business – Medi-Cal, OneCare, OneCare Connect, Program of All-Inclusive Care for the Elderly (PACE), and Multipurpose Senior Services Program (MSSP).

- The statements of net position include all of CalOptima Health's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the accrual basis of accounting, as well as an indication about which assets and deferred outflows of resources are utilized to fund obligations to providers and which are restricted as a matter of the CalOptima Health Board of Directors (Board) policy.
- The statements of revenues, expenses, and changes in net position present the results of operating activities during the fiscal years and the resulting increase or decrease in net position.
- The statements of cash flows report the net cash provided by or used in operating activities, as well as other sources and uses of cash from investing, capital, and related financing activities.

The following discussion and analysis addresses CalOptima Health's overall program activities. CalOptima Health's Medi-Cal program accounted for 91.5 percent, 89.8 percent, and 90.0 percent of its annual revenues during fiscal years 2024, 2023, and 2022, respectively. CalOptima Health's OneCare program accounted for 7.6 percent, 5.1 percent, and 0.9 percent of its annual revenues during fiscal years 2024, 2023, and 2022, respectively. CalOptima Health's OneCare Connect program accounted for 0.0 percent, 4.1 percent, and 8.1 percent of its annual revenues during fiscal years 2024, 2023, and 2022, respectively. All other programs in aggregate accounted for 0.9 percent, 1.1 percent, and 1.0 percent of CalOptima Health's annual revenues during fiscal years 2024, 2023, and 2022, respectively.

During Fiscal Year 2024, new laws and State contract changes impacted CalOptima Health's membership and financial statements. Beginning January 1, 2024, a new law in California provides full-scope Medi-Cal eligibility to adults ages 26 through 49, regardless of immigration status. The enrollment increase from Adult Expansion program was offset by the transition of Kaiser members to its own Medi-Cal contract. In its new 2024 contract, the State of California (the State) also required CalOptima Health to commit a percentage of its net position towards investments into the community and an additional percentage if CalOptima Health did not meet specified quality measures established by the State referred to as Community Reinvestment and Quality Achievement.

## **2024 and 2023 Financial Highlights**

As of June 30, 2024 and 2023, total assets and deferred outflows of resources were approximately \$4,182.3 million and \$3,624.3 million, respectively, and exceeded liabilities and deferred inflows of resources by approximately \$2,445.1 million and \$1,670.0 million, respectively.



# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health Management's Discussion and Analysis

Net position increased by approximately \$775.1 million, or 46.4 percent, during fiscal year 2024 and increased by approximately \$250.5 million, or 17.6 percent, during fiscal year 2023.

Table 1a: Condensed Statements of Net Position as of June 30,  
(Dollars in Thousands)

| Financial Position   | 2024                | 2023                | Change from 2023  |              |
|--|---------------------|---------------------|-------------------|--------------|
|  |                     |                     | Amount            | Percentage   |
| <b>ASSETS</b>  |                     |                     |                   |              |
| Current assets   | \$ 2,871,751        | \$ 2,937,296        | \$ (65,545)       | -2.2%        |
| Board-designated assets and restricted cash                        | 1,138,063           | 576,852             | 561,211           | 97.3%        |
| Capital assets, net  | 77,270              | 66,189              | 11,081            | 16.7%        |
| Intangible right-to-use subscription asset                         | 19,291              | 18,018              | 1,273             | 100.0%       |
| Total assets   | 4,106,375           | 3,598,355           | 508,020           | 14.1%        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                              | 75,899              | 25,969              | 49,930            | 192.3%       |
| Total assets and deferred outflows of resources                    | <u>\$ 4,182,274</u> | <u>\$ 3,624,324</u> | <u>\$ 557,950</u> | <u>15.4%</u> |
| <b>LIABILITIES</b>   |                     |                     |                   |              |
| Current liabilities  | \$ 1,547,922        | \$ 1,871,529        | \$ (323,607)      | -17.3%       |
| Other liabilities  | 170,028             | 59,440              | 110,588           | 186.0%       |
| Subscription liability, net of current portion                     | 10,596              | 12,173              | (1,577)           | 100.0%       |
| Total liabilities  | 1,728,546           | 1,943,142           | (214,596)         | -11.0%       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               | 8,646               | 11,176              | (2,530)           | -22.6%       |
| <b>NET POSITION</b>  |                     |                     |                   |              |
| Net investment in capital assets                                   | 78,830              | 66,134              | 12,696            | 19.2%        |
| Restricted by legislative authority                                | 127,853             | 107,969             | 19,884            | 18.4%        |
| Unrestricted   | 2,238,399           | 1,495,903           | 742,496           | 49.6%        |
| Total net position   | 2,445,082           | 1,670,006           | 775,076           | 46.4%        |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 4,182,274</u> | <u>\$ 3,624,324</u> | <u>\$ 557,950</u> | <u>15.4%</u> |

Current assets decreased \$65.5 million from \$2,937.3 million in 2023 to \$2,871.8 million in 2024, primarily in cash and investments. Current liabilities decreased \$323.6 million from \$1,871.5 million in 2023 to \$1,547.9 million in 2024. This was driven primarily from the release of accrued payables due to the State for the COVID-19 risk corridor post the bridge period (July 1, 2019 through December 31, 2020), the Research and Prevention Tobacco Tax Act of 2016 Proposition 56) risk corridors for the period of January 1, 2021 through June 30, 2024, the Enhanced Care Management (ECM) risk corridor for the period of January 1, 2022 through June 30, 2024, Unsatisfactory Immigration Status (UIS) risk corridor for the period January 1, 2024 through June 30, 2024. In April 2024, the State finalized the calendar year 2021 Proposition 56 risk corridor and a payment was remitted to the State in May 2024 in the amount of \$47.2 million. During fiscal year 2024, CalOptima Health submitted supplemental data requests to the State for the bridge period COVID-19 risk corridor and calendar year 2022 ECM risk corridor. The final report has not been received as of this writing.

**Orange County Health Authority, A Public Agency dba Orange  
Prevention and Treatment Integrated Medical Assistance dba  
CalOptima Health  
Management's Discussion and Analysis**

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Other liabilities increased \$110.6 million from \$59.4 million in 2023 to \$170 million in 2024 driven primarily by the State's requirement for CalOptima Health to commit a percentage of net position towards investments into the community and an additional percentage if CalOptima Health does not meet State specified quality measures referred to as Community Reinvestment and Quality Achievement.

Statutory and Board-designated assets and restricted cash increased by \$561.2 million and decreased by \$34.6 million in fiscal years 2024 and 2023, respectively, with the 2024 increase primarily driven by policy updates approved by the Board in May 2024 which updated the Board-designated reserve level from between 1.4 months to 2.0 months of consolidated capitation revenue to between 2.5 months to 3.0 months of consolidated capitation revenue. The Board also established a separate statutory designated reserve to meet the minimum Tangible Net Equity (TNE) Requirement. In addition to the existing Board-designated reserve, the Board designated \$100.0 million in total funding for homeless health initiatives (HHI) on April 4, 2019. On September 1, 2022, the Board approved a reallocation of the remaining \$40.1 million from HHI to the state Housing and Homelessness Incentive Program (HHIP) initiatives. As of June 30, 2024, the total Board designated funding has been allocated.

The Board's policy augmented the Tier One investment portfolio as Board-designated reserves to provide a desired level of funds between 2.5 months and 3.0 months of consolidated capitation revenue to meet future contingencies. CalOptima Health's reserve level of Tier One investment portfolios as of June 30, 2024, was at 2.82 times the monthly average consolidated capitation revenue. CalOptima Health's Tier Two investment portfolios are statutory designated reserves to meet the TNE requirements. The desired level is between 1.0 to 1.10 times the requirement and CalOptima Health's 2024 reserves level stands at 1.03 times the TNE. CalOptima Health's total reserve level as of June 30, 2023, was at 1.78 times the monthly average consolidated capitation revenue.

CalOptima Health is also required to maintain a \$300,000 restricted deposit as a part of the Knox-Keene Health Care Service Plan Act of 1975 (the Act).

**2023 and 2022 Financial Highlights**

As of June 30, 2023 and 2022, total assets and deferred outflows of resources were approximately \$3,624.3 million and \$3,025.6 million, respectively, and exceeded liabilities and deferred inflows of resources by approximately \$1,670.0 million and \$1,419.5 million, respectively.

# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health Management's Discussion and Analysis

Net position increased by approximately \$250.5 million, or 17.6 percent, during fiscal year 2023 and increased by approximately \$110.7 million, or 8.5 percent, during fiscal year 2022.

Table 1b: Condensed Statements of Net Position as of June 30,  
(Dollars in Thousands)

| Financial Position   | 2023                | 2022                | Change from 2022  |              |
|--|---------------------|---------------------|-------------------|--------------|
|  |                     |                     | Amount            | Percentage   |
| <b>ASSETS</b>  |                     |                     |                   |              |
| Current assets   | \$ 2,937,296        | \$ 2,337,407        | \$ 599,889        | 25.7%        |
| Board-designated assets and restricted cash                        | 576,852             | 611,428             | (34,576)          | -5.7%        |
| Capital assets, net  | 66,189              | 66,864              | (675)             | -1.0%        |
| Intangible right-to-use subscription asset                         | 18,018              | 18,018              | -                 | 0.0%         |
| Total assets   | 3,598,355           | 2,525,826           | 1,072,529         | 42.5%        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                              | 25,969              | 9,626               | 16,343            | 169.8%       |
| Total assets and deferred outflows of resources                    | <u>\$ 3,624,324</u> | <u>\$ 3,025,586</u> | <u>\$ 598,738</u> | <u>19.8%</u> |
| <b>LIABILITIES</b>   |                     |                     |                   |              |
| Current liabilities  | \$ 1,871,529        | \$ 1,551,389        | \$ 320,140        | 20.6%        |
| Other liabilities  | 59,440              | 22,756              | 36,684            | 161.2%       |
| Subscription liability, net of current portion                     | 12,173              | 141                 | 12,032            | 0.0%         |
| Total liabilities  | 1,943,142           | 1,574,286           | 368,856           | 23.4%        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               | 11,176              | 31,790              | (20,614)          | -64.8%       |
| <b>NET POSITION</b>  |                     |                     |                   |              |
| Net investment in capital assets                                   | 66,134              | 66,772              | (638)             | -1.0%        |
| Restricted by legislative authority                                | 107,969             | 107,346             | 623               | 0.6%         |
| Unrestricted   | 1,495,903           | 1,245,392           | 250,511           | 20.1%        |
| Total net position   | 1,670,006           | 1,419,510           | 250,496           | 17.6%        |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 3,624,324</u> | <u>\$ 3,025,586</u> | <u>\$ 598,738</u> | <u>19.8%</u> |

Current assets increased \$599.9 million from \$2,337.4 million in 2022 to \$2,937.3 million in 2023, primarily in cash and investments. Cash and investments had a net increase of \$575.8 million primarily from increased enrollment and premium capitation rates. Current liabilities increased \$320.1 million from \$1,551.4 million in 2022 to \$1,871.5 million in 2023 driven primarily by payables due to the State for the COVID-19 risk corridor for the period of July 1, 2019 through April 30, 2023, the Proposition 56 risk corridors for the period of January 1, 2021 through June 30, 2023, and the ECM risk corridor for the period of January 1, 2022 through June 30, 2023. In May 2023, the State finalized the bridge period (July 1, 2019 through December 31, 2020) Proposition 56 risk corridor and a payment was remitted to the State in June 2023 in the amount of \$74.5 million.

# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health Management's Discussion and Analysis

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Board-designated assets and restricted cash decreased by \$34.6 million and increased by \$3.6 million in fiscal years 2023 and 2022, respectively, primarily driven by changes to the portfolio's valuation. In addition to the existing Board-designated reserve, the Board designated \$100.0 million in total funding for HHI on April 4, 2019. On September 1, 2022, the Board approved a reallocation of the remaining \$40.1 million from HHI to the state HHIP initiatives. As of June 30, 2023, the balance of the HHI reserve was \$21.0 million.

The Board's policy is to augment the rest of the Board-designated assets to provide a desired level of funds between 1.4 months and 2.0 months in consolidated capitation revenue to meet future contingencies. CalOptima Health's reserve level of Tier One and Tier Two investment portfolios as of June 30, 2023 and 2022, is at 1.78 and 1.75 times the monthly average consolidated capitation revenue, respectively.

CalOptima Health is also required to maintain a \$300,000 restricted deposit as a part of the Act.

## 2024 and 2023 Results of Operations

CalOptima Health's fiscal year 2024 operating and non-operating income resulted in a \$775.1 million increase in net position, \$524.6 million more compared to a \$250.5 million increase in fiscal year 2023. The following table reflects the changes in revenues and expenses for 2024 compared to 2023:

Table 2a: Revenues, Expenses, and Changes in Net Position for  
Fiscal Years Ended June 30,  
(Dollars in Thousands)

| Results of Operations              | 2024         | 2023         | Change from 2023 |            |
|------------------------------------|--------------|--------------|------------------|------------|
|                                    |              |              | Amount           | Percentage |
| PREMIUM REVENUES                   | \$ 5,372,964 | \$ 4,239,833 | \$ 1,133,131     | 26.7%      |
| Total operating revenues           | 5,372,964    | 4,239,833    | 1,133,131        | 26.7%      |
| MEDICAL EXPENSES                   | 4,509,912    | 3,862,196    | 647,716          | 16.8%      |
| ADMINISTRATIVE EXPENSES            | 229,511      | 192,339      | 37,172           | 19.3%      |
| Total operating expenses           | 4,739,423    | 4,054,535    | 684,888          | 16.9%      |
| OPERATING INCOME                   | 633,541      | 185,298      | 448,243          | 241.9%     |
| NONOPERATING REVENUES AND EXPENSES | 141,535      | 65,198       | 76,337           | 117.1%     |
| Increase in net position           | 775,076      | 250,496      | 524,580          | 209.4%     |
| NET POSITION, beginning of year    | 1,670,006    | 1,419,510    | 250,496          | 17.6%      |
| NET POSITION, end of year          | \$ 2,445,082 | \$ 1,670,006 | \$ 775,076       | 46.4%      |

# **Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health Management's Discussion and Analysis**

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## **2024 and 2023 Operating Revenues**

The increase in operating revenues of \$1,133.1 million in fiscal year 2024 is attributable to increased premium capitation rates, newly eligible UIS members, and \$93.0 million in revenue from various State programs such as HHIP, Student Behavioral Health Incentive Program (SBHIP), and California Advancing and Innovating Medi-Cal (CalAIM) Incentive Payment Program (IPP). The increase in operating revenue is also driven by a \$646.8 million release in estimated payables to the State due to contract updates impacting the COVID-19 risk corridor settlement requirement and offset by net increase in payables to the State of \$47.3 million for the Proposition 56, UIS, and ECM risk corridors.

## **2024 and 2023 Medical Expenses**

Provider capitation, comprised of capitation payments to CalOptima Health's contracted health networks, increased by 11.3 percent from fiscal year 2023 to fiscal year 2024. Capitated member enrollment accounted for approximately 79.0 percent of CalOptima Health's enrollment, averaging 672,026 members during fiscal year 2024 and approximately 73.4 percent of CalOptima Health's enrollment, averaging 690,882 members during fiscal year 2023. Included in the capitated environment are 187,207 or 28.5 percent and 232,786 or 33.7 percent members in a shared risk network for fiscal years 2024 and 2023, respectively. Shared risk networks receive capitation for professional services and are claims-based for hospital services.

Provider capitation expenses totaled \$1,285.7 million in fiscal year 2024, compared to \$1,155.2 million in fiscal year 2023. The increase reflects rate increases with the contracted health networks.

Claims expenses to providers and facilities, including long-term care (LTC) services, increased by 15.4 percent from fiscal year 2023 to fiscal year 2024 due to increased utilization.

As of June 30, 2024, in accordance with State contracts, the balance of the Community Reinvestment was estimated at \$51.4 million and the balance of the Quality Achievement was estimated at \$55.2 million.

In addition to the items mentioned above, total quality assurance fee (QAF) payments received and passed through to hospitals increased from \$0.0 to \$290.7 million from fiscal year 2023 to fiscal year 2024 due to the State's timing for QAF payments. These receipts and payments are not included in the statements of revenues, expenses, and changes in net position.

## **2024 and 2023 Administrative Expenses**

Total administrative expenses were \$229.5 million in 2024 compared to \$192.3 million in 2023. Overall administrative expenses increased by 19.3 percent or \$37.2 million, primarily due to an increase in filled positions, cost of living, and other salary adjustments. In fiscal years 2024 and 2023, CalOptima Health's administrative expenses were 4.3 percent and 4.5 percent of total operating revenues, respectively.

# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health

## Management's Discussion and Analysis

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### 2024 and 2023 Non-Operating Revenues and Expenses

Non-operating revenue and expenses increased by \$76.3 million from income of \$65.2 million in fiscal year 2023 to income of \$141.5 million in fiscal year 2024. The increase is driven primarily by favorable investment performance in fiscal year 2024 of \$175.9 million, an increase of \$85.5 million from net investment income of \$90.4 million in fiscal year 2023. The amount is offset by an increase in grant expenses of \$6.5 million, from \$25.5 million in fiscal year 2023 to \$32.0 million in fiscal year 2024.

The Board and management have been accelerating efforts to improve access and quality of health care for the most vulnerable residents in Orange County. Those efforts included increasing the number of community investment grants released in the recent fiscal years.

### 2023 and 2022 Results of Operations

CalOptima Health's fiscal year 2023 operating and non-operating income resulted in a \$250.5 million increase in net position, \$139.8 million more compared to a \$110.7 million increase in fiscal year 2022. The following table reflects the changes in revenues and expenses for 2023 compared to 2022:

Table 2b: Revenues, Expenses, and Changes in Net Position for  
Fiscal Years Ended June 30,  
(Dollars in Thousands)

| Results of Operations              | 2023         | 2022         | Change from 2022 |            |
|------------------------------------|--------------|--------------|------------------|------------|
|                                    |              |              | Amount           | Percentage |
| PREMIUM REVENUES                   | \$ 4,239,833 | \$ 4,227,259 | \$ 12,574        | 0.3%       |
| Total operating revenues           | 4,239,833    | 4,227,259    | 12,574           | 0.3%       |
| MEDICAL EXPENSES                   | 3,862,196    | 3,945,849    | (83,653)         | -2.1%      |
| ADMINISTRATIVE EXPENSES            | 192,339      | 150,443      | 41,896           | 27.8%      |
| Total operating expenses           | 4,054,535    | 4,096,292    | (41,757)         | -1.0%      |
| OPERATING INCOME                   | 185,298      | 130,967      | 54,331           | 41.5%      |
| NONOPERATING REVENUES AND EXPENSES | 65,198       | (20,237)     | 85,435           | -422.2%    |
| Increase in net position           | 250,496      | 110,730      | 139,766          | 126.2%     |
| NET POSITION, beginning of year    | 1,419,510    | 1,308,781    | 110,729          | 8.5%       |
| NET POSITION, end of year          | \$ 1,670,006 | \$ 1,419,511 | \$ 250,495       | 17.6%      |

### 2023 and 2022 Operating Revenues

The increase in operating revenues of \$12.6 million in fiscal year 2023 is primarily attributable to an increase in enrollment of 11.0 percent which resulted in additional revenue of \$216.4 million and \$50.0 million in revenue from programs, such as the HHIP, CalAIM IPP, and SBHIP. The increase in revenue is offset by net additional payables due to the State for the COVID-19, Proposition 56, and ECM risk corridor estimates.

# **Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health Management's Discussion and Analysis**

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## **2023 and 2022 Medical Expenses**

Provider capitation, comprised of capitation payments to CalOptima Health's contracted health networks, decreased by 8.4 percent from fiscal year 2022 to fiscal year 2023. Capitated member enrollment accounted for approximately 73.4 percent of CalOptima Health's enrollment, averaging 690,882 members during fiscal year 2023 and approximately 75.0 percent of CalOptima Health's enrollment, averaging 644,579 members during fiscal year 2022. Included in the capitated environment are 232,786 or 33.7 percent and 212,078 or 32.9 percent members in a shared risk network for fiscal years 2023 and 2022, respectively. Shared risk networks receive capitation for professional services and are claims-based for hospital services.

Provider capitation expenses totaled \$1,155.2 million in fiscal year 2023, compared to \$1,226.2 million in fiscal year 2022. The decrease reflects adjustments for Proposition 56 estimated accruals due to an updated logic that impacted prior years.

Claims expenses to providers and facilities, including LTC services, increased by 14.6 percent from fiscal year 2022 to fiscal year 2023 due to increased utilization from higher enrollment.

Prescription drug expenses decreased by \$348.5 million due to the State's transition of pharmacy benefits to Medi-Cal Fee-for-Service beginning January 1, 2022.

In addition to the items mentioned above, total QAF payments received and passed through to hospitals decreased from \$146.4 million to \$0.0 from fiscal year 2022 to fiscal year 2023 due to the State's timing for QAF payments. These receipts and payments are not included in the statements of revenues, expenses, and changes in net position.

## **2023 and 2022 Administrative Expenses**

Total administrative expenses were \$192.3 million in 2023 compared to \$150.4 million in 2022. Overall administrative expenses increased by 27.8 percent or \$41.9 million, primarily due to an increase in filled positions, cost of living and other salary adjustments, and adoption of the Government Accounting Standards Board (GASB) Statement No. 96 for Subscription-Based Information Technology Arrangements. In fiscal years 2023 and 2022, CalOptima Health's administrative expenses were 4.5 percent and 3.6 percent of total operating revenues, respectively.

## **2023 and 2022 Non-Operating Revenues and Expenses**

Non-operating revenue and expenses increased by \$85.4 million from a loss of \$20.2 million in fiscal year 2022 to income of \$65.2 million in fiscal year 2023. The increase is driven primarily by net investment income in fiscal year 2023 of \$90.4 million, an increase of \$110.8 million from a net investment loss of \$20.4 million in fiscal year 2022. The amount is offset by an increase in grant expenses of \$25.5 million, from \$121 thousand in fiscal year 2022 to \$25.5 million in fiscal year 2023.

The Board and management have been accelerating efforts to improve access and quality of health care for the most vulnerable residents in Orange County. Those efforts included increasing the number of community investment grants released in the recent fiscal years.



# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health

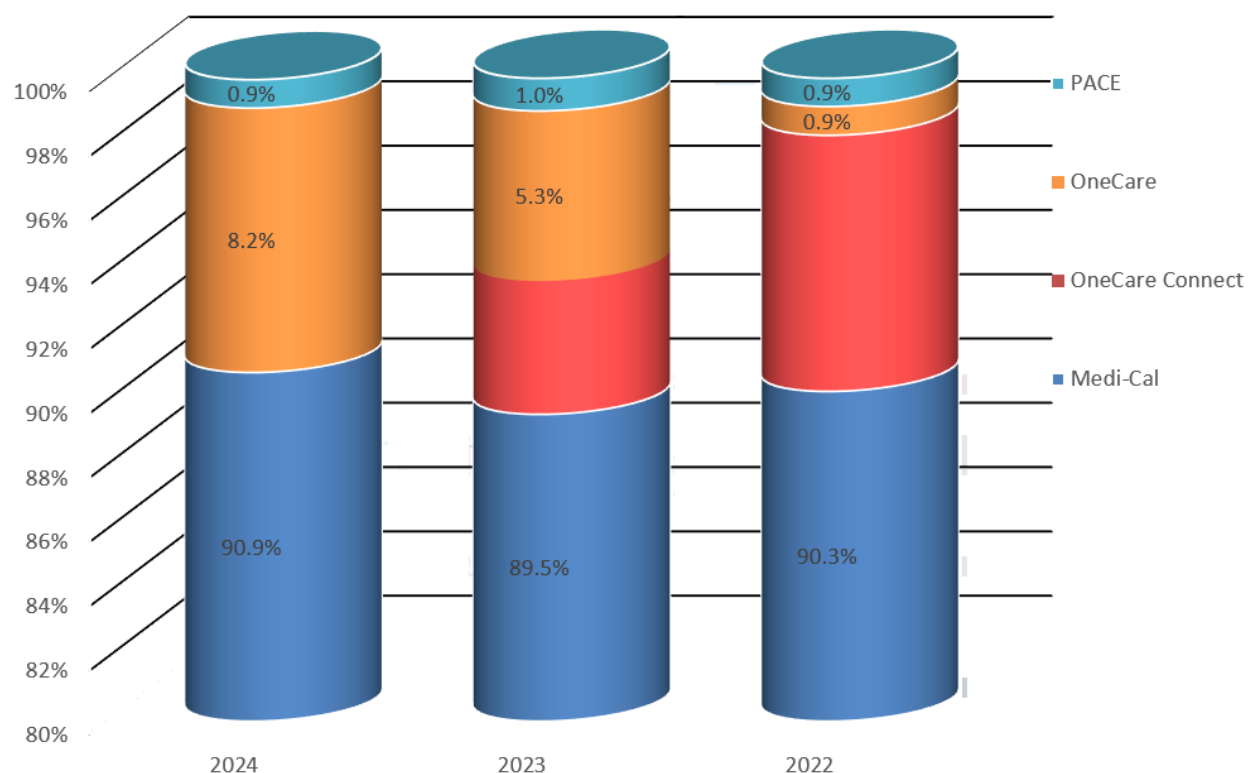
## Management's Discussion and Analysis

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### 2024, 2023, and 2022 Medical Expenses by Line of Business

Below is a comparison chart of total medical expenses by line of business and their respective percentages of the overall medical expenditures by fiscal year.

Chart 1: Medical Expenses by Line of Business



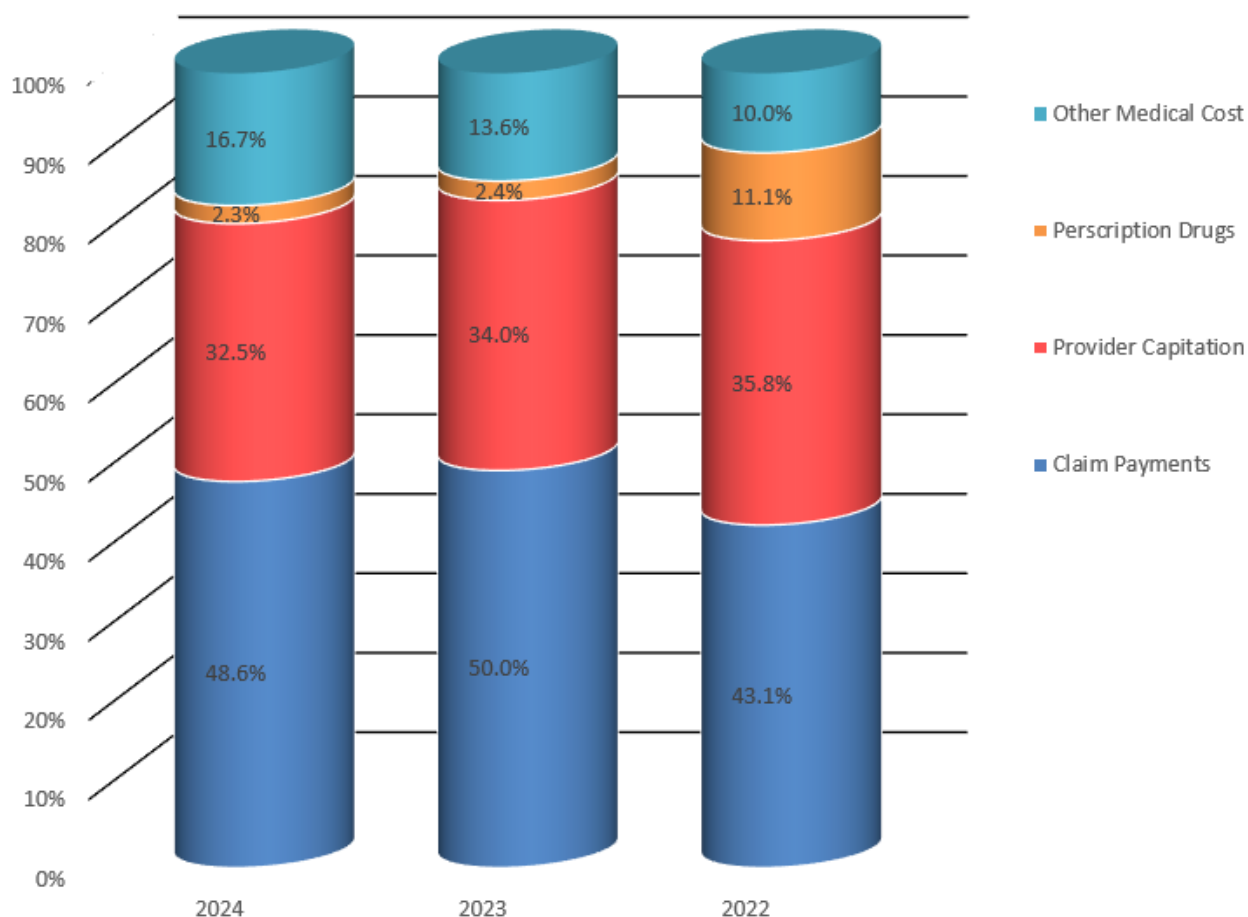
# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health Management's Discussion and Analysis

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## 2024, 2023, and 2022 Medical Expenses by Major Category

Below is a comparison chart of medical expenses by major category and their respective percentages of the overall medical expenditures by fiscal year.

Chart 2: Consolidated Medical Expenses by Major Category



# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health

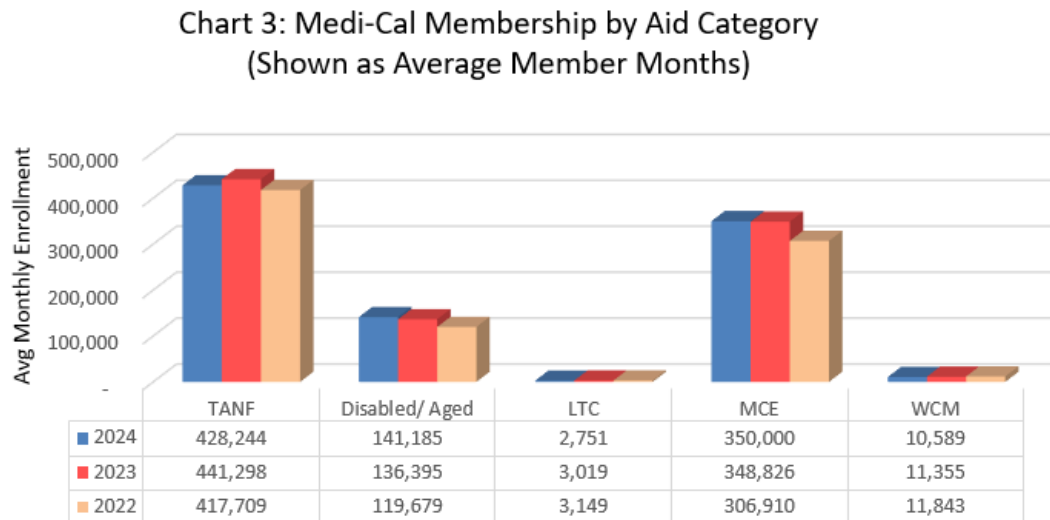
## Management's Discussion and Analysis

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### 2024, 2023, and 2022 Enrollment

#### Medi-Cal

During fiscal year 2024, CalOptima Health served an average of 932,770 Medi-Cal members per month compared to an average of 940,893 members per month in 2023 and 859,290 members per month in 2022. The increase is attributed to the State's pause in Medi-Cal eligibility redetermination which began at the beginning of the COVID-19 pandemic in March 2020 and expired on May 11, 2023. The chart below displays a comparative view of average monthly membership by Medi-Cal aid category during 2024, 2023, and 2022.



Significant aid categories are defined as follows:

Temporary Assistance to Needy Families (TANF) includes families, children, and poverty-level members who qualify for the TANF federal welfare program, which provides cash aid and job-search assistance to poor families. TANF also includes members who migrated from CalOptima Health, Health Net, and Kaiser Healthy Family programs.

Disabled and Aged includes individuals who have met the criteria for disability set by the Social Security Administration, and individuals of 65 years of age and older who receive supplemental security income (SSI) checks, are medically needy, or have an income of 100 percent or less of the federal poverty level.

LTC includes frail elderly adults, nonelderly adults with disabilities, and children with developmental disabilities and other disabling conditions that require LTC services.

Medi-Cal Expansion (MCE) program includes adults without children, ages 19 to 64, who qualify based upon income, as required by the Patient Protection and Affordable Care Act (ACA).

# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health

## Management's Discussion and Analysis

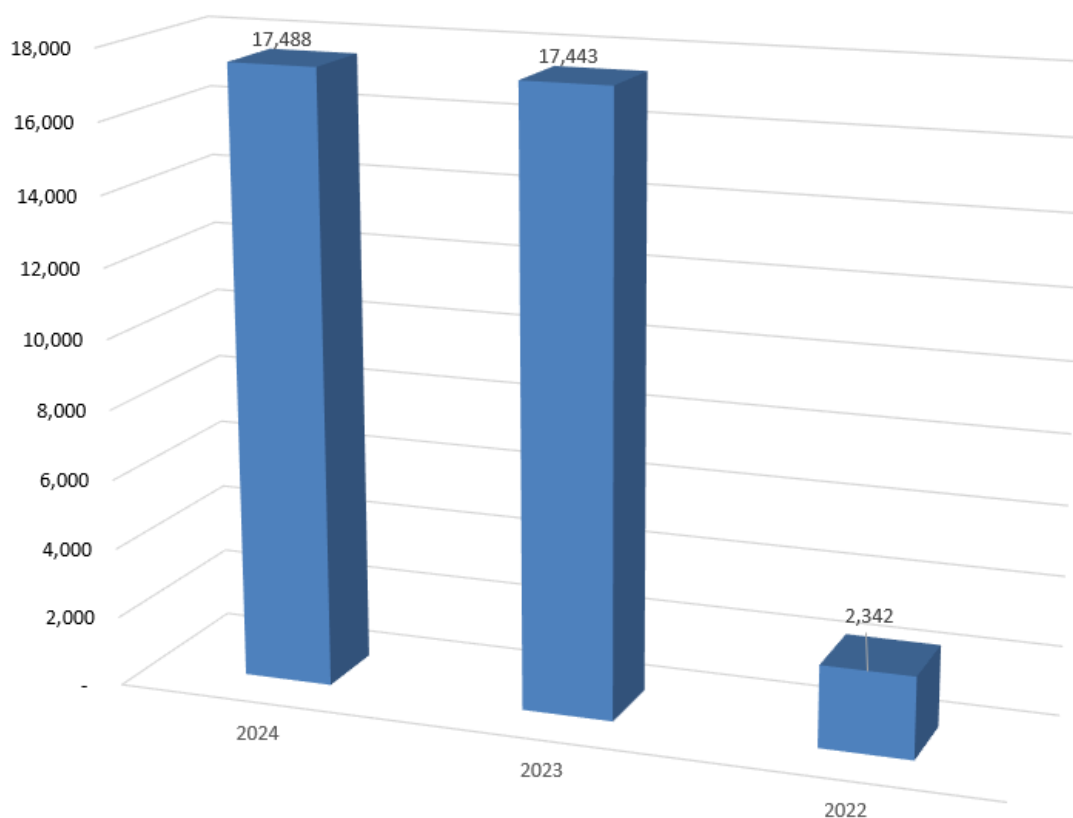
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CalOptima Health's Whole Child Model (WCM) program includes children who are California Children's Services (CCS) eligible. These members are receiving their CCS services and non-CCS services under the WCM program.

### *OneCare*

OneCare was introduced in October 2005 as a Medicare Advantage Special Needs Plan. It provides a full range of health care services to members who are eligible for both the Medicare and Medi-Cal programs (i.e., dual eligible). The average member months were 17,488, 17,443, and 2,342 for the years ended June 30, 2024, 2023, and 2022, respectively. The average member month for fiscal year 2023 was calculated using enrollment from January 2023 through June 2023 due to the transition of OneCare Connect members to OneCare beginning January 1, 2023. The chart below displays the average member months for the past three years.

Chart 4: OneCare Membership by Fiscal Year  
(Shown as Average Member Months)



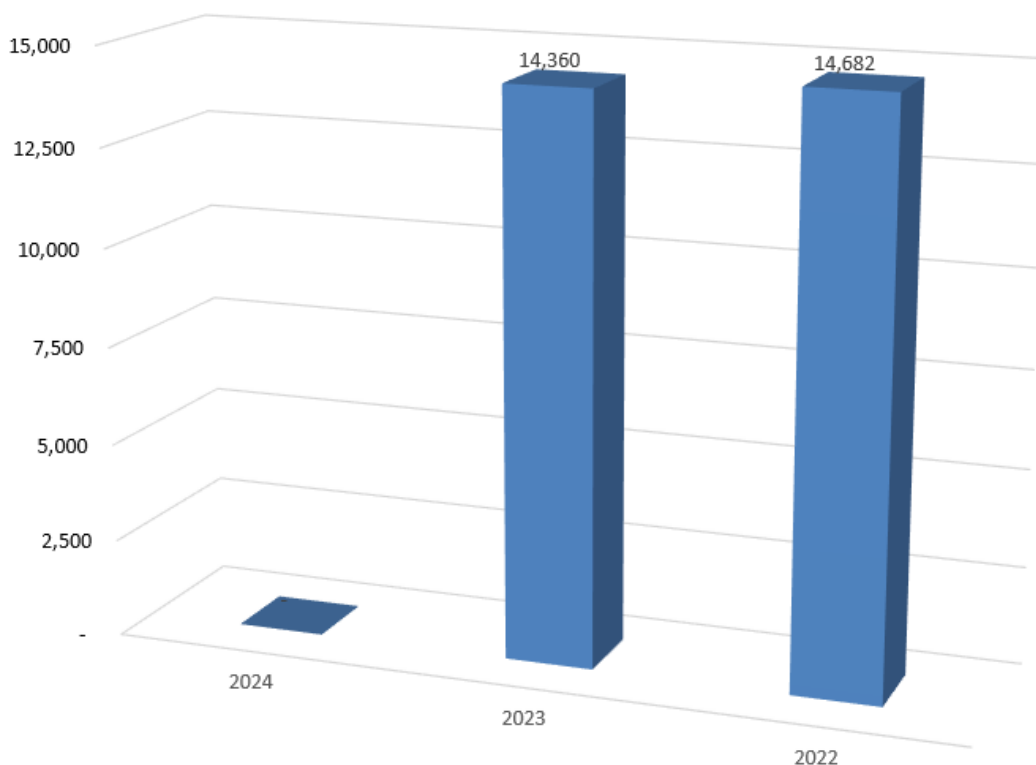
# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health Management's Discussion and Analysis

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## *OneCare Connect*

CalOptima Health launched the OneCare Connect program to serve dual eligible members in Orange County in July 2015. This program combines members' Medicare and Medi-Cal coverage and adds other benefits and supports. The average member months were 0, 14,360, and 14,682 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively. For fiscal year 2023, the average member month was calculated with enrollment from July 2022 through December 2022 due to the transition of OneCare Connect members to OneCare on January 1, 2023. The chart below displays the average member months for the past three years.

Chart 5: OneCare Connect Membership by Fiscal Year  
(Shown as Average Member Months)



# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health

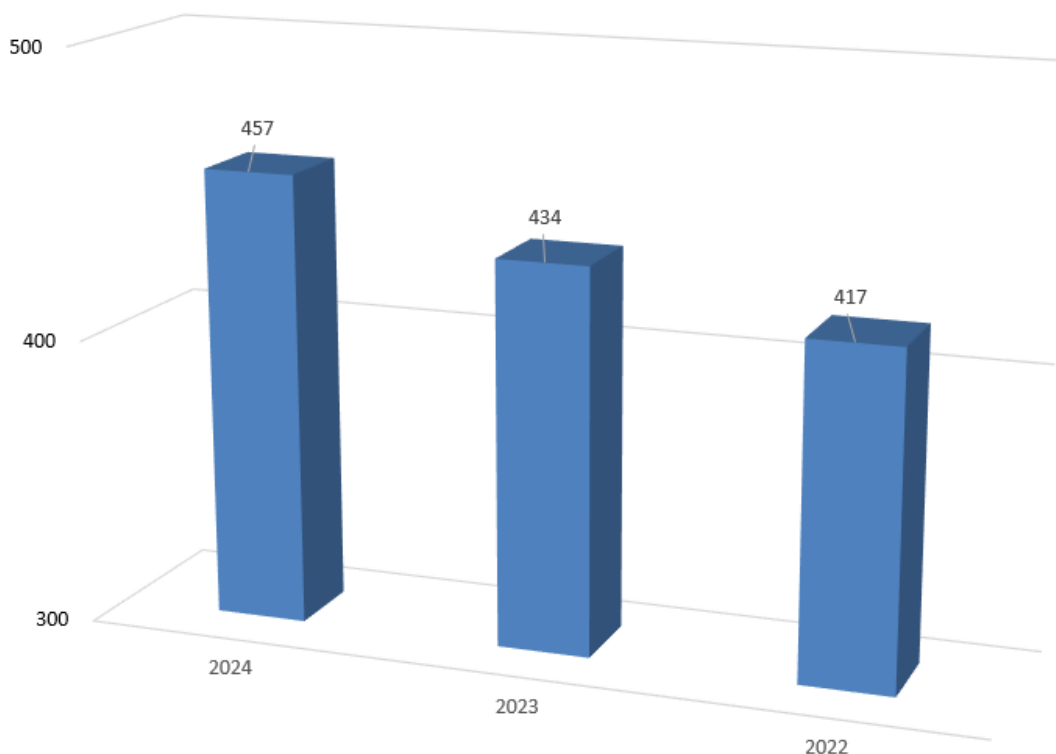
## Management's Discussion and Analysis

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### *PACE*

PACE began operations in October 2013. It is a community-based Medicare and Medi-Cal program that provides coordinated and integrated health care services to frail elders to help them to continue living independently in the community. The average member months were 457, 434, and 417 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively. The chart below displays the average member months for the past three years.

Chart 6: PACE Membership by Fiscal Year  
(Shown as Average Member Months)



### **Economic Factors and the State's Fiscal Year 2024-25 Budget**

On June 29, 2024, Governor Gavin Newsom signed the Fiscal Year (FY) 2024-25 state budget bill. The budget addressed a \$46.8 billion deficit that resulted from significant revenue volatility and included a combination of solutions to close the gap, including spending reductions, use of reserves, funding shifts, delayed or paused spending, and payment deferrals to later years.

General Fund spending in the budget package was \$211.5 billion, a decrease of \$11.6 billion or 5.2 percent from FY 2023-24. The budget included \$35 billion in General Fund spending for the Medi-Cal program, covering approximately 14.5 million beneficiaries in FY 2024-25.

# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health Management's Discussion and Analysis

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Some major Medi-Cal initiatives included are:

- Continued investment in the Medi-Cal Transformation Initiative (i.e., CalAIM);
- Actions related to the Managed Care Organization tax, including revisions to the tax calculation methodology to increase revenues to support the Medi-Cal program, funding for some new targeted Medi-Cal provider rate increases to take effect January 1, 2025, and eliminated or delayed implementation for other targeted provider rate increases until January 1, 2026; and
- Continued funding for full-scope Medi-Cal coverage to all income eligible adults ages 26 to 49 regardless of immigration status.

The budget projected \$212.1 billion in General Fund revenues and transfers in FY 2024-25, an increase of \$22.7 billion or 12.0 percent compared to last fiscal year. The three largest General Fund taxes (i.e., personal income tax, sales and use tax, corporation tax) were projected to increase by 8.6 percent from FY 2023-24. The State is projected to end FY 2024-25 with \$22.2 billion in total reserves.

**DHCS routine annual audit** – In January 2024, the California Department of Health Care Services (DHCS) formally engaged CalOptima Health for its annual medical program audit. The audit covered the provision of Medi-Cal services for the period of February 1, 2023, through February 29, 2024, and assessed CalOptima Health's compliance with its Medi-Cal contract and regulations. As of this writing, CalOptima Health is awaiting the final findings report and formal request for corrective action.

**DHCS State Supported Services (SSS) audit** – At the time of engagement for its annual routine audit in January 2024, DHCS simultaneously engaged CalOptima Health in an SSS audit related to abortion services. DHCS conducted this audit in conjunction with the DHCS routine annual audit for the period of February 1, 2023, through February 29, 2024, and assessed CalOptima Health's compliance with its Medi-Cal contract and regulations related to SSS. As of this writing, CalOptima Health is awaiting the final report.

**DHCS focused audit** – In December 2022, the DHCS formally engaged CalOptima Health in a focused audit for services related to transportation and behavioral health. The audit covered the provision of services for the period of February 1, 2022, through January 31, 2023. DHCS conducted this focused audit on all managed care plans; the review was not unique to CalOptima Health. DHCS concluded its review and as of this writing, CalOptima Health is awaiting the final findings report and formal request for corrective action.

**California State Auditor (CSA) audit** – In May 2023, the CSA released Report 2022-112. The audit covered certain aspects of CalOptima Health's budget, services, programs and organizational changes. As of this writing, CalOptima Health has completed its May 2, 2024, one (1) year response and is awaiting comments on the response.

**CMS Program Audit** – The Centers for Medicare & Medicaid Services (CMS) conducted a virtual, full-scope program audit of the OneCare and OneCare Connect programs in July 2021 through August 2021.



# Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health Management's Discussion and Analysis

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CalOptima Health received the final report from CMS in November 2021 that required several corrective actions. In January 2022, CMS confirmed acceptance of CalOptima Health's corrective actions for non-Immediate Corrective Action Required (ICAR) conditions and requested CalOptima Health to undergo an independent validation audit (IVA) by July 2022. In September 2022, CalOptima Health completed an independent validation audit as requested by CMS to demonstrate corrective actions were completed. In July 2023, CalOptima Health submitted a final revalidation report on two findings related to formulary administration and the Special Needs Plan Model of Care (SNP-MOC). On August 15, 2023, CMS notified CalOptima Health that CMS has determined CalOptima Health sufficiently corrected all conditions noted in the Final Audit Report and the 2021 Program Audit is closed.

**CMS 1/3 Financial Audit** – On September 21, 2023, CMS notified CalOptima Health that its OneCare (H5433) plan was selected for the Calendar Year 2022 CMS 1/3 Financial Audit. CMS' contractor, acting in the capacity of CMS agents, conducted the audit by requesting records and supporting documentation for, but not limited to, claims data, solvency, enrollment, base year entries on the bids, medical and/or drug expenses, related party transactions, general administrative expenses and Direct and Indirect Remuneration (DIR). The audit has been completed and the Agree/Disagree Letter was shared with CalOptima Health, which included three findings and one observation. CalOptima Health provided a response to the auditor on June 4, 2024. As of this writing, CalOptima Health is awaiting the Final Report from the auditor. CalOptima Health has initiated the corrective action plan process for the findings noted.

**Requests for Information** – This financial report has been prepared in the spirit of full disclosure to provide the reader with an overview of CalOptima Health's operations. If the reader has questions or would like additional information, please direct the requests to CalOptima Health, 505 City Parkway West, Orange, CA 92868, or call (714) 347-3237.

## Report of Independent Auditors

The Board of Directors

Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health (the “Organization”), which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of plan contributions, and schedule of changes in total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in dark ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Irvine, California  
September 20, 2024

## Financial Statements

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**Orange County Health Authority, A Public Agency dba Orange  
Prevention and Treatment Integrated Medical Assistance dba  
CalOptima Health  
Statements of Net Position  
June 30, 2024 and 2023**

|  | 2024                           | 2023                           |
|--|--------------------------------|--------------------------------|
| <b>CURRENT ASSETS</b>                                  |                                |                                |
| Cash and cash equivalents                              | \$ 527,999,319                 | \$ 771,575,961                 |
| Investments  | 1,777,895,941                  | 1,676,736,065                  |
| Premiums due from the State of California and CMS      | 461,899,906                    | 380,839,598                    |
| Prepaid expenses and other                             | 103,955,696                    | 108,144,802                    |
|  | <u>2,871,750,862</u>           | <u>2,937,296,426</u>           |
| <b>BOARD-DESIGNATED ASSETS AND RESTRICTED CASH</b>     |                                |                                |
| Cash and cash equivalents                              | 22,817,912                     | 1,940,209                      |
| Investments  | 1,114,945,527                  | 574,611,484                    |
| Restricted deposit                                     | 300,000                        | 300,000                        |
|  | <u>1,138,063,439</u>           | <u>576,851,693</u>             |
| <b>CAPITAL ASSETS, NET</b>                             | 77,270,145                     | 66,189,127                     |
| <b>INTANGIBLE RIGHT-TO-USE SUBSCRIPTION ASSET, net</b> | <u>19,290,669</u>              | <u>18,018,382</u>              |
| <b>Total assets</b>                                    | <u>4,106,375,115</u>           | <u>3,598,355,628</u>           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                                |                                |
| Net pension  | 74,549,007                     | 24,373,350                     |
| Other postemployment benefit                           | 1,350,000                      | 1,596,000                      |
|  | <u>75,899,007</u>              | <u>25,969,350</u>              |
| <b>Total deferred outflows of resources</b>            | <u>75,899,007</u>              | <u>25,969,350</u>              |
| <b>Total assets and deferred outflows of resources</b> | <u><u>\$ 4,182,274,122</u></u> | <u><u>\$ 3,624,324,978</u></u> |

See accompanying notes.

**Orange County Health Authority, A Public Agency dba Orange  
Prevention and Treatment Integrated Medical Assistance dba  
CalOptima Health  
Statements of Net Position (Continued)  
June 30, 2024 and 2023**

|   | <u>2024</u>             | <u>2023</u>             |
|---|-------------------------|-------------------------|
| <b>CURRENT LIABILITIES</b>  |                         |                         |
| Medical claims liability and capitation payable                       |                         |                         |
| Medical claims liability  | 369,433,596             | \$ 333,993,756          |
| Provider capitation and withholds                                     | 176,233,694             | 125,444,022             |
| Accrued reinsurance costs to providers                                | 7,511,531               | 4,312,093               |
| Subscription liability  | 7,134,744               | 4,556,961               |
| Due to the State of California and CMS                                | 937,276,525             | 1,303,463,182           |
| Unearned revenue  | <u>6,777,509</u>        | <u>61,886,332</u>       |
|   | 1,504,367,599           | 1,833,656,346           |
| Accounts payable and other  | 17,667,439              | 14,540,984              |
| Accrued payroll and employee benefits and other                       | <u>25,886,668</u>       | <u>23,332,392</u>       |
| Total current liabilities   | 1,547,921,706           | 1,871,529,722           |
| <b>COMMUNITY REINVESTMENT</b>   | 106,676,651             | -                       |
| <b>POSTEMPLOYMENT HEALTH CARE PLAN</b>                                | 17,370,000              | 18,975,000              |
| <b>SUBSCRIPTION LIABILITY, net of current portion</b>                 | 10,595,755              | 12,173,318              |
| <b>NET PENSION LIABILITY</b>  | <u>45,981,359</u>       | <u>40,465,145</u>       |
| Total liabilities   | <u>1,728,545,471</u>    | <u>1,943,143,185</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                         |                         |
| Net pension   | 2,248,445               | 3,387,516               |
| Other postemployment benefit  | <u>6,398,000</u>        | <u>7,788,000</u>        |
| Total deferred inflows of resources                                   | <u>8,646,445</u>        | <u>11,175,516</u>       |
| <b>NET POSITION</b>   |                         |                         |
| Net investment in capital assets                                      | 78,830,315              | 115,592,667             |
| Restricted by legislative authority                                   | 127,852,909             | 107,969,096             |
| Unrestricted  | <u>2,238,398,982</u>    | <u>1,446,444,514</u>    |
| Total net position  | <u>2,445,082,206</u>    | <u>1,670,006,277</u>    |
| Total liabilities, deferred inflows of resources,<br>and net position | <u>\$ 4,182,274,122</u> | <u>\$ 3,624,324,978</u> |

See accompanying notes.



**Orange County Health Authority, A Public Agency dba Orange  
Prevention and Treatment Integrated Medical Assistance dba  
CalOptima Health**

**Statements of Revenues, Expenses, and Changes in Net Position  
Years Ended June 30, 2024 and 2023**

|  | 2024             | 2023             |
|--|------------------|------------------|
| REVENUES                                   |                  |                  |
| Premium revenues                           | \$ 5,372,963,895 | \$ 4,239,833,266 |
| Total operating revenues                   | 5,372,963,895    | 4,239,833,266    |
| OPERATING EXPENSES                         |                  |                  |
| Medical expenses                           |                  |                  |
| Claims expense to providers and facilities | 2,094,723,338    | 1,815,097,808    |
| Provider capitation                        | 1,477,805,330    | 1,275,685,079    |
| Other medical                              | 528,360,774      | 367,744,574      |
| OneCare Connect                            | -                | 160,125,649      |
| PACE                                       | 39,737,377       | 39,133,937       |
| OneCare                                    | 369,285,675      | 204,408,932      |
| Total medical expenses                     | 4,509,912,494    | 3,862,195,979    |
| Administrative expenses                    |                  |                  |
| Salaries, wages, and employee benefits     | 149,096,246      | 129,037,210      |
| Supplies, occupancy, insurance, and other  | 39,389,249       | 31,742,817       |
| Purchased services                         | 22,407,022       | 15,551,299       |
| Depreciation and amortization              | 8,008,630        | 8,114,542        |
| Professional fees                          | 10,609,407       | 7,892,802        |
| Total administrative expenses              | 229,510,554      | 192,338,670      |
| Total operating expenses                   | 4,739,423,048    | 4,054,534,649    |
| OPERATING INCOME                           | 633,540,847      | 185,298,617      |
| NON-OPERATING REVENUES                     |                  |                  |
| Net investment income and other            | 174,598,247      | 89,740,819       |
| Grant expense                              | (33,282,237)     | (25,530,071)     |
| Rental income, net of related expenses     | 219,072          | 987,046          |
| Total non-operating revenues               | 141,535,082      | 65,197,794       |
| Increase in net position                   | 775,075,929      | 250,496,411      |
| NET POSITION, beginning of year            | 1,670,006,277    | 1,419,509,866    |
| NET POSITION, end of year                  | \$ 2,445,082,206 | \$ 1,670,006,277 |

See accompanying notes.

**Orange County Health Authority, A Public Agency dba Orange  
Prevention and Treatment Integrated Medical Assistance dba  
CalOptima Health  
Statements of Cash Flows  
Years Ended June 30, 2024 and 2023**

|  | 2024             | 2023             |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES   |                  |                  |
| Capitation payments received and other   | \$ 4,870,608,107 | \$ 4,607,104,404 |
| Payments to providers and facilities   | (4,313,806,893)  | (3,896,885,154)  |
| Payments to vendors  | (56,642,960)     | (62,171,613)     |
| Payments to employees  | (195,089,484)    | (125,545,812)    |
| Net cash provided by operating activities  | 305,068,770      | 522,501,825      |
| CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES                              |                  |                  |
| Payments on subscription lease obligations   | (8,592,862)      | (5,414,341)      |
| Purchases of capital assets  | (19,216,010)     | (6,499,838)      |
| Net cash used in capital and related financing activities                                | (27,808,872)     | (11,914,179)     |
| CASH FLOWS USED IN INVESTING ACTIVITIES  |                  |                  |
| Investment income received   | 201,775,923      | 125,584,618      |
| Purchases of securities  | (21,016,264,492) | (46,933,516,529) |
| Sales of securities  | 20,326,715,194   | 46,269,973,906   |
| Payments of grants to providers  | (33,282,237)     | (25,530,071)     |
| Collections related to rental income   | 219,072          | 987,046          |
| Net cash used in investing activities  | (520,836,540)    | (562,501,030)    |
| Net change in cash and cash equivalents  | (243,576,642)    | (51,913,384)     |
| CASH AND CASH EQUIVALENTS, beginning of year   | 771,575,961      | 823,489,345      |
| CASH AND CASH EQUIVALENTS, end of year   | \$ 527,999,319   | \$ 771,575,961   |
| RECONCILIATION OF OPERATING INCOME TO NET CASH<br>PROVIDED BY OPERATING ACTIVITIES       |                  |                  |
| Operating income   | \$ 633,540,847   | \$ 185,298,617   |
| ADJUSTMENT TO RECONCILE OPERATING INCOME TO NET CASH<br>PROVIDED BY OPERATING ACTIVITIES |                  |                  |
| Depreciation   | 15,680,860       | 10,719,510       |
| Changes in assets and liabilities  |                  |                  |
| Premiums due from the State of California and CMS  | (81,060,308)     | 24,352,789       |
| Prepaid expenses and other   | 4,189,106        | (13,880,348)     |
| Medical claims liability   | 35,439,840       | 32,141,035       |
| Provider capitation and withholds  | 50,789,672       | (67,770,606)     |
| Accrued reinsurance costs to providers   | 3,199,438        | 940,396          |
| Due to the State of California and CMS   | (366,186,657)    | 289,081,118      |
| Unearned revenue   | (55,108,823)     | 53,837,231       |
| Accounts payable and other   | 110,578,033      | 4,290,685        |
| Accrued payroll and employee benefits and other  | 2,554,276        | 3,764,852        |
| Postemployment health care plan  | (2,749,000)      | (2,207,000)      |
| Net pension liability  | (45,798,514)     | 1,933,546        |
| Net cash provided by operating activities  | \$ 305,068,770   | \$ 522,501,825   |

See accompanying notes.

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**Note 1 – Organization**

Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health, is a County-Organized Health System (COHS) serving primarily Medi-Cal beneficiaries in Orange County, California. Effective August 4, 2022, Orange County Health Authority changed its dba name to CalOptima Health (CalOptima Health or the Organization). Pursuant to the California Welfare and Institutions Code, CalOptima Health was formed by the Orange County Board of Supervisors as a public/private partnership through the adoption of Ordinance No. 3896 in August 1992. The agency began operations in October 1995.

As a COHS, CalOptima Health maintains an exclusive contract with the State of California (the State), Department of Health Care Services (DHCS) to arrange for the provision of health care services to Orange County's Medi-Cal beneficiaries. Orange County had approximately 901,300 and 970,600 Medi-Cal beneficiaries for the years ended June 30, 2024 and 2023, respectively. CalOptima Health also offers OneCare, a Medicare Advantage Special Needs Plan, via a contract with the Centers for Medicare & Medicaid Services (CMS). OneCare served approximately 17,300 and 17,700 members eligible for both Medicare and Medi-Cal for the years ended June 30, 2024 and 2023, respectively.

In July 2015, CalOptima Health began offering the OneCare Connect Cal Medi Connect Plan, a Medicare-Medicaid Plan, via a contract with CMS and DHCS. OneCare Connect served an average of 14,360 members during the period July 1, 2022 through December 31, 2022 and approximately 14,400 during the year-ended June 30, 2022. The OneCare Connect Program ended on December 31, 2022. Starting January 1, 2023, CalOptima Health transitioned all subscribers from OneCare Connect to the OneCare Plan. Enrollment in the OneCare Connect Program at December 31, 2022 was 14,385.

CalOptima Health also contracts with the California Department of Aging to provide case management of social and health care services to approximately 500 Medi-Cal eligible seniors under the State's Multipurpose Senior Services Program (MSSP). Effective January 1, 2022, MSSP transitioned from a managed care plan benefit to a carved-out waiver benefit.

The Program of All-Inclusive Care for the Elderly (PACE) provides services to 55 years of age or older members who reside in the PACE service area and meet California nursing facility level of care requirements. The program receives Medicare and Medi-Cal funding and serves approximately 500 members.

CalOptima Health, in turn, subcontracts the delivery of health care services through health maintenance organizations and provider-sponsored organizations, known as Physician/Hospital Consortia, and Shared Risk Groups. Additionally, CalOptima Health has direct contracts with hospitals and providers for its fee-for-service network.

CalOptima Health is Knox-Keene licensed for purposes of its Medicare programs and is subject to certain provisions of the Knox-Keene Health Care Service Plan Act of 1975 (the Act) to the extent incorporated by reference into CalOptima Health's contract with DHCS. As such, CalOptima Health is subject to the regulatory requirements of the Department of Managed Health Care (DMHC) under Section 1300, Title 28 of the California Administrative Code of Regulations, including minimum requirements of Tangible Net Equity (TNE), which CalOptima Health exceeded as of June 30, 2024 and 2023.

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**Note 2 – Summary of Significant Accounting Policies**

**Basis of presentation** – CalOptima Health is a COHS plan governed by a 10-member Board of Directors appointed by the Orange County Board of Supervisors. Effective for the fiscal year ended June 30, 2014, CalOptima Health began reporting as a discrete component unit of the County of Orange, California. The County made this determination based on the County Board of Supervisors' role in appointing all members of the Board of Directors.

**Basis of accounting** – CalOptima Health uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. The accompanying financial statements have been prepared in accordance with the standards of the Governmental Accounting Standards Board (GASB).

**Use of estimates** – The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Cash and cash equivalents** – The Organization considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

**Investments** – Investments are stated at fair value in accordance with GASB Codification Section 150. The fair value of investments is estimated based on quoted market prices, when available. For debt securities not actively traded, fair values are estimated using values obtained from external pricing services or are estimated by discounting the expected future cash flows using current market rates applicable to the coupon rate, credit, and maturity of the investments.

All investments with an original maturity of one year or less when purchased are recorded as current investments, unless designated or restricted.

**Board-designated assets and restricted cash** – Board-designated assets based on policy updates approved by the Board in May 2024 include amounts designated by the Board of Directors for the establishment of certain reserve funds for contingencies at a desired level between 2.5 and 3.0 months of consolidated capitation revenue (see Note 3). The Board of Directors also established a separate reserve to meet the statutory requirement for minimum TNE. Restricted cash represents a \$300,000 restricted deposit required by CalOptima Health as part of the Act (see Note 9).

**Capital assets** – Capital assets are stated at cost at the date of acquisition. The costs of normal maintenance, repairs, and minor replacements are charged to expense when incurred.

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Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Long-lived assets are periodically reviewed for impairment. The following estimated useful lives are used:

|                        | Years  |
|------------------------|--|
| Furniture              | 5 years                                      |
| Vehicles               | 5 years                                      |
| Computers and software | 3 years                                      |
| Leasehold improvements | 15 years or life of lease, whichever is less |
| Building               | 40 years                                     |
| Building components    | 10 to 30 years                               |
| Land improvements      | 8 to 25 years                                |
| Tenant improvements    | 7 years or life of lease, whichever is less  |

**Fair value of financial instruments** – The financial statements include financial instruments for which the fair market value may differ from amounts reflected on a historical basis. Financial instruments of the Organization consist of cash deposits, investments, premium receivable, accounts payable, and certain accrued liabilities. The Organization's other financial instruments, except for investments, generally approximate fair market value based on the relatively short period of time between origination of the instruments and their expected realization.

**Medical claims liability and expenses** – CalOptima Health establishes a claims liability based on estimates of the ultimate cost of claims in process and a provision for incurred but not yet reported (IBNR) claims, which is actuarially determined based on historical claim payment experience and other statistics. Such estimates are continually monitored and analyzed with any adjustments made as necessary in the period the adjustment is determined. CalOptima Health retains an outside actuary to perform an annual review of the actuarial projections. Amounts for claims payment incurred related to prior years vary from previously estimated liabilities as the claims ultimately are settled.

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**Provider capitation and withholds** – CalOptima Health has provider services agreements with several health networks in Orange County, whereby the health networks provide care directly to covered members or through subcontracts with other health care providers. Payment for the services provided by the health networks is on a fully capitated basis. The capitation amount is based on contractually agreed-upon terms with each health network. CalOptima Health withholds amounts from providers at an agreed-upon percentage of capitation payments made to ensure the financial solvency of each contract. CalOptima Health also records a liability related to quality incentive payments and risk-share provisions. The quality incentive liability is estimated based on member months and rates agreed upon by the Board of Directors. For the risk-share provision liability, management allocates surpluses or deficits, multiplied by a contractual rate, with the shared-risk groups. Estimated amounts due to health networks pertaining to risk-share provisions were approximately \$27,304,000 and \$32,197,000 as of June 30, 2024 and 2023, respectively, and are included in provider capitation and withholds on the statements of net position. During the years ended June 30, 2024 and 2023, CalOptima Health incurred approximately \$1,463,590,000 and \$1,312,969,000, respectively, of capitation expense relating to health care services provided by health networks. Capitation expense is included in the provider capitation and OneCare line items in the statements of revenues, expenses, and changes in net position. Estimated amounts due to health networks as of June 30, 2024 and 2023, related to the capitation withhold arrangements, quality incentive payments, and risk-share provisions were approximately \$176,234,000 and \$125,444,000, respectively.

**Premium deficiency reserves** – CalOptima Health performs periodic analyses of its expected future health care costs and maintenance costs to determine whether such costs will exceed anticipated future revenues under its contracts. Should expected costs exceed anticipated revenues, a premium deficiency reserve is accrued. Investment income is included in the calculation to estimate premium deficiency reserves. CalOptima Health's management determined that no premium deficiency reserves were necessary as of June 30, 2024 and 2023.

**Community reinvestment** – CalOptima Health is required to commit a percentage of net position towards investments into the community and an additional percentage if CalOptima Health does not meet specified quality measures established by the State referred to as Community Reinvestment and Quality Achievement. As of June 30, 2024, in accordance with State contracts, the balance of the community reinvestment was estimated at approximately \$51,400,000 and the balance of the quality achievement was estimated at approximately \$55,200,000, for a total estimated accrual of approximately \$106,677,000. As the community reinvestment and quality achievement requirement was effective January 1, 2024, no accrual was necessary as of June 30, 2023.

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**Accrued compensated absences** – CalOptima Health’s policy permits employees who are regularly scheduled to work more than 20 hours per week to accrue 23 days of paid time off (PTO) based on their years of continuous service, with an additional week of accrual after three years of service and another after 10 years of service. In the event that available PTO is not used by the end of the benefit year, employees may carry unused time off into subsequent years, up to the maximum accrual amount equal to two (2) times the employee’s annual accrual. If an employee reaches his or her maximum PTO accrual amount, the employee will stop accruing PTO. Accumulated PTO will be paid to the employees upon separation from service with CalOptima Health. All compensated absences are accrued and recorded in accordance with GASB Codification Section C60 and are included in accrued payroll and employee benefits.

**Net position** – Net position is reported in three categories, defined as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable (if any) to the acquisition, construction, or improvement of those assets.
- *Restricted by legislative authority* – This component of net position consists of external constraints placed on net asset use by creditors (such as through debt covenants), grantors, contributors, or the law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation (see Note 9).
- *Unrestricted* – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

**Operating revenues and expenses** – CalOptima Health’s statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with arranging for the provision of health care services. Operating expenses are all expenses incurred to arrange for the provision of health care services, as well as the costs of administration. Unpaid claims adjustment expenses are an estimate of the cost to process the IBNR claims and are included in operating expenses. Non-exchange revenues and expenses are reported as nonoperating revenues and expenses.

**Revenue recognition and due to or from the State and CMS** – Premium revenue is recognized in the period the members are eligible to receive health care services. Premium revenue is generally received from the State each month following the month of coverage based on estimated enrollment and capitation rates as provided for in the State contract. As such, premium revenue includes an estimate for amounts receivable from or refundable to the State and for retrospective adjustments. These estimates are continually monitored and analyzed, with any adjustments recognized in the period when determined. OneCare premium revenue is generally received from CMS each month for the month of coverage. Premiums received in advance are recorded in unearned revenue on the statements of net position. Included in premium revenue are retroactive adjustments favorable to CalOptima Health in the amount of approximately \$966,461,000 and \$376,821,000 related to retroactive capitation rate adjustments based on receipt of new information from DHCS during the years ended June 30, 2024 and 2023, respectively.



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These estimates are continually reviewed, and adjustments to the estimates are reflected currently in the statements of revenues, expenses, and changes in net position. Eligibility of beneficiaries is determined by DHCS and validated by the State. The State provides CalOptima Health the validated monthly eligibility file of program beneficiaries who are continuing, newly added, or terminated from the program in support of premium revenue for the respective month.

CalOptima Health was historically subject to DHCS requirements to meet the minimum 85 percent medical loss ratio (MLR) for the Medi-Cal Expansion population per the Affordable Care Act (ACA). On April 5, 2023, CalOptima Health received written confirmation from DHCS that the expansion MLRs for the period of January 1, 2014, through June 30, 2016, were considered closed and final. As a result, CalOptima Health released the expansion MLR liability of approximately \$135,390,000 during the year ended June 30, 2023. The amount was recorded within premium revenues on the accompanying statements of revenues, expenses, and changes in net position. In March 2023, CalOptima Health was notified that the Organization was not required to remit any MLR payments to DHCS, nor will DHCS make any additional payment for fiscal year 2018. DHCS has communicated that MCE MLRs are no longer required after June 2018 pending CMS final approval.

Premium revenue and related net receivables as a percent of the totals were as follows as of June 30:

|                 | 2024                    |               | 2023                    |               |
|-----------------|-------------------------|---------------|-------------------------|---------------|
|                 | Revenue                 | %             | Revenue                 | %             |
| Revenue         |                         |               |                         |               |
| Medi-Cal        | \$ 4,918,009,421        | 91.5%         | \$ 3,809,323,101        | 89.8%         |
| OneCare         | 407,480,604             | 7.6%          | 214,353,873             | 5.1%          |
| OneCare Connect | -                       | 0.0%          | 172,148,803             | 4.1%          |
| PACE            | 47,473,870              | 0.9%          | 44,007,489              | 1.0%          |
|                 | <u>\$ 5,372,963,895</u> | <u>100.0%</u> | <u>\$ 4,239,833,266</u> | <u>100.0%</u> |
|                 |                         |               |                         |               |
|                 | 2024                    |               | 2023                    |               |
|                 | Receivables             | %             | Receivables             | %             |
| Receivables     |                         |               |                         |               |
| Medi-Cal        | \$ 438,045,910          | 94.8%         | \$ 355,725,299          | 93.4%         |
| OneCare Connect | 19,720,151              | 4.3%          | 22,601,354              | 5.9%          |
| PACE            | 4,133,845               | 0.9%          | 2,512,945               | 0.7%          |
|                 | <u>\$ 461,899,906</u>   | <u>100.0%</u> | <u>\$ 380,839,598</u>   | <u>100.0%</u> |

Effective January 1, 2023, the OneCare Connect program ended and the OneCare Connect enrollment transitioned to the OneCare program. Any residual revenue and expenses related to One Care Connect are recorded as part of the One Care revenue and expenses on the statement of revenues, expenses, and changes in net position.

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**Intergovernmental transfer** – CalOptima Health entered into an agreement with DHCS and Governmental Funding Entities to receive an intergovernmental transfer (IGT) through a capitation rate increase of approximately \$147,059,000 and \$121,159,000 during the years ended June 30, 2024 and 2023, respectively. Under the agreement, approximately \$145,317,000 and \$119,622,000 of the funds that were received from the IGT were passed through to Governmental Funding Entities and other contracted providers and organizations during the years ended June 30, 2024 and 2023, respectively. Under GASB, the amounts that will be passed through to Governmental Funding Entities are not reported in the statements of revenues, expenses, and changes in net position. CalOptima Health retains a portion of the IGT, which must be used to enhance provider reimbursement rates strengthen the delivery system, and support the administration of the IGT program. The funds expended must be tied to covered medical services provided to CalOptima Health's Medi-Cal beneficiaries. A retainer in the amount of approximately \$2,918,000 and \$5,698,000 as of June 30, 2024 and 2023, respectively, is included in unearned revenues in the statements of net position.

**Directed Payments** – DHCS implemented a hospital Directed Payment program with CalOptima Health. The program implements enhanced reimbursement to eligible and participating network hospitals for contracted services. This hospital Directed Payment program is broken into four types: (1) Private Hospital Directed Payment Program (PHDP), (2) Public Hospital Enhanced Payment Program (EPP), (3) Public Hospital Quality Incentive Program (QIP), and (4) Skilled Nursing Facility (SNF) Workforce and Quality Incentive Program (WQIP). Under the Directed Payment program, approximately \$314,307,000 and \$293,811,000 of the funds that were received from DHCS were passed through to hospitals as requested by DHCS during the years ended June 30, 2024 and 2023, respectively. The receipts from DHCS are included in premium revenues, and the payments made to the hospitals are included in other medical expenses in the statements of net position.

**Medicare Part D** – CalOptima Health covers prescription drug benefits in accordance with Medicare Part D under multiple contracts with CMS. The payments CalOptima Health receives monthly from program premiums, which are determined from its annual bid, represent amounts for providing prescription drug insurance coverage. CalOptima Health recognizes premiums for providing this insurance coverage ratably over the term of its annual contract. CalOptima Health's CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. In addition, receipts for reinsurance and low-income cost subsidies, as well as receipts for certain discounts on brand name prescription drugs in the coverage gap, represent payments for prescription drug costs for which CalOptima Health is not at risk.

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The risk corridor provisions compare costs targeted in CalOptima Health's bids to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to CalOptima Health or require CalOptima Health to refund to CMS a portion of the premiums CalOptima Health received. CalOptima Health estimates and recognizes an adjustment to premiums revenue related to these risk corridor provisions based upon pharmacy claims experience to date, as if the annual contract were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience. CalOptima Health records a receivable or payable at the contract level and classifies the amount as current or long-term in the accompanying statements of net position based on the timing of the expected settlement. As of June 30, 2024 and 2023, the Part D payable balance was approximately \$8,808,000 and \$1,882,000, respectively, and is included in the Due to the State of California and CMS line item on the accompanying statements of net position. As of June 30, 2024 and 2023, the Part D receivable balance was approximately \$52,167,000 and \$51,860,000, respectively, and is included in the prepaid expenses and other line item on the accompanying statements of net position.

**Income taxes** – CalOptima Health operates under the purview of the Internal Revenue Code (IRC), Section 501(a), and corresponding California Revenue and Taxation Code provisions. As such, CalOptima Health is not subject to federal or state taxes on related income. Accordingly, no provision for income tax has been recorded in the accompanying financial statements.

**Premium taxes** – Effective July 1, 2016, Senate Bill X2-2 (SB X2-2) *Managed Care Organization Tax* authorized DHCS to implement a Managed Care Organization (MCO) provider tax subject to approval by CMS. This approved tax structure is based on enrollment (total member months) between specified tiers that are assessed different tax rates. During fiscal year 2020, the MCO tax was extended with an effective date of January 1, 2020 through December 31, 2022. Effective December 15, 2023, and retroactive to April 1, 2023, CMS approved the extension of the MCO tax through the end of December 2026. Using the approved structure, each MCO's total tax liability for the years ended June 30, 2024 and 2023, were calculated. CalOptima Health recognized premium tax expense of approximately \$657,657,000 and \$92,241,000 as a reduction of premium revenues in the statements of revenue, expenses, and changes in net position for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024, CalOptima Health's MCO tax liability was approximately \$153,920,000, and is included in the due to the State of California and CMS line item on the accompanying statements of net position. As the MCO tax expired on December 31, 2022, and was not approved for extension until December 15, 2023, CalOptima Health did not record a MCO tax liability as of June 30, 2023.

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**Risk corridors** – During the year ended June 30, 2021, CalOptima Health's contract with DHCS was subject to a risk corridor for the Managed Long-Term Services and Supports program for the period of July 1, 2015 through June 30, 2017. Additionally, the State's fiscal year 2020-21 enacted budget and CalOptima Health's contract included a COVID-19 (previously called Gross Medical Expense) risk corridor for the initial period of July 1, 2019 to December 31, 2020 with the option to extend the risk corridor starting on or after January 1, 2021 should the State determine it is necessary to account for the impacts of the COVID-19 public health emergency. During the year ended June 30, 2024, CalOptima Health was made aware that the State would not be enforcing the COVID-19 risk corridor for the periods starting on or after January 1, 2021. As such, the Organization released \$646,800,000 of liabilities relating to the COVID-19 risk corridor. The State also implemented an Enhanced Care Management (ECM) risk corridor for the period of January 1, 2022 through December 31, 2022, and was extended through December 31, 2024 and Unsatisfactory Immigration Status (UIS) risk corridor for the period of January 2024 to December 2024.

CalOptima Health also participates in the Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) risk corridor for the period of July 1, 2018 through June 30, 2019 and all subsequent years. All risk corridors are subject to certain thresholds of medical expenses compared to premium revenues. Variances exceeding the thresholds may require CalOptima Health to refund premium revenues back to DHCS. CalOptima Health estimates and recognizes an adjustment to premium revenues based on actual membership and capitation rates in effect. As of June 30, 2024 and 2023, CalOptima Health recognized a liability of approximately \$304,789,000 and \$962,366,000, respectively, related to the risk corridors, which is included in the Due to the State of California and CMS line item on the statements of net position. During the year ended June 30, 2024, the increase to premium revenue was approximately \$599,501,700 and for year ended June 30, 2023, the reduction of premium revenue was approximately \$575,761,000, related to the risk corridors, which is included in premium revenues on the statements of revenues, expenses, and changes in net position.

**Pensions** – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of CalOptima Health's Miscellaneous Plan of the Orange County Health Authority (the CalPERS Plan) and additions to or deductions from the Organization's fiduciary net position have been determined on the same basis as they are reported by California Public Employees Retirement Systems (CalPERS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Subscription-based Information Technology Arrangements** – CalOptima Health is the end user for various subscription-based information technology arrangements (SBITA). Short term SBITAs, which have a maximum possible term of 12 months or less, are recognized as an outflow of resources when payment is made. For SBITAs with subscription terms extending beyond one year, CalOptima Health recognizes a right-to-use subscription asset and a corresponding subscription liability. Initial measurement of the subscription asset/liability is calculated at the present value of payments expected to be paid during the subscription term, discounted using the incremental borrowing rate. The right-to-use asset is amortized on a straight-line basis over the subscription term.

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**Reclassifications** – Certain reclassifications have been made to the prior year amounts to conform to the current year presentation.

**Note 3 – Cash, Cash Equivalents, and Investments**

Cash and investments are reported in the statements of net position as follows as of June 30:

|   | <u>2024</u>                    | <u>2023</u>                    |
|---|--------------------------------|--------------------------------|
| Current assets                              |                                |                                |
| Cash and cash equivalents                   | \$ 527,999,319                 | \$ 771,575,961                 |
| Investments                                 | 1,777,895,941                  | 1,676,736,065                  |
| Board-designated assets and restricted cash |                                |                                |
| Cash and cash equivalents                   | 22,817,912                     | 1,940,209                      |
| Investments                                 | 1,114,945,527                  | 574,611,484                    |
| Restricted deposit                          | 300,000                        | 300,000                        |
|   | <u><u>\$ 3,443,958,699</u></u> | <u><u>\$ 3,025,163,719</u></u> |

Board-designated assets and restricted cash are available for the following purposes as of June 30:

|   | <u>2024</u>                    | <u>2023</u>                  |
|---|--------------------------------|------------------------------|
| Board-designated assets and restricted cash |                                |                              |
| Contingency reserve fund                    | \$ 1,137,763,439               | \$ 576,551,693               |
| Restricted deposit with DMHC                | 300,000                        | 300,000                      |
|   | <u><u>\$ 1,138,063,439</u></u> | <u><u>\$ 576,851,693</u></u> |

**Custodial credit risk deposits** – Custodial credit risk is the risk that, in the event of a bank failure, the Organization may not be able to recover its deposits or collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by public agencies by pledging securities in an undivided collateral pool held by a depository regulated under the state law. As of June 30, 2024 and 2023, no deposits were exposed to custodial credit risk, as the Organization has pledged collateral to cover the amounts.

**Investments** – CalOptima Health invests in obligations of the U.S. Treasury, other U.S. government agencies and instrumentalities, state obligations, corporate securities, money market funds, and mortgage or asset-backed securities.

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**Interest rate risk** – In accordance with its annual investment policy (investment policy), CalOptima Health manages its exposure to decline in fair value from increasing interest rates by matching maturity dates to the extent possible with CalOptima Health's expected cash flow draws. The investment policy limits maturities to five years, while also staggering maturities. CalOptima Health maintains a low-duration strategy, targeting a portfolio duration of three years or less, with the intent of reducing interest rate risk. Portfolios with low duration are less volatile because they are less sensitive to interest rate changes. As of June 30, 2024 and 2023, CalOptima Health's investments, including cash equivalents, had the following modified duration:

| Investment Type             | June 30, 2024                  |                                  |                         |             |
|-----------------------------|--------------------------------|----------------------------------|-------------------------|-------------|
|                             | Fair Value                     | Investment Maturities (in Years) |                         |             |
|                             |                                | Less Than 1                      | 1–5                     | More Than 5 |
| U.S. Treasury notes         | \$ 971,992,504                 | \$ 314,637,165                   | \$ 657,355,339          | \$ -        |
| U.S. Agency notes           | 262,740,439                    | 8,391,603                        | 254,348,836             | -           |
| Corporate bonds             | 847,388,142                    | 71,686,337                       | 775,701,805             | -           |
| Asset-backed securities     | 282,066,505                    | 3,051,718                        | 279,014,787             | -           |
| Mortgage-backed securities  | 338,957,054                    | 3,489,987                        | 335,467,067             | -           |
| Municipal bonds             | 34,517,897                     | 1,999,272                        | 32,518,625              | -           |
| Government related          | 47,509,397                     | -                                | 47,509,397              | -           |
| Commercial paper            | 11,838,720                     | 11,838,720                       | -                       | -           |
| Certificates of deposit     | 73,825,050                     | 73,825,050                       | -                       | -           |
| Cash equivalents            | 449,240,016                    | 449,240,016                      | -                       | -           |
| Cash                        | 17,235,722                     | 17,235,722                       | -                       | -           |
|                             | 3,337,311,446                  | <u>\$ 955,395,590</u>            | <u>\$ 2,381,915,856</u> | <u>\$ -</u> |
| Accrued interest receivable | <u>22,012,384</u>              |                                  |                         |             |
|                             | <u><u>\$ 3,359,323,830</u></u> |                                  |                         |             |

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| Investment Type             | June 30, 2023                  |                                  |                         |             |
|-----------------------------|--------------------------------|----------------------------------|-------------------------|-------------|
|                             | Fair Value                     | Investment Maturities (in Years) |                         |             |
|                             |                                | Less Than 1                      | 1–5                     | More Than 5 |
| U.S. Treasury notes         | \$ 652,372,690                 | \$ 334,436,427                   | \$ 317,936,263          | \$ -        |
| U.S. Agency notes           | 294,565,404                    | -                                | 294,565,404             | -           |
| Corporate bonds             | 606,478,662                    | 151,600,486                      | 454,878,176             | -           |
| Asset-backed securities     | 167,709,021                    | 41,290,805                       | 126,418,216             | -           |
| Mortgage-backed securities  | 352,525,833                    | 24,026,927                       | 328,498,906             | -           |
| Municipal bonds             | 69,679,079                     | 26,904,673                       | 42,774,406              | -           |
| Supranational               | 9,707,125                      | -                                | 9,707,125               | -           |
| Commercial paper            | 34,824,599                     | 34,824,599                       | -                       | -           |
| Certificates of deposit     | 48,082,917                     | 48,082,917                       | -                       | -           |
| Cash equivalents            | 666,834,439                    | 666,834,439                      | -                       | -           |
| Cash                        | 7,274,284                      | 7,274,284                        | -                       | -           |
|                             | 2,910,054,053                  | <u>\$ 1,335,275,557</u>          | <u>\$ 1,574,778,496</u> | <u>\$ -</u> |
| Accrued interest receivable | <u>15,402,218</u>              |                                  |                         |             |
|                             | <u><u>\$ 2,925,456,271</u></u> |                                  |                         |             |

**Investment with fair values highly sensitive to interest rate fluctuations** – When interest rates fall, debt is refinanced and paid off early. The reduced stream of future interest payments diminishes the fair value of the investment. The mortgage-backed and asset-backed securities in the CalOptima Health portfolios are of high credit quality, with relatively short average lives that represent limited prepayment and interest rate exposure risk. CalOptima Health's investments include the following investments that are highly sensitive to interest rate and prepayment fluctuations to a greater degree than already indicated in the information provided above as of June 30:

|                            | 2024                  | 2023                  |
|----------------------------|-----------------------|-----------------------|
| Asset-backed securities    | \$ 282,066,505        | \$ 167,709,021        |
| Mortgage-backed securities | <u>338,957,054</u>    | <u>352,525,833</u>    |
|                            | <u>\$ 621,023,559</u> | <u>\$ 520,234,854</u> |

**Credit risk** – CalOptima Health's investment policy conforms to the California Government Code as well as to customary standards of prudent investment management. Credit risk is mitigated by investing in only permitted investments. The investment policy sets minimum acceptable credit ratings for investments from the three nationally recognized rating services: Standard and Poor's Corporation (S&P), Moody's Investor Service (Moody's), and Fitch Ratings (Fitch). For an issuer of short-term debt, the rating must be no less than A-1 (S&P), P-1 (Moody's), or F-1 (Fitch), while an issuer of long-term debt shall be rated no less than an "A."



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As of June 30, 2024, following are the credit ratings of investments and cash equivalents:

| Investment Type            | Fair Value              | Minimum Legal Rating | Exempt from Disclosure  | Rating as of Year-End |                      |                       |                       |                       |                       |
|----------------------------|-------------------------|----------------------|-------------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                            |                         |                      |                         | AAA or A1/P1          | Aa & Aa+             | Aa-                   | A+                    | A                     | A-                    |
| U.S. Treasury notes        | \$ 1,083,583,975        | N/A                  | \$ 1,083,583,975        | \$ -                  | \$ -                 | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| U.S. Agency notes          | 266,216,187             | N/A                  | 266,216,187             | -                     | -                    | -                     | -                     | -                     | -                     |
| Corporate bonds            | 855,910,653             | A-                   | -                       | 47,341,323            | 51,056,528           | 187,449,322           | 167,122,957           | 218,194,941           | 184,745,582           |
| Asset-backed securities    | 282,501,052             | AA-                  | -                       | 273,772,351           | 8,728,701            | -                     | -                     | -                     | -                     |
| Mortgage-backed securities | 339,644,477             | AA-                  | -                       | 339,644,477           | -                    | -                     | -                     | -                     | -                     |
| Municipal bonds            | 83,090,777              | A-                   | -                       | 38,831,407            | 27,557,505           | 13,101,688            | 726,226               | 2,873,951             | -                     |
| Supranational              | 47,839,438              | AA                   | -                       | 47,839,438            | -                    | -                     | -                     | -                     | -                     |
| Repurchase agreement       | 37,016,342              | N/A                  | -                       | -                     | -                    | -                     | -                     | 37,016,342            | -                     |
| Certificates of deposit    | 75,141,932              | A1/P1                | -                       | 75,141,932            | -                    | -                     | -                     | -                     | -                     |
| Commercial paper           | 271,143,275             | A1                   | -                       | -                     | -                    | -                     | -                     | 271,143,275           | -                     |
| Money market mutual funds  | 17,235,722              | AAA                  | -                       | 17,235,722            | -                    | -                     | -                     | -                     | -                     |
| Total                      | <u>\$ 3,359,323,830</u> |                      | <u>\$ 1,349,800,162</u> | <u>\$ 839,806,650</u> | <u>\$ 87,342,734</u> | <u>\$ 200,551,010</u> | <u>\$ 167,849,183</u> | <u>\$ 529,228,509</u> | <u>\$ 184,745,582</u> |

As of June 30, 2023, following are the credit ratings of investments and cash equivalents:

| Investment Type            | Fair Value              | Minimum Legal Rating | Exempt from Disclosure  | Rating as of Year-End   |                      |                       |                       |                       |                       |
|----------------------------|-------------------------|----------------------|-------------------------|-------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                            |                         |                      |                         | AAA                     | Aa & Aa+             | Aa-                   | A+                    | A                     | A-                    |
| U.S. Treasury notes        | \$ 709,754,225          | N/A                  | \$ 709,754,225          | \$ -                    | \$ -                 | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| U.S. Agency notes          | 472,401,379             | N/A                  | 472,401,379             | -                       | -                    | -                     | -                     | -                     | -                     |
| Corporate bonds            | 610,956,872             | A-                   | -                       | 48,288,393              | 8,241,443            | 108,468,276           | 189,593,093           | 154,798,256           | 101,567,411           |
| Asset-backed securities    | 167,997,222             | AA-                  | -                       | 165,939,194             | 2,058,028            | -                     | -                     | -                     | -                     |
| Mortgage-backed securities | 355,150,030             | AAA                  | -                       | 355,150,030             | -                    | -                     | -                     | -                     | -                     |
| Municipal bonds            | 107,477,262             | A-                   | -                       | 66,287,078              | 26,428,815           | 10,727,556            | 1,007,344             | 1,568,179             | 1,458,290             |
| Supranational              | 9,779,429               | AAA                  | -                       | 9,779,429               | -                    | -                     | -                     | -                     | -                     |
| Certificates of deposit    | 48,838,522              | A1/P1                | -                       | 48,838,522              | -                    | -                     | -                     | -                     | -                     |
| Commercial paper           | 435,827,044             | A1/P1                | -                       | 420,914,269             | 14,912,775           | -                     | -                     | -                     | -                     |
| Money market mutual funds  | 7,274,286               | AAA                  | -                       | 7,274,286               | -                    | -                     | -                     | -                     | -                     |
| Total                      | <u>\$ 2,925,456,271</u> |                      | <u>\$ 1,182,155,604</u> | <u>\$ 1,122,471,201</u> | <u>\$ 51,641,061</u> | <u>\$ 119,195,832</u> | <u>\$ 190,600,437</u> | <u>\$ 156,366,435</u> | <u>\$ 103,025,701</u> |

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**Concentration of credit risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of CalOptima Health's investment in a single issuer. CalOptima Health's investment policy limits to no more than 5 percent of the total fair value of investments in the securities of any one issuer, except for obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises, and no more than 10 percent may be invested in one money market mutual. As of June 30, 2024 and 2023, all holdings complied with the foregoing limitations.

The Organization categorizes its fair value investments within the fair value hierarchy established by U.S. GAAP. The hierarchy for fair value measurements is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

**Level 1** – Quoted prices in active markets for identical assets or liabilities.

**Level 2** – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

**Level 3** – Significant unobservable inputs.

The following is a description of the valuation methodologies used for instruments at fair value on a recurring basis and recognized in the accompanying statements of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

*Marketable securities* – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. These securities are classified within Level 2 of the valuation hierarchy. In certain cases, where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

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The following table presents the fair value measurements of assets recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall:

| Investment Assets at Fair Value as of June 30, 2024 |                       |                         |             |                         |
|---|-----------------------|-------------------------|-------------|-------------------------|
|   | Level 1               | Level 2                 | Level 3     | Total                   |
| U.S. Treasury notes                                 | \$ 840,085,184        | \$ 131,907,320          | \$ -        | \$ 971,992,504          |
| U.S. Agency notes                                   | -                     | 262,740,439             | -           | 262,740,439             |
| Corporate bonds                                     | -                     | 847,388,142             | -           | 847,388,142             |
| Asset-backed securities                             | -                     | 282,066,505             | -           | 282,066,505             |
| Mortgage-backed securities                          | -                     | 338,957,054             | -           | 338,957,054             |
| Municipal bonds                                     | -                     | 34,517,897              | -           | 34,517,897              |
| Government related                                  | -                     | 47,509,397              | -           | 47,509,397              |
| Commercial paper                                    | -                     | 11,838,720              | -           | 11,838,720              |
| Certificates of deposit                             | -                     | 73,825,050              | -           | 73,825,050              |
|   | <u>\$ 840,085,184</u> | <u>\$ 2,030,750,524</u> | <u>\$ -</u> | <u>\$ 2,870,835,708</u> |

| Investment Assets at Fair Value as of June 30, 2023 |                       |                         |             |                         |
|---|-----------------------|-------------------------|-------------|-------------------------|
|   | Level 1               | Level 2                 | Level 3     | Total                   |
| U.S. Treasury notes                                 | \$ 652,372,690        | \$ -                    | \$ -        | \$ 652,372,690          |
| U.S. Agency notes                                   | -                     | 294,565,404             | -           | 294,565,404             |
| Corporate bonds                                     | -                     | 606,478,662             | -           | 606,478,662             |
| Asset-backed securities                             | -                     | 167,709,021             | -           | 167,709,021             |
| Mortgage-backed securities                          | -                     | 352,525,833             | -           | 352,525,833             |
| Municipal bonds                                     | -                     | 69,679,079              | -           | 69,679,079              |
| Supranational                                       | -                     | 9,707,125               | -           | 9,707,125               |
| Commercial paper                                    | -                     | 34,824,599              | -           | 34,824,599              |
| Certificates of deposit                             | -                     | 48,082,917              | -           | 48,082,917              |
|   | <u>\$ 652,372,690</u> | <u>\$ 1,583,572,640</u> | <u>\$ -</u> | <u>\$ 2,235,945,330</u> |

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**Note 4 – Capital Assets**

Capital assets activity during the year ended June 30, 2024, consisted of the following:

|                                      | June 30,<br>2023     | Additions           | Retirements         | Transfers          | June 30,<br>2024     |
|--------------------------------------|----------------------|---------------------|---------------------|--------------------|----------------------|
| Capital assets not being depreciated |                      |                     |                     |                    |                      |
| Land                                 | \$ 11,912,499        | \$3,526,568         | \$ -                | \$ -               | \$ 15,439,067        |
| Construction in progress             | 3,043,229            | 11,178,673          | -                   | (6,159,826)        | 8,062,076            |
|                                      | <u>14,955,728</u>    | <u>\$14,705,241</u> | <u>-</u>            | <u>(6,159,826)</u> | <u>23,501,143</u>    |
| Capital assets being depreciated     |                      |                     |                     |                    |                      |
| Furniture and equipment              | 8,936,861            | -                   | -                   | 541,889            | 9,478,750            |
| Computers and software               | 36,355,519           | -                   | (739,103)           | 4,911,448          | 40,527,864           |
| Leasehold improvements               | 5,296,726            | -                   | -                   | 15,816             | 5,312,542            |
| Building                             | 63,883,316           | 4,510,769           | (31,447)            | 690,673            | 69,053,311           |
|                                      | <u>114,472,422</u>   | <u>4,510,769</u>    | <u>(770,550)</u>    | <u>6,159,826</u>   | <u>124,372,467</u>   |
| Less: accumulated depreciation for   |                      |                     |                     |                    |                      |
| Furniture and equipment              | 7,351,339            | 656,247             | -                   | -                  | 8,007,586            |
| Computers and software               | 29,792,302           | 4,197,346           | (194,212)           | -                  | 33,795,436           |
| Leasehold improvements               | 5,051,949            | 49,494              | -                   | -                  | 5,101,443            |
| Building                             | 21,043,433           | 2,656,615           | (1,048)             | -                  | 23,699,000           |
|                                      | <u>63,239,023</u>    | <u>7,559,702</u>    | <u>(195,260)</u>    | <u>-</u>           | <u>70,603,465</u>    |
| Total depreciable assets, net        | <u>51,233,399</u>    | <u>(3,048,933)</u>  | <u>(575,290)</u>    | <u>6,159,826</u>   | <u>53,769,002</u>    |
| Capital assets, net                  | <u>\$ 66,189,127</u> | <u>\$11,656,308</u> | <u>\$ (575,290)</u> | <u>\$ -</u>        | <u>\$ 77,270,145</u> |

Capital asset activity during the year ended June 30, 2023, consisted of the following:

|                                      | June 30,<br>2022     | Additions           | Retirements        | Transfers          | June 30,<br>2023     |
|--------------------------------------|----------------------|---------------------|--------------------|--------------------|----------------------|
| Capital assets not being depreciated |                      |                     |                    |                    |                      |
| Land                                 | \$ 11,912,499        | \$ -                | \$ -               | \$ -               | \$ 11,912,499        |
| Construction in progress             | 3,507,883            | 6,499,838           | -                  | (6,964,492)        | 3,043,229            |
|                                      | <u>15,420,382</u>    | <u>6,499,838</u>    | <u>-</u>           | <u>(6,964,492)</u> | <u>14,955,728</u>    |
| Capital assets being depreciated     |                      |                     |                    |                    |                      |
| Furniture and equipment              | 8,314,975            | -                   | (81,528)           | 703,414            | 8,936,861            |
| Computers and software               | 39,307,282           | -                   | (7,882,165)        | 4,930,402          | 36,355,519           |
| Leasehold improvements               | 5,059,409            | -                   | (2,400)            | 239,717            | 5,296,726            |
| Building                             | 63,092,357           | -                   | (300,000)          | 1,090,959          | 63,883,316           |
|                                      | <u>115,774,023</u>   | <u>-</u>            | <u>(8,266,093)</u> | <u>6,964,492</u>   | <u>114,472,422</u>   |
| Less: accumulated depreciation for   |                      |                     |                    |                    |                      |
| Furniture and equipment              | 6,909,422            | 523,445             | (81,528)           | -                  | 7,351,339            |
| Computers and software               | 33,589,790           | 4,070,843           | (7,868,331)        | -                  | 29,792,302           |
| Leasehold improvements               | 5,017,129            | 37,220              | (2,400)            | -                  | 5,051,949            |
| Building                             | 18,814,022           | 2,529,411           | (300,000)          | -                  | 21,043,433           |
|                                      | <u>64,330,363</u>    | <u>7,160,919</u>    | <u>(8,252,259)</u> | <u>-</u>           | <u>63,239,023</u>    |
| Total depreciable assets, net        | <u>51,443,660</u>    | <u>(7,160,919)</u>  | <u>(13,834)</u>    | <u>6,964,492</u>   | <u>51,233,399</u>    |
| Capital assets, net                  | <u>\$ 66,864,042</u> | <u>\$ (661,081)</u> | <u>\$ (13,834)</u> | <u>\$ -</u>        | <u>\$ 66,189,127</u> |

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The Organization recognized depreciation expense of approximately \$7,421,000 and \$7,053,000 during the years ended June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, depreciation expense of approximately \$139,000 and \$108,000, respectively, was included within PACE medical expenses on the accompanying statements of revenues, expenses, and changes in net position.

**Note 5 – Medical Claims Liability**

Medical claims liability consisted of the following as of June 30:

|                                    | 2024                  | 2023                  |
|------------------------------------|-----------------------|-----------------------|
| Claims payable or pending approval | \$ 38,371,849         | \$ 52,909,889         |
| Provisions for IBNR claims         | 331,061,747           | 281,083,867           |
|                                    | <u>\$ 369,433,596</u> | <u>\$ 333,993,756</u> |

The cost of health care services is recognized in the period in which care is provided and includes an estimate of the cost of services that has been IBNR. CalOptima Health estimates accrued claims payable based on historical claims payments and other relevant information. Unpaid claims adjustment expenses are an estimate of the cost to process the IBNR claims and are included in medical claims liability. Estimates are continually monitored and analyzed and, as settlements are made or estimates adjusted, differences are reflected in current operations.

Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided.

The following is a reconciliation of the medical claims liability for the years ended June 30:

|                   | 2024                  | 2023                  |
|-------------------|-----------------------|-----------------------|
| Beginning balance | \$ 333,993,756        | \$ 301,852,721        |
| Incurred          |                       |                       |
| Current           | 2,394,253,671         | 2,099,911,537         |
| Prior             | (91,115,588)          | (65,796,666)          |
|                   | <u>2,303,138,083</u>  | <u>2,034,114,871</u>  |
| Paid              |                       |                       |
| Current           | 2,024,213,932         | 1,765,917,781         |
| Prior             | 243,484,311           | 236,056,055           |
|                   | <u>2,267,698,243</u>  | <u>2,001,973,836</u>  |
| Ending balance    | <u>\$ 369,433,596</u> | <u>\$ 333,993,756</u> |

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Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately adjudicated and paid. Liabilities at any year end are continually reviewed and re-estimated as information regarding actual claim payments becomes known. This information is compared to the originally established prior reporting period liability. Negative amounts reported for incurred, related to prior years, result from claims being adjudicated and paid for amounts less than originally estimated. The results included a decrease of prior year incurred of approximately \$91,116,000 and \$65,797,000 for the fiscal years ended June 30, 2024 and 2023, respectively. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

The amounts accrued in the Due to the State of California and CMS line item represent excess payments from DHCS that are primarily due to capitation payments received that do not reflect the current Medi-Cal rates issued by DHCS. DHCS continues to process the recoupments and the remaining overpayments not yet recouped are included within the Due to the State of California and CMS line item on the statements of net position.

**Note 6 – Defined Benefit Pension Plan**

**Plan description** – CalOptima Health's defined benefit pension plan, the CalPERS Plan, provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and/or beneficiaries. The CalPERS Plan is part of the public agency portion of CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State. Optional contract provisions are available through the California Public Employees' Retirement Law (PERL). CalOptima Health selects optional benefit provisions by contracting with CalPERS and adopting those benefits through Board of Directors approval (See "Benefits Provided" below for more details). CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for CalPERS. Copies of the report can be obtained from CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

**Benefits provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and/or beneficiaries. Pension benefits are based on plan members' years of service, age, and final compensation (three-year average) at the time of retirement. Members with five years of total service are eligible to retire at age 50 (Classic Member) or age 52 (New Member) with statutorily reduced benefits. All members are eligible for non-duty disability benefits if they have at least five years of service credit. Optional provisions elected by CalOptima Health include a 3% Cost of Living Allowance (Section 21335), 1959 Survivor Benefit Level 3 (Section 21573), \$5,000 Retired Death Benefit (Section 21623.5), a 3-Year Final Compensation Period (Section 20037), Pre-Retirement Death Benefits to Continue After Remarriage of Survivor (Section 21551), as well as service credit purchase options for military and peace corps service (Section 21024 and 21023.5, respectively).

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The CalPERS Plan's provisions and benefits in effect as of June 30, 2024, are summarized as follows:

|  |                          |                             |
|--|--------------------------|-----------------------------|
| Hire date  | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit formula                                  | 2 % at 60                | 2% at 62                    |
| Benefit vesting schedule                         | 5 years of service       | 5 years of service          |
| Benefit payments                                 | Monthly for life         | Monthly for life            |
| Retirement age                                   | 50 plus                  | 52 plus                     |
| Monthly benefits as a % of eligible compensation | 1.092%-2.418%            | 1.0% to 2.5%                |
| Required employee contribution rates             | 7.00%                    | 7.75%                       |
| Required employer contribution rates             | 9.17%                    | 9.17%                       |

The following is a summary of plan participants:

|                              | <u>June 30, 2024</u> | <u>June 30, 2023</u> |
|------------------------------|----------------------|----------------------|
| Active employees             | 1,599                | 1,583                |
| Retirees and beneficiaries   |                      |                      |
| Receiving benefits           | 255                  | 220                  |
| Deferred retirement benefits |                      |                      |
| Terminated employees         | 1,332                | 1,222                |
| Surviving spouses            | 5                    | 5                    |
| Beneficiaries                | 2                    | 1                    |

**Contributions** – Section 20814(c) of the California PERL requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The active employee contribution rate is 7.75 percent (Classic and PEPRA New Members) and 7.0 percent (Classic Members) of annual pay for the years ended June 30, 2024 and 2023, respectively. The employer's contribution rate is 9.17 percent and 8.41 percent of annual payroll for the years ended June 30, 2024 and 2023, respectively. On October 3, 2023, CalOptima Health made an additional discretionary payment (ADP) of approximately \$50.0 million to reduce the unfunded accrued liability and future required contributions. This ADP is not reflected in CalOptima Health's valuation report for the measurement period ending on June 30, 2023.



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CalOptima Health's net pension liability for the CalPERS Plan is measured as the total pension liability, less the pension plan's fiduciary net position. For the measurement period ended June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. Total pension liabilities were based on the following actuarial methods and assumptions as of June 30, 2023 and June 30, 2022:

|                                  |   |
|----------------------------------|---|
| Valuation date                   | June 30, 2022   |
| Measurement date                 | June 30, 2023   |
| Actuarial cost method            | Entry Age Normal  |
| Actuarial assumptions            |   |
| Discount rate                    | 6.90%   |
| Inflation                        | 2.30%   |
| Salary increases                 | Varies by Entry Age and Service   |
| Investment rate of return        | 7.0% Net of Pension Plan Investment and Administrative Expenses;<br>Includes Inflation                                      |
| Mortality rate table             | Derived using CalPERS' Membership data for all funds  |
| Post-retirement benefit increase | Contract COLA up to 2.3% until Purchasing Power Protection Allowance<br>Floor on Purchasing Power applies, 2.30% thereafter |

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

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Changes in the net pension liability are as follows:

|  | Increase (Decreases)          |                                   |                                     |
|--|-------------------------------|-----------------------------------|-------------------------------------|
|  | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net Position | Net<br>Pension<br>Liability (Asset) |
| Balance at June 30, 2023   | \$ 277,170,471                | \$ 236,705,326                    | \$ 40,465,145                       |
| Changes during the year  |                               |                                   |                                     |
| Service cost   | 19,761,157                    | -                                 | 19,761,157                          |
| Interest on the total pension liability                          | 19,987,952                    | -                                 | 19,987,952                          |
| Differences between expected<br>and actual experience            | 5,143,171                     | -                                 | 5,143,171                           |
| Contributions from the employer                                  | -                             | 14,017,949                        | (14,017,949)                        |
| Contributions from employees                                     | -                             | 10,478,979                        | (10,478,979)                        |
| Net investment income  | -                             | 15,053,200                        | (15,053,200)                        |
| Benefit payments, including refunds<br>of employee contributions | (5,027,500)                   | (5,027,500)                       | -                                   |
| Administrative expenses  | -                             | (174,062)                         | 174,062                             |
| Net changes during the year                                      | 39,864,780                    | 34,348,566                        | 5,516,214                           |
| Balance at June 30, 2024   | <u>\$ 317,035,251</u>         | <u>\$ 271,053,892</u>             | <u>\$ 45,981,359</u>                |

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|  | Increase (Decreases)          |                                   |                                     |
|--|-------------------------------|-----------------------------------|-------------------------------------|
|  | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net Position | Net<br>Pension<br>Liability (Asset) |
| Balance at June 30, 2022   | \$ 240,018,505                | \$ 239,440,651                    | \$ 577,854                          |
| Changes during the year  |                               |                                   |                                     |
| Service cost   | 17,958,280                    | -                                 | 17,958,280                          |
| Interest on the total pension liability                          | 17,450,590                    | -                                 | 17,450,590                          |
| Changes of benefit terms   | -                             | -                                 | -                                   |
| Differences between expected<br>and actual experience            | (1,930,719)                   | -                                 | (1,930,719)                         |
| Changes of assumptions   | 8,006,529                     | -                                 | 8,006,529                           |
| Contributions from the employer                                  | -                             | 11,688,269                        | (11,688,269)                        |
| Contributions from employees                                     | -                             | 8,634,939                         | (8,634,939)                         |
| Net investment income  | -                             | (18,576,662)                      | 18,576,662                          |
| Benefit payments, including refunds<br>of employee contributions | (4,332,714)                   | (4,332,714)                       | -                                   |
| Administrative expenses  | -                             | (149,157)                         | 149,157                             |
| Net changes during the year                                      | 37,151,966                    | (2,735,325)                       | 39,887,291                          |
| Balance at June 30, 2023   | <u>\$ 277,170,471</u>         | <u>\$ 236,705,326</u>             | <u>\$ 40,465,145</u>                |

**Discount rate and long-term rate of return** – The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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The table below reflects long-term expected real rate of return by asset class.

| <u>Asset Class</u>               | <u>Assumed Return Allocation</u> | <u>Real Return<sup>(1)</sup></u> |
|----------------------------------|----------------------------------|----------------------------------|
| Global Equity - Cap-weighted     | 30.0%                            | 4.54%                            |
| Global Equity - Non-Cap-weighted | 12.0%                            | 3.84%                            |
| Private Equity                   | 13.0%                            | 7.28%                            |
| Treasury                         | 5.0%                             | 0.27%                            |
| Mortgage-backed Securities       | 5.0%                             | 0.50%                            |
| Investment Grade Corporates      | 10.0%                            | 1.56%                            |
| High Yield                       | 5.0%                             | 2.27%                            |
| Emerging Market Debt             | 5.0%                             | 2.48%                            |
| Private Debt                     | 5.0%                             | 3.57%                            |
| Real Assets                      | 15.0%                            | 3.21%                            |
| Leverage                         | -5.0%                            | -0.59%                           |

(1) An expected inflation of 2.3% was used for this period

The following presents the net pension liability of the CalPERS Plan calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

|                       | <u>June 30, 2024</u>     |                      |                          |
|-----------------------|--------------------------|----------------------|--------------------------|
|                       | <u>Current</u>           |                      |                          |
|                       | <u>Discount Rate -1%</u> | <u>Discount Rate</u> | <u>Discount Rate +1%</u> |
|                       | <u>5.90%</u>             | <u>6.90%</u>         | <u>7.90%</u>             |
| Net pension liability | \$ 100,402,066           | \$ 45,981,359        | \$ 2,195,114             |
|                       | <u>June 30, 2023</u>     |                      |                          |
|                       | <u>Current</u>           |                      |                          |
|                       | <u>Discount Rate -1%</u> | <u>Discount Rate</u> | <u>Discount Rate +1%</u> |
|                       | <u>5.90%</u>             | <u>6.90%</u>         | <u>7.90%</u>             |
| Net pension liability | \$ 88,612,198            | \$ 40,465,145        | \$ 1,732,263             |

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**Pension expense and deferred outflows/inflows of resources related to pensions** – CalOptima Health recognized pension expense of approximately \$20,970,000 and \$17,255,000 for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, CalOptima Health recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | June 30, 2024                        |                                     |
|---|--------------------------------------|-------------------------------------|
|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
| Contributions from employers subsequent to the measurement date           | \$ 1,877,932                         | \$ -                                |
| Net differences between projected and actual earnings on plan investments | 12,037,633                           | -                                   |
| Changes in assumptions  | 5,542,981                            | (495,005)                           |
| Differences between expected and actual experiences                       | 5,090,744                            | (1,753,440)                         |
| Additional contribution from employers subsequent to the measurement date | 49,999,717                           | -                                   |
|   | <u>\$ 74,549,007</u>                 | <u>\$ (2,248,445)</u>               |
|   | June 30, 2023                        |                                     |
|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
| Contributions from employers subsequent to the measurement date           | \$ 2,375,580                         | \$ -                                |
| Net differences between projected and actual earnings on plan investments | 12,718,340                           | -                                   |
| Changes in assumptions  | 7,732,138                            | (1,202,155)                         |
| Differences between expected and actual experiences                       | 1,547,292                            | (2,185,361)                         |
|   | <u>\$ 24,373,350</u>                 | <u>\$ (3,387,516)</u>               |

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The deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ended June 30, 2024. The differences reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

|                       | Deferred<br>Outflows<br>of Resources |
|-----------------------|--------------------------------------|
| Years Ending June 30, |                                      |
| 2024                  | \$ 4,150,398                         |
| 2025                  | 3,521,390                            |
| 2026                  | 9,171,760                            |
| 2027                  | 2,116,544                            |
| 2028                  | 1,296,914                            |
| Thereafter            | 165,907                              |
|                       | <u>\$ 20,422,913</u>                 |

**Note 7 – Employee Benefit Plans**

**Deferred compensation plan** – CalOptima Health sponsors a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the 457 Plan) under which employees are permitted to defer a portion of their annual salary until future years. CalOptima Health may make discretionary contributions to the 457 Plan as determined by the Board of Directors. For the years ended June 30, 2024 and 2023, no discretionary employer contributions were made.

**Defined contribution plan** – Effective January 1, 1999, CalOptima Health established a supplemental retirement plan for its employees called the CalOptima Public Agency Retirement System Defined Contribution Supplemental Retirement Plan (PARS Plan). All regular and limited-term employees are eligible to participate in the PARS Plan. The current PARS Plan design does not require employee contributions. CalOptima Health makes discretionary employer contributions to the PARS Plan as authorized by the Board of Directors. Vesting occurs over 16 quarters of service. For the years ended June 30, 2024 and 2023, CalOptima Health contributed approximately \$6,587,000 and \$5,777,000, respectively.

**Note 8 – Postemployment Health Care Plan**

**Plan description** – CalOptima Health sponsors and administers a single-employer defined-benefit postemployment healthcare plan (the Plan) to provide medical, dental, and vision insurance benefits to eligible retired employees and their beneficiaries. Plan members receiving benefits contribute at the same rate as current active employees. Benefit provisions are established and may be amended by the Board of Directors.

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Effective January 1, 2004, CalOptima Health terminated postemployment healthcare benefits for employees hired on or after January 1, 2004. For employees hired prior to January 1, 2004, the employee's eligibility for retiree health benefits remains similar to the eligibility requirements for the defined benefit pension plan. Surviving spouses are also eligible for this benefit.

During the year ended June 30, 2006, CalOptima Health modified the benefits offered to eligible participants, requiring participants to enroll in Medicare and specifying that CalOptima Health would be responsible only for the cost of Medicare supplemental coverage, subject to a cost sharing between the participant and CalOptima Health.

For purposes of measuring the total postemployment retirement liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of CalOptima Health's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

U.S. GAAP requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

|                    |                              |
|--------------------|------------------------------|
| Measurement date   | June 30, 2023                |
| Measurement period | July 1, 2022 - June 30, 2023 |
| Valuation date     | January 1, 2024              |

**Covered employees** – The following numbers of participants were covered by the benefit terms as of June 30:

|  | 2024 | 2023 |
|--|------|------|
| Inactives currently receiving benefits               | 78   | 76   |
| Active employees                                     | 60   | 65   |
| Inactives entitled to but not yet receiving benefits | 2    | 3    |
| Total  | 140  | 144  |

**Contributions** – The contribution requirements of plan members and CalOptima Health are established and may be amended by the Board of Directors. CalOptima Health's contribution is based on projected pay-as-you-go financing requirements, with no additional amount to prefund benefits. CalOptima Health contributed approximately \$522,000, including \$468,000 in premium payments for retirees and \$54,000 for implied subsidies, for the year ended June 30, 2024. CalOptima Health contributed approximately \$528,000, which related to implied subsidies, for the year ended June 30, 2023. The most recent actuarial report for the Plan was June 30, 2023. As of that point, the actuarial accrued liability and unfunded actuarial accrued liability for benefits were approximately \$17,370,000.



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**Actuarial assumptions** – CalOptima Health's total postemployment retirement liability was measured as of June 30, 2023, and the assumptions used to calculate the total postemployment retirement liability was determined by an actuarial valuation dated January 1, 2024. The actuarial valuation was rolled forward to determine the total postemployment retirement liability as of June 30, 2024, and is based on the following actuarial methods and assumptions:

|                       |  |
|-----------------------|--|
| Salary increases      | 2.75% per annum, in aggregate  |
| Medical trend         | Non-Medicare – 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076<br>Medicare (Non-Kaiser) – 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076<br>Medicare (Kaiser) – 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076 |
| Discount rate         | 3.65% at June 30, 2023, Bond Buyer 20 Index<br>3.54% at June 30, 2022, Bond Buyer 20 Index   |
| Mortality, retirement | CalPERS 2000-2019 Experience Study<br>Post-retirement mortality projected fully generational with Scale MP-2021  |
| General inflation     | 2.50% per annum  |

**Discount rate and long-term rate of return** – The discount rate used to measure the total OPEB liability was 3.65 percent for June 30, 2023. There were no plan investments; as such, the expected long-term rate of return on investment is not applicable.

**Changes in the net OPEB liability** – Changes in the net OPEB liability were as follows:

|                                |                             |
|--------------------------------|-----------------------------|
| Balance at June 30, 2023       | <u>\$ 18,975,000</u>        |
| Changes for the year           |                             |
| Service cost                   | 472,000                     |
| Interest                       | 679,000                     |
| Actual vs. expected experience | (3,332,000)                 |
| Assumption changes             | 1,104,000                   |
| Contributions – employer       | <u>(528,000)</u>            |
| Net changes                    | <u>(1,605,000)</u>          |
| Balance at June 30, 2024       | <u><u>\$ 17,370,000</u></u> |

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|                          |                             |
|--------------------------|-----------------------------|
| Balance at June 30, 2022 | <u>\$ 22,178,000</u>        |
| Changes for the year     |                             |
| Service cost             | 668,000                     |
| Interest                 | 487,000                     |
| Contributions – employer | (529,000)                   |
| Assumption changes       | <u>(3,829,000)</u>          |
| Net changes              | <u>(3,203,000)</u>          |
| Balance at June 30, 2023 | <u><u>\$ 18,975,000</u></u> |

**Sensitivity of the net OPEB liability to changes in the discount rate** – The following presents the net OPEB liability as of June 30, 2024, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

|                      | <u>1% Decrease<br/>(2.65%)</u> | <u>Current Rate<br/>(3.65%)</u> | <u>1% Increase<br/>(4.65%)</u> |
|----------------------|--------------------------------|---------------------------------|--------------------------------|
| Total OPEB liability | \$ 19,841,000                  | \$ 17,370,000                   | \$ 15,316,000                  |

**Sensitivity of the net OPEB liability to changes in health care cost trend rates** – The following presents the net OPEB liability as of June 30, 2024, as well as what the net OPEB liability would be if it were calculated using health care cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current health care cost trend rates:

|                      | <u>1% Decrease</u> | <u>Current Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|---------------------|--------------------|
| Total OPEB liability | \$ 15,102,000      | \$ 17,370,000       | \$ 20,166,000      |

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For the years ended June 30, 2024 and 2023 CalOptima Health recognized a reduction to OPEB expense of approximately \$2,227,000 and \$1,679,000, respectively. As of June 30, 2024 and 2023, the reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| June 30, 2024   |                                      |                                     |
|---|--------------------------------------|-------------------------------------|
|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience            | \$ -                                 | \$ 3,679,000                        |
| Changes in assumptions  | \$ 828,000                           | 2,719,000                           |
| Employer contributions made subsequent to<br>measurement date | 522,000                              | -                                   |
| Total   | <u>\$ 1,350,000</u>                  | <u>\$ 6,398,000</u>                 |
| June 30, 2023   |                                      |                                     |
|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience            | \$ -                                 | \$ 2,867,000                        |
| Changes in assumptions  | 1,068,000                            | 4,921,000                           |
| Employer contributions made subsequent to<br>measurement date | 528,000                              | -                                   |
| Total   | <u>\$ 1,596,000</u>                  | <u>\$ 7,788,000</u>                 |

The \$522,000 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the total post-employment retirement liability during the fiscal year ended June 30, 2024.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

|                       |                       |
|-----------------------|-----------------------|
| Years Ending June 30, |                       |
| 2025                  | \$ (3,573,000)        |
| 2026                  | (1,440,000)           |
| 2027                  | <u>(557,000)</u>      |
|                       | <u>\$ (5,570,000)</u> |

The required schedule of changes in total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the actuarial accrued liability for benefits.

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**Note 9 – Restricted Net Position**

On June 28, 2000, CalOptima Health became a fully licensed health care service plan under the Act, as required by statutes governing the Healthy Families program. Under the Act, CalOptima Health is required to maintain and meet a minimum level of TNE as of June 30, 2024 and 2023, of \$127,852,909 and \$107,969,096, respectively. As of June 30, 2024 and 2023, the Organization is in compliance with its TNE requirement.

The Act further required that CalOptima Health maintain a restricted deposit in the amount of \$300,000. CalOptima Health met this requirement as of June 30, 2024 and 2023.

**Note 10 – Lease Commitments**

CalOptima Health leases office space and equipment under noncancelable, long-term operating leases, with minimum annual payments as follows:

|                       | Minimum Lease<br>Payments |
|-----------------------|---------------------------|
| Years Ending June 30, |                           |
| 2025                  | \$ 631,929                |
| 2026                  | 653,016                   |
| 2027                  | 710,210                   |
| 2028                  | 768,055                   |
| 2029                  | 791,097                   |
| Thereafter            | 1,678,549                 |
|                       | <u>\$ 5,232,856</u>       |

Rental expense under operating leases was approximately \$713,000 for the years ended June 30, 2024 and 2023, respectively.

**Note 11 – Contingencies**

**Litigation** – CalOptima Health is party to various legal actions and is subject to various claims arising in the ordinary course of business. Management believes that the disposition of these matters will not have a material adverse effect on CalOptima Health's financial position or results of operations.

**Regulatory matters** – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties. Management believes that CalOptima Health is in compliance with fraud and abuse, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

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**Note 12 –Subscription-based Information Technology Arrangements**

CalOptima Health has several subscription contracts that expire at various dates through 2028 with some having certain renewal options. For those contracts where renewal options are reasonably certain to be exercised, CalOptima Health recognizes renewal option periods in the determinations of its intangible right-to-use subscription assets and subscription liabilities. CalOptima Health uses various rates ranging from 3.25 percent to 8 percent to determine the present value of the subscription liabilities. The amortization on the intangible subscription asset amounted to approximately \$7,500,000 and \$3,600,000 during the years ended June 30, 2024 and 2023, respectively, and is included in depreciation and amortization on the statement of revenues, expenses and changes in net position. As of June 30, 2024 and 2023, CalOptima Health recognized approximately \$19,291,000 and \$18,018,000, respectively, in intangible right-to-use subscription assets which is comprised of the intangible right-to-use subscription asset cost of approximately \$30,372,000 and \$21,733,000, respectively, less accumulated amortization of approximately \$11,081,000 and \$3,714,000, respectively. As of June 30, 2024 and 2023 CalOptima Health recognized approximately \$17,730,000 and \$16,730,000, respectively, in SBITA subscription liabilities.

The future subscription payments under SBITA agreements as of June 30, 2024 are as follows:

| Years Ending June 30,          | Subscriptions |            | Total                |
|--------------------------------|---------------|------------|----------------------|
|                                | Principal     | Interest   |                      |
| 2025                           | \$ 8,125,577  | \$ 988,688 | \$ 9,114,265         |
| 2026                           | 6,201,136     | 569,961    | 6,771,097            |
| 2027                           | 4,911,800     | 196,803    | 5,108,603            |
| 2028                           | 311,281       | 1,922      | 313,203              |
| Total undiscounted cash flows  | 19,549,794    | 1,757,374  | 21,307,168           |
| Less: present value discount   |               |            | 3,576,669            |
| Total subscription liabilities |               |            | <u>\$ 17,730,499</u> |

## Supplementary Information

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**Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment  
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Schedule of Changes in Net Pension Liability and Related Ratios  
Years Ended June 30**

|  | 2024           | 2023           | 2022           | Years Ended June 30, |               | 2019          | 2018          | 2017          | 2016          | 2015          |
|--|----------------|----------------|----------------|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  |                |                |                | 2021                 | 2020          |               |               |               |               |               |
| Total pension liability  |                |                |                |                      |               |               |               |               |               |               |
| Service cost   | \$ 19,761,157  | \$ 17,958,280  | \$ 16,033,791  | \$ 15,223,385        | \$ 14,303,164 | \$ 13,491,596 | \$ 13,118,795 | \$ 10,272,406 | \$ 8,363,183  | \$ 6,464,105  |
| Interest   | 19,987,952     | 17,450,590     | 15,591,711     | 13,770,107           | 12,107,314    | 10,431,464    | 9,136,725     | 7,702,198     | 6,620,025     | 5,661,111     |
| Differences between expected and actual experience                     | 5,143,171      | 8,006,529      | (477,252)      | (405,662)            | 1,904,567     | 2,812,748     | 632,642       | 102,384       | 1,444,808     | -             |
| Changes in assumptions   | -              | (1,930,719)    | -              | -                    | -             | (4,737,905)   | 9,163,547     | -             | (1,963,270)   | -             |
| Benefit payments, including refunds of employee contributions          | (5,027,500)    | (4,332,714)    | (3,311,997)    | (3,576,922)          | (2,841,212)   | (2,748,699)   | (2,068,356)   | (2,111,578)   | (1,676,666)   | (1,326,364)   |
| Net change in total pension liability                                  | 39,864,780     | 37,151,966     | 27,836,253     | 25,010,908           | 25,473,833    | 19,249,204    | 29,983,353    | 15,965,410    | 12,788,080    | 10,798,852    |
| Total pension liability – beginning                                    | 277,170,471    | 240,018,505    | 212,182,252    | 187,171,344          | 161,697,511   | 142,448,307   | 112,464,954   | 96,499,544    | 83,711,464    | 72,912,613    |
| Total pension liability – ending                                       | 317,035,251    | 277,170,471    | 240,018,505    | 212,182,252          | 187,171,344   | 161,697,511   | 142,448,307   | 112,464,954   | 96,499,544    | 83,711,465    |
| Plan fiduciary net position  |                |                |                |                      |               |               |               |               |               |               |
| Contributions – employer   | \$14,017,949   | \$11,688,269   | 10,742,812     | 9,608,656            | 8,661,466     | 7,588,200     | 5,234,580     | 3,787,544     | 3,033,171     | 3,119,804     |
| Contributions – employee   | 10,478,979     | 8,634,939      | 7,981,938      | 7,518,241            | 6,853,391     | 6,213,420     | 5,793,911     | 4,951,820     | 4,142,126     | 3,385,296     |
| Net investment income  | 15,053,200     | (18,576,662)   | 42,647,021     | 8,189,430            | 9,377,613     | 10,225,467    | 11,496,425    | 498,498       | 1,913,380     | 12,062,654    |
| Benefit payments, including refunds of employee contributions          | (5,027,500)    | (4,332,714)    | (3,311,997)    | (3,576,922)          | (2,841,212)   | (2,748,699)   | (2,068,356)   | (2,111,578)   | (1,676,666)   | (1,326,364)   |
| Other changes in fiduciary net position                                | (174,062)      | (149,157)      | (181,370)      | (225,629)            | (98,234)      | (530,428)     | (143,264)     | (54,828)      | (101,246)     | -             |
| Net change in fiduciary net position                                   | 34,348,566     | (2,735,325)    | 57,878,404     | 21,513,776           | 21,953,024    | 20,747,960    | 20,313,296    | 7,071,456     | 7,310,765     | 17,241,390    |
| Plan fiduciary net position – beginning                                | 236,705,326    | 239,440,651    | 181,562,247    | 160,048,471          | 138,095,447   | 117,347,487   | 97,034,191    | 89,962,735    | 82,651,970    | 65,410,580    |
| Plan fiduciary net position – ending                                   | 271,053,892    | 236,705,326    | 239,440,651    | 181,562,247          | 160,048,471   | 138,095,447   | 117,347,487   | 97,034,191    | 89,962,735    | 82,651,970    |
| Plan net pension liability – ending                                    | \$ 45,981,359  | \$ 40,465,145  | \$ 577,854     | \$ 30,620,005        | \$ 27,122,873 | \$ 23,602,064 | \$ 25,100,820 | \$ 15,430,763 | \$ 6,536,809  | \$ 1,059,495  |
| Plan fiduciary net position as percentage of the total liability       | 85.50%         | 85.40%         | 99.76%         | 85.57%               | 85.51%        | 85.40%        | 82.38%        | 86.28%        | 93.23%        | 98.73%        |
| Covered-employee payroll   | \$ 120,641,983 | \$ 109,836,572 | \$ 103,913,095 | \$ 98,088,822        | \$ 91,587,145 | \$ 85,764,390 | \$ 80,217,654 | \$ 68,583,296 | \$ 55,676,606 | \$ 40,940,556 |
| Plan net pension liability as a percentage of covered-employee payroll | 38.11%         | 36.84%         | 0.56%          | 31.22%               | 29.61%        | 27.52%        | 31.29%        | 22.50%        | 11.74%        | 2.59%         |



**Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment  
Integrated Medical Assistance dba CalOptima Health  
Schedule of Plan Contributions  
Years Ended June 30**

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|  | 2024                | 2023                | 2022                | Years Ended June 30, |                    | 2019               | 2018               | 2017               | 2016               | 2015               |
|--|---------------------|---------------------|---------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  |                     |                     |                     | 2021                 | 2020               |                    |                    |                    |                    |                    |
| Actuarially determined contributions                                 | \$ 14,017,949       | \$ 11,688,269       | \$ 10,742,812       | \$ 9,608,656         | \$ 8,661,466       | \$ 7,588,200       | \$ 5,234,580       | \$ 3,787,544       | \$ 3,033,171       | \$ 3,119,804       |
| Contributions in relation to the actuarially determined contribution | <u>(14,017,949)</u> | <u>(11,688,269)</u> | <u>(10,742,812)</u> | <u>(9,608,656)</u>   | <u>(8,661,466)</u> | <u>(7,588,200)</u> | <u>(5,234,580)</u> | <u>(3,787,544)</u> | <u>(3,033,171)</u> | <u>(3,119,804)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>          | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| Covered-employee payroll   | \$ 120,641,983      | \$ 109,836,572      | \$ 103,913,095      | \$ 98,088,822        | \$ 91,587,145      | \$ 85,764,390      | \$ 80,217,654      | \$ 68,583,296      | \$ 55,676,606      | \$ 40,940,556      |
| Contributions as a percentage of covered-employee payroll            | 11.62%              | 10.64%              | 10.34%              | 9.80%                | 9.46%              | 8.85%              | 6.53%              | 5.52%              | 5.45%              | 7.62%              |

**Orange County Health Authority, A Public Agency dba Orange Prevention and Treatment  
Integrated Medical Assistance dba CalOptima Health  
Schedule of Changes in Total OPEB Liability and Related Ratios  
Periods Ended June 30**

|   | 2023-2024<br>(Measurement<br>Period<br>2022–2023) | 2022-2023<br>(Measurement<br>Period<br>2021–2022) | 2021-2022<br>(Measurement<br>Period<br>2020–2021) | 2020-2021<br>(Measurement<br>Period<br>2019–2020) | 2019-2020<br>(Measurement<br>Period<br>2018–2019) | 2018-2019<br>(Measurement<br>Period<br>2017–2018) | 2017-2018<br>(Measurement<br>Period<br>2016–2017) |
|---|---|---|---|---|---|---|---|
| Changes in total OPEB liability                                     |   |   |   |   |   |   |   |
| Service cost  | \$ 472,000  | \$ 668,000  | \$ 1,149,000                                      | \$ 811,000  | \$ 832,000  | \$ 867,000  | \$ 1,012,000                                      |
| Interest  | 679,000   | 487,000   | 718,000   | 922,000   | 977,000   | 900,000   | 770,000   |
| Benefit changes   | -   | -   | -   | -   | -   | -   | -   |
| Actual vs. expected experience                                      | (3,332,000)                                       | -   | (6,241,000)                                       | -   | (1,072,000)                                       | -   | -   |
| Assumption changes  | 1,104,000   | (3,829,000)                                       | (4,514,000)                                       | 4,623,000   | 938,000   | (1,067,000)                                       | (2,923,000)                                       |
| Benefit payments  | (528,000)   | (529,000)   | (544,000)   | (570,000)   | (556,000)   | (560,000)   | (572,000)   |
| Net changes   | (1,605,000)                                       | (3,203,000)                                       | (9,432,000)                                       | 5,786,000   | 1,119,000   | 140,000   | (1,713,000)                                       |
| Total OPEB liability (beginning of year)                            | 18,975,000  | 22,178,000  | 31,610,000  | 25,824,000  | 24,705,000  | 24,565,000  | 26,278,000  |
| Total OPEB liability (end of year)                                  | <u>\$ 17,370,000</u>                              | <u>\$ 18,975,000</u>                              | <u>\$ 22,178,000</u>                              | <u>\$ 31,610,000</u>                              | <u>\$ 25,824,000</u>                              | <u>\$ 24,705,000</u>                              | <u>\$ 24,565,000</u>                              |
| Total OPEB liability  | \$ 17,370,000                                     | \$ 18,975,000                                     | \$ 22,178,000                                     | \$ 31,610,000                                     | \$ 25,824,000                                     | \$ 24,705,000                                     | \$ 24,565,000                                     |
| Covered employee payroll  | 8,536,000   | 8,864,000   | 9,126,000   | 8,513,000   | 8,353,000   | 8,150,000   | 9,135,000   |
| Total OPEB liability as a percentage<br>of covered employee payroll | 203.5%  | 214.1%  | 243.0%  | 371.3%  | 309.2%  | 303.1%  | 268.9%  |



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# CalOptima Health

## 2024 AUDIT RESULTS

Discussion with the Board of  
Directors (the “Board”)

October 3, 2024

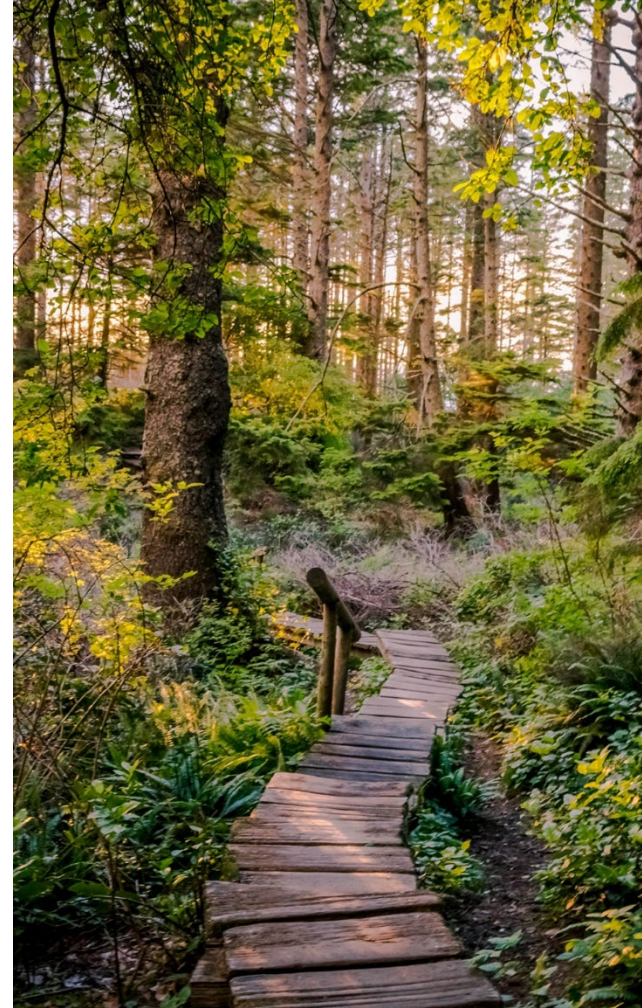




# Agenda

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1. Scope of Services
2. Summary of Audit Process
3. Areas of Audit Emphasis
4. Matters to Be Communicated to the Governing Body
5. Your Service Team



# Scope of Services

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We have performed the following services for CalOptima Health:

## Attest Services



- Annual financial statement audit as of and for the year ended June 30, 2024.

## Nonattest Services



- Assisted management with drafting the financial statements, excluding Management's Discussion and Analysis, as of and for the year ended June 30, 2024.
- Assisted in the completion of the Auditee portion of the Data Collection Form for the single audit as of and for the year ended June 30, 2024.
- Implemented Moss Adams Claims Audit Tool application that is used by CalOptima Health's claims department for conducting pre and post payment claims audits. Perform ongoing support of application and application customizations requested by CalOptima Health.



# Summary of Audit Process

- Our audit was generally performed in accordance with our initial plan. When the results of a planned audit procedure did not provide sufficient evidence or our original plan was based on an incorrect understanding of a transaction, process, or accounting policy of the entity, we made the necessary adjustments to our audit plan to incorporate the procedures necessary to support our opinion on the financial statements.
- We have completed our testing of all significant account balances and classes of transactions.
- We issued our independent auditor's report and have communicated required internal control related matters dated September 20, 2024.





# Areas of Audit Emphasis

During the audit, we identified the following:

| Significant Risks                                     | Procedures   |
|---|--|
| <b>Medical claims liability and claims expense</b>    | <ul style="list-style-type: none"><li>• Tested the internal controls for claims payments and provider capitation systems</li><li>• Tested the data used by the actuary to estimate the claims liability and reviewed the experience and qualifications of the actuary</li><li>• Performed a retrospective review of the prior year's claims liability</li><li>• No material errors noted</li></ul> |
| <b>Capitation revenue and receivables</b>             | <ul style="list-style-type: none"><li>• Developed independent expectations of revenue using membership data and rates</li><li>• Obtained an understanding of management's reserve methodology and validated key inputs through our audit procedures</li><li>• Verified subsequent receipt of cash and other substantive procedures</li><li>• No material errors noted</li></ul>                    |
| <b>Amounts due to the State of California or DHCS</b> | <ul style="list-style-type: none"><li>• Tested the provider capitation and other accrual calculations and agreed amounts accrued to subsequent payments</li><li>• Obtained an understanding of the nature of the amounts payable to the State of California</li><li>• Tested inputs into the estimates used to calculate the amounts due</li><li>• No material errors noted</li></ul>              |



# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.



# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) as well as *Government Auditing Standards*, issued by the Comptroller General of the United States. As part of an audit conducted in accordance with these auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

Our audit of the financial statements included obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control or to identify deficiencies in the design or operation of internal control. Accordingly, we considered the entity's internal control solely for the purpose of determining our audit procedures and not to provide assurance concerning such internal control.



# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We are also responsible for communicating significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Significant Accounting Practices

Our views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.

The quality of the entity's accounting policies and underlying estimates are discussed throughout this presentation. There were no changes in the entity's approach to applying the critical accounting policies.

- Significant management estimates impacted the financial statements including the following: fair value of investments, capital asset lives, actuarially determined accruals for incurred but not reported (IBNR) medical claims liabilities, other non-IBNR medical liabilities, pension, and other postemployment liabilities.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Significant Accounting Practices

Our views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.

### Moss Adams Comments

The disclosures in the financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statements users. We call your attention to the following notes:

- Note 3 – Cash, Cash Equivalents, and Investments
- Note 5 – Medical Claims Liability
- Note 6 – Defined Benefit Pension Plan
- Note 8 – Postemployment Health Care Plan





# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Significant Unusual Transactions

## MOSS ADAMS COMMENTS

No significant unusual transactions were identified during our audit of the entity's financial statements.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Significant Difficulties Encountered During the Audit

We are to inform those charged with governance of any significant difficulties encountered in performing the audit. Examples of difficulties may include significant delays by management, an unreasonably brief time to complete the audit, unreasonable management restrictions encountered by the auditor, or an unexpected extensive effort required to obtain sufficient appropriate audit evidence.

## MOSS ADAMS COMMENTS

No significant difficulties were encountered during our audit of the entity's financial statements.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Disagreements with Management

Disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the entity's financial statements, or the auditor's report.

## MOSS ADAMS COMMENTS

There were no disagreements with management.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

Circumstances that affect the form and content of the auditor's report

## MOSS ADAMS COMMENTS

There were no circumstances that affected the form and content of the auditor's report.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

Other findings or issues arising from the audit that are, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process.

## MOSS ADAMS COMMENTS

There were no other findings or issues arising from the audit to report.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Uncorrected Misstatements

Uncorrected misstatements, or matters underlying those uncorrected misstatements, as of and for the year ended June 30, 2024, could potentially cause future-period financial statements to be materially misstated.

## MOSS ADAMS COMMENTS

No uncorrected misstatements were identified.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Material, Corrected Misstatements

Material, corrected misstatements that were brought to the attention of management as a result of audit procedures.

## MOSS ADAMS COMMENTS

No material misstatements were identified as a result of our audit.





# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Representations Requested of Management

We requested certain representations from management that are included in the management representation letter dated September 20, 2024.

## MOSS ADAMS COMMENTS

A copy of the management representation letter is available upon request.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Management's Consultation with Other Accountants

When we are aware that management has consulted with other accountants about significant auditing or accounting matters, we discuss with those charged with governance our views about the matters that were the subject of such consultation.

## MOSS ADAMS COMMENTS

We are not aware of instances where management consulted with other accountants about significant auditing or accounting matters.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

Significant issues arising from the audit that were discussed, or the subject of correspondence with management

## MOSS ADAMS COMMENTS

No significant issues arose during the audit that have not been addressed elsewhere in this presentation.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

AU-C 240, *Consideration of Fraud in a Financial Statement Audit*

AU-C 250, *Consideration of Laws and Regulations in an Audit of Financial Statements*

AU-C 265, *Communicating Internal Control Related Matters Identified in an Audit*

AU-C 550, *Related Parties*

AU-C 560, *Subsequent Events and Subsequently Discovered Facts*

AU-C 570, *The Auditor's Consideration of An Entity's Ability to Continue as a Going Concern*

AU-C 600, *Audits of Group Financial Statements (Including the Work of Component Auditors)*

## MOSS ADAMS COMMENTS

Nothing to note.

- There were no material weaknesses noted and no significant deficiencies to communicate.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

*AU-C 701, Communicating Key Audit Matters in the Independent Auditor's Report*

*AU-C 705, Modifications to the Opinion in the Independent Auditor's Report*

*AU-C 706, Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report*

*AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*

*AU-C 730, Required Supplementary Information*

*AU-C 930, Interim Financial Information*

*AU-C 935, Compliance Audits*

## MOSS ADAMS COMMENTS

Nothing to note.

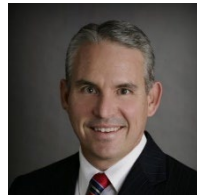


# Your Service Team

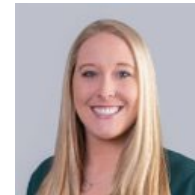
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THANK  
YOU





## **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken October 3, 2024**

**Regular Meeting of the CalOptima Health Board of Directors**

### **Report Item**

15. Approve Actions Related to the Community Enrollers for Medi-Cal Notice of Funding Opportunity

### **Contacts**

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

Deanne Thompson, Executive Director, Marketing and Communications, (657) 550-4736

### **Recommended Actions**

1. Appropriate up to \$2.58 million in existing reserves to fund additional Community Enroller Grant Awards.
2. Authorize awarding additional grants under the Community Enrollers for Medi-Cal Notice of Funding Opportunity and authorize staff to administer grant agreements and award payments totaling \$2,579,819 to the additional selected grant recipients (listed in Attachment 1).

### **Background**

On January 1, 2024, a new law in California went into effect that provides eligible adults 26-49 years of age with access to full-scope Medi-Cal services, regardless of immigration status. All other eligibility rules, including income limits, still apply. This Medi-Cal initiative, called the Age 26 through 49 Adult Full Scope Medi-Cal Expansion (Adult Expansion), is modeled after the Young Adult Expansion and the Older Adult Expansion and extends full-scope Medi-Cal to all other age ranges, regardless of immigration status.

CalOptima Health estimates that the County of Orange Social Services Agency (SSA) may enroll 40,000 to 70,000 individuals into Adult Expansion in the first year. These new enrollees will become CalOptima Health members.

A Board of Directors (Board) amended action on December 7, 2023, Report Item #21, Rev. 12/7/23), authorized unbudgeted expenditures and appropriated up to \$5,000,000 from existing reserves to implement the Adult Expansion Outreach Strategy, \$1.5 million of which was initially estimated for community enroller grants.

Similar to CalOptima Health's efforts to bring awareness to the community and its members about Medi-Cal renewal and CalFresh enrollment, CalOptima Health will partner with the SSA on Adult Expansion. In December 2023 the Board approved actions to execute agreements with partner organizations to conduct community enrollment in the Medi-Cal and CalFresh programs. CalOptima Health staff released a notice of funding opportunity (NOFO) to solicit applications from qualified community-based partners to conduct the necessary community enrollment work. Each organization could apply for between \$200,000 and \$500,000 to conduct enrollment support for the Medi-Cal and CalFresh programs.

The Community Enrollers for Medi-Cal NOFO was released to the public on May 6, 2024, via distribution lists and on the CalOptima Health website. CalOptima Health staff conducted a community forum for all interested community organizations describing the grant application process, funding priority areas, applicant eligibility criteria, and responded to questions ahead of the open-portal application period, which ran from May 6, 2024, to June 14, 2024. In total, CalOptima Health received and reviewed 26 completed proposals from 26 organizations. An internal committee of evaluators from CalOptima Health reviewed and scored the submitted proposals based on the review criteria in Attachment 2.

Evaluators scored all applications on these criteria using a scoring rubric, and their scores were averaged to give each application a final score. At the CalOptima Health Board meeting on August 1, 2024, staff presented the top 7 scoring applicants to the Board and requested they be approved for full funding of their grant projects, equaling \$2 million. This \$2 million was an updated cost estimate from the \$1.5 million previously estimated in December 2023 associated with the Board action approving \$5 million for the Adult Expansion Outreach Strategy, including community enroller grants. The Board approved these 7 grants but also requested consideration for expansion of this grant given the critical nature of these services.

### **Discussion**

Due to the additional need identified since the August Board meeting, staff proposes to award grants to the next six (6) top scoring Community Enroller Grant applicants, and requests approval of an appropriation of up to \$2.58 million from existing reserves to fund the additional awards.

As previously described, in response to the Community Enrollers for Medi-Cal NOFO, an internal team of evaluators scored all applications on set criteria using a scoring rubric, and their scores were averaged to give each application a final score. These scores were ranked, and the top seven were awarded funding at the August 1, 2024, Board meeting.

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 grant 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.

### **Fiscal Impact**

An appropriation of up to \$2.58 million from existing reserves will fund the additional Community Enroller Grants. CalOptima Health reserves the right to adjust funding for grantees or to recoup funds for lack of demonstrating effort or performance against targeted measures.

### **Rationale for Recommendation**

Funding these community grants will aid CalOptima Health in efforts to conduct robust regional outreach and education campaigns, provide and promote countywide enrollment activities, and increase access to care for adult residents, regardless of immigration status, in Orange County.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachments**

1. [Entities Covered by this Recommended Action](#)
2. [Applicant Scores, Award Recommendations and Amounts](#)

**Board Actions**

| Board Meeting Dates | Action  | Term | Not to Exceed Amount |
|---------------------|---|------|----------------------|
| December 7, 2023    | Authorize Adult Expansion Outreach Strategy to Make Eligible Adults Ages 26 Through 49 Aware of the Opportunity to Apply for Full-Scope Medi-Cal Regardless of Immigration Status | -    | \$5,000,000          |
| August 1, 2024      | Authorize to Approve Community Enroller Grant Recipients  | -    | \$1,993,486          |

/s/ Michael Hunn  
**Authorized Signature**

09/27/2024  
**Date**

*Attachment to the October 3, 2024 Board of Directors Meeting – Agenda Item 15*

**CONTRACTED/ IMPACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

| <b>Name</b>  | <b>Address</b>                 | <b>City</b>  | <b>State</b> | <b>Zip Code</b> |
|--|--------------------------------|--------------|--------------|-----------------|
| AltaMed Health Services Corporation  | 2040 Camfield Avenue           | Los Angeles  | CA           | 90040           |
| Community Health Initiative of Orange County   | 1505 E. 17th Street, Suite 108 | Santa Ana    | CA           | 92705           |
| Friends of Family Health Center  | 501 S Idaho Street, Suite 260  | La Habra     | CA           | 90631           |
| Latino Center for Prevention and Action in Health and Welfare dba Latino Health Access     | 450 W 4th Street, Suite 130    | Santa Ana    | CA           | 92701           |
| Orange County Association for Mental Health dba Mental Health Association of Orange County | 1971 E. 4th Street             | Santa Ana    | CA           | 92705           |
| Southland Integrated Services, Inc.  | 9862 Chapman Avenue            | Garden Grove | CA           | 92841           |

SCORES OF COMMUNITY ENROLLERS NOFO APPLICANTS

|                               | <b>Community Enrollers NOFO Applicants</b>   | <b>Score out of 100</b> | <b>Award Amount</b> | <b>Funding Recommendation</b> |
|-------------------------------|--|-------------------------|---------------------|-------------------------------|
| 1                             | Community Action Partnership of Orange County  | 91.8                    | \$365,000           | Previously Funded             |
| 2                             | Abrazar, Inc.  | 90.2                    | \$200,000           | Previously Funded             |
| 3                             | Orange County United Way   | 89.6                    | \$354,408           | Previously Funded             |
| 4                             | Give For A Smile   | 87.7                    | \$233,628           | Previously Funded             |
| 5                             | Vista Community Clinic   | 85.4                    | \$207,430           | Previously Funded             |
| 6                             | Serve the People Community Health Center   | 85.2                    | \$383,020           | Previously Funded             |
| 7                             | Camino Health Center   | 85.0                    | \$250,000           | Previously Funded             |
| Subtotal of previously funded |  |                         | \$1,993,486         |                               |
| 8                             | AltaMed Health Services Corporation  | 84.8                    | \$499,980           | Fund                          |
| 9                             | Community Health Initiative of Orange County   | 84.5                    | \$500,000           | Fund                          |
| 10                            | Latino Center for Prevention and Action in Health and Welfare dba Latino Health Access     | 83.6                    | \$500,000           | Fund                          |
| 11                            | Orange County Association for Mental Health dba Mental Health Association of Orange County | 83.5                    | \$349,593           | Fund                          |
| 12                            | Southland Integrated Services Inc.   | 83.3                    | \$500,000           | Fund                          |
| 13                            | Friends of Family Health Center  | 82.2                    | \$230,246           | Fund                          |
| Proposing additional funding  |  |                         | \$2,579,819         |                               |
| 14                            | Coalition of Orange County Community Health Centers  | 80.2                    |                     | Do Not Fund                   |
| 15                            | Vision y Compromiso  | 77.9                    |                     | Do Not Fund                   |
| 16                            | Family Assistance Ministries   | 71.4                    |                     | Do Not Fund                   |
| 17                            | Homeless Intervention Services of Orange County  | 65.0                    |                     | Do Not Fund                   |
| 18                            | Covenant House California  | 64.2                    |                     | Do Not Fund                   |
| 19                            | St. Louise Resource Services   | 63.8                    |                     | Do Not Fund                   |
| 20                            | Poppy Life Care  | 49.9                    |                     | Do Not Fund                   |
| 21                            | Krista Care LLC  | 48.0                    |                     | Do Not Fund                   |
| 22                            | Urban Social Services and Advocacy   | 47.4                    |                     | Do Not Fund                   |
| 23                            | Hawkins Hawkins Tax Services   | 46.0                    |                     | Do Not Fund                   |
| 24                            | Project-Respectt, Inc  | 44.9                    |                     | Do Not Fund                   |

|    |   |      |  |             |
|----|---|------|--|-------------|
| 25 | Naturally Fit Movement  | 33.4 |  | Do Not Fund |
| 26 | New Beginnings Reintegration and<br>Continuum Care Services, Inc. | 27.8 |  | Do Not Fund |

## **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken October 3, 2024**

**Regular Meeting of the CalOptima Health Board of Directors**

### **Report Item**

16. Approve Actions Related to the Incentive Payment Program for Housing Supports

### **Contacts**

Kelly Bruno Nelson, Executive Director, Medi-Cal and CalAIM, (657) 550-4741

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

### **Recommended Actions**

1. Authorize the Chief Executive Officer, or designee, to execute a grant agreement amendment to extend the agreement term for an additional 17-months ending August 31, 2026, and adjust the award provisions with Orange County United Way for servicing the Whatever It Takes program and connecting CalOptima Health members to additional financial resources and landlord connections needed to secure permanent housing; and
2. Authorize up to \$4.58 million from CalAIM Incentive Payment Program, Program Year 1, for the Community Supports Provider Capacity Building priority area to provide support to housing-related community support providers.

### **Background**

In preparation for the start of CalAIM's Enhanced Care Management (ECM) and Community Supports (CS) programs on January 1, 2022, the California Department of Health Care Services (DHCS) provided managed care plans with performance incentives through the Incentive Payment Program (IPP) to promote provider participation and capacity building. CalOptima Health was awarded \$44,954,059 for Program Year (PY) 1 (2022) paid in two equal installments in May 2022 and July 2023.

The initial PY 1 funding priority areas included:

- Delivery System Infrastructure;
- ECM Provider Capacity Building;
- CS Provider Capacity Building and managed care plan take-up; and
- Quality "Pay for Reporting" measures (which will be incorporated in the ECM provider capacity and CS provider capacity building priorities).

CalOptima Health submitted an initial "Gap Assessment and Gap Filling Plan" in Fall 2021 and has completed subsequent IPP measurement submissions 1, 2A, 2B, 3, 4, and 5.

### **Discussion**

Since the launch of the IPP, and in alignment with the funding priority areas indicated, CalOptima Health has distributed one-time incentive funding to health networks for their initial roll-out of ECM services as detailed in the December 20, 2021, Board of Directors (Board) COBAR that included an approved action to fund year 1 CalAIM performance incentives. CalOptima Health has also provided support to newly on-boarded community organizations as ECM providers through the ECM Academy, all CS providers who were contracted during PY 1 and PY 2, and Community Health Workers through the CHW Academy. These incentives were generally provided to assist organizations in building

internal capacity to meet contracting requirements from CalOptima Health, submit billing, and create internal workflows and mechanisms to roll out the new ECM and CS services. As of September 2024, there is approximately \$8.2 million in IPP PY 1 funding remaining to be allocated.

As CalOptima Health continues to implement the CalAIM benefits and monitor progress, areas for improvement are identified. An identified opportunity for improvement is to expand the resources available to housing navigation providers as they work to resolve the complex challenges of CalOptima Health's unhoused members. As was anticipated, housing navigation providers are working with members to overcome myriad challenges to obtaining permanent, affordable housing. Working through these challenges takes time and often financial resources that are not readily available. While CalAIM housing deposits are extremely useful and support moving a member into housing, deposits have restrictions on their utilization and are often not adequate enough to help members overcome all their financial barriers.

Financial resources without the same restrictions are needed to help CalOptima Health members overcome those final barriers to moving home. Therefore, in response, the CalAIM staff took steps to pilot a programmatic solution conceptualized by Orange County United Way. Orange County United Way originally proposed this capacity building concept through the first round of CalOptima Health's Housing and Homelessness Incentive Program Notice of Funding Opportunity and it was selected through a competitive proposal process for funding. The Board approved funding this program in March 2023 and subsequently a grant agreement was initiated. Through that grant agreement with Orange County United Way on April 1, 2023, \$1.59 million was committed to develop the infrastructure for the Whatever It Takes program and roll it out to housing navigation providers, integrate it with CalOptima Health Connect, and ultimately process requests to support CalOptima Health members. The agreement was set for a 12-month period, but a no-cost extension was implemented to provide additional time to complete the pilot project. The current contract is live through March 30, 2025, but funding has been fully expended.

Through the Housing and Homelessness Incentive Program, the Whatever It Takes project with Orange County United Way was piloted to test for effectiveness in supporting individuals in housing navigation to overcome all barriers in connecting to a home. Results were conclusive:

- 534 members were assisted in the first 14 months of the project. Of those, 171 went from unhoused to permanently housed; 123 members were prevented from falling into homelessness; and 294 are still in progress to resolve their housing needs.
- Orange County United Way was able to achieve these outcomes through strong partnership with CalOptima Health's network of housing-related community supports providers and with \$1,465 per person, on average, to resolve barriers to housing.
- For those members that received support through Whatever It Takes and a landlord connection through Welcome Home OC, the members were connected to housing in an average of 82 days.

This project has demonstrated that the Whatever It Takes program is essential in supporting CalOptima Health members in connecting to a permanent, affordable home. Therefore, staff are recommending that Orange County United Way's grant agreement be extended, now with the support of IPP funding, to provide a critical component to the housing navigation service that improves CalOptima Health's ability to connect people at-risk for and experiencing homelessness to a permanent home. All CalOptima



Health housing navigation providers have access to the Whatever It Takes program and can refer their clients to get this additional financial assistance to close the gap and move home. As of August 28, 2024, 76% of CalOptima Health's housing navigator providers had connected CalOptima Health members to this support. Staff have demonstrated that Whatever It Takes is a critical component of connecting CalOptima Health's members to a home.

By utilizing IPP funding to expand this program, housing navigation providers will have the opportunity to more quickly and efficiently connect CalOptima Health's members to a home and free up their capacity to provide housing navigation services to those members not yet receiving services. Staff are recommending a 17-month extension (changing the termination date to August 31, 2026) to the Orange County United Way Grant Agreement enabling them to serve an additional 2400 members over two years for \$4.58 million. Orange County United Way is in a unique position to continue this project as they have developed extensive infrastructure to engage CalOptima Health navigation providers, integrate with CalOptima Health Connect to process referrals and financial requests, and process payments to their partners. Furthermore, Orange County United Way is capable of servicing all of CalOptima Health's providers across the county, they bring essential landlord connections through the Whatever it Takes program, and they also provide critical training opportunities in this space. There are no other organizations at this time with these capabilities.

Staff will provide oversight of the grant pursuant to CalOptima Health Policy AA.1400p: Grants Management and will return to the Board to provide updates at future meetings.

### **Fiscal Impact**

The recommended action will be funded by the DHCS CalAIM IPP PY 1 unallocated balance and has no additional net fiscal impact. CalOptima Health reserves the right to adjust funding for the grantee or to recoup funds for lack of demonstrating effort or performance against targeted measures.

### **Rationale for Recommendation**

Funding these programs and projects will aid CalOptima Health in meeting IPP measures, through which CalOptima Health can receive additional funding that will enable even more investments in the provider network.

### **Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

### **Attachments**

1. [Entity Covered by this Recommended Action](#)

**Board Actions**

| Board Meeting Dates | Action  | Term | Not to Exceed Amount   |
|---------------------|---|------|--|
| December 20, 2021   | Consider Approval of Program Year 1 CalAIM Performance Incentive Payment Methodology for All Health Networks, Except AltaMed Health Services Corporation, Arta Western California, Inc., Monarch Health Plan, Inc., and Talbert Medical Group, P.C.   | -    | \$45,000,000 (in aggregate)  |
| March 2, 2023       | <p>Consider Approval of CalOptima Health staff recommendations to administer grant agreements and award payments to selected grant recipients for each of the following funding areas, as a result of the notice of funding opportunity as follows:</p> <p>a. Infrastructure Projects that will increase housing navigation and organizational capacity to connect individuals to permanent supportive housing:</p> <p>i. Total of payments recommended for award: \$5,832,314.</p> <p>b. Capital Projects to increase the current affordable and permanent housing pool:</p> <p>i. Total of payments recommended for award: \$21,000,000.</p> <p>c. Equity Grants for Programs Serving Underrepresented Populations of people experiencing homelessness:</p> <p>i. Total of payments recommended for award: \$3,021,311.</p> | -    | \$ \$1,588,215.00 (specifically for Orange County United Way's proposed project) |

/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**

*Attachment to the October 3, 2024 Board of Directors Meeting – Agenda Item 16*

**CONTRACTED/ IMPACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD  
ACTION**

| <b>Name</b>              | <b>Address</b>       | <b>City</b> | <b>State</b> | <b>Zip Code</b> |
|--------------------------|----------------------|-------------|--------------|-----------------|
| Orange County United Way | 18012 Mitchell South | Irvine      | CA           | 92614           |

## **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken October 3, 2024**

### **Regular Meeting of the CalOptima Health Board of Directors**

#### **Report Item**

17. Approve Actions Related to CalOptima Health's Potential Participation in Covered California

#### **Contacts**

Veronica Carpenter, Chief Administrative Officer, (657) 900-1161

Donna Laverdiere, Executive Director, Strategic Development, (714) 986-6981

#### **Recommended Actions**

1. Adopt CalOptima Health's Covered California Guiding Principles to inform the design and development of CalOptima Health's potential participation in Covered California;
2. Authorize the continued regular convening of CalOptima Health's Covered California Stakeholder Steering Committee to inform ongoing operational and regulatory considerations for CalOptima Health's potential participation in Covered California; and
3. Direct the Chief Executive Officer, or designee, to request the Orange County Board of Supervisors to amend Section 4-11-2 of the Codified Ordinances of the County of Orange to remove the prohibition on the participation of the Orange County Health Authority in the California Health Benefit Exchange.

#### **Background**

The Patient Protection and Affordable Care Act (ACA) was signed into law in March 2010. The ACA allowed states to establish their own state-based health insurance marketplaces/exchanges to provide their residents with an avenue to shop for and purchase health coverage and receive premium assistance in the form of federal subsidies, if eligible. California was the first state to introduce legislation to create the California Health Benefit Exchange, also known as Covered California. In September 2010, then-Governor Arnold Schwarzenegger signed into law Assembly Bill 1602 (the California Patient Protection and Affordable Care Act) and Senate Bill 900. In 2011, in response to the enacted legislation, the Orange County Board of Supervisors (BOS) approved an amendment to the governing ordinance of the Orange County Health Authority (doing business as CalOptima Health) to prohibit its participation in Covered California.

The recent reinstatement of Medi-Cal renewals following the end of the COVID-19 public health emergency, as well as the existing churn in eligibility for low-income populations, compromises continuity of care for CalOptima Health members and results in mixed-coverage households with varying provider networks. Entry into Covered California would bridge the coverage gap when CalOptima Health members lose Medi-Cal coverage and keep family members in aligned networks at affordable premiums. As the largest health plan in Orange County, CalOptima Health has broad partnerships, a commitment to investing in the local community, and a responsibility to protect access to and continuity of high-quality care for members throughout their life span.

As such, on August 1, 2024, the CalOptima Health Board of Directors (Board) authorized the Chief Executive Officer (CEO) to convene a stakeholder steering committee comprised of key external partners and providers to discuss considerations for potential participation in Covered California. In addition, the Board authorized staff to conduct stakeholder listening sessions and other presentations to solicit feedback from broader partners and the community at large.

### **Discussion**

Since the Board's actions on August 1, 2024, CalOptima Health leadership and staff convened the Covered California Stakeholder Steering Committee (see *Attachment 1* for current membership list) and have engaged with the committee, other key stakeholders, and community members, as follows:

- Member Advisory Committee (MAC)/Provider Advisory Committee (PAC) Joint Meeting (August 8, 2024)
- Community Listening Session #1 (August 14, 2024)
- Health Network Forum (August 15, 2024)
- Community Clinic Forum (August 26, 2024)
- Community Listening Session #2 (August 29, 2024)
- Steering Committee Meeting #1 (August 29, 2024)
- Steering Committee Meeting #2 (September 16, 2024)
- Whole-Child Model Family Advisory Committee (September 24, 2024)
- Steering Committee Meeting #3 (September 24, 2024)

Based upon the positive and informative feedback received through engagement efforts thus far, staff recommends that the Board direct the CEO, or designee, to request the BOS to amend CalOptima Health's governing ordinance to remove the prohibition on participation in Covered California. Staff would then coordinate with BOS offices and the Orange County Health Care Agency (HCA) to draft an amended ordinance for consideration of a first and second reading at the next two available BOS meetings, likely in November 2024.

Amending CalOptima Health's governing ordinance would be only the first step in a multi-year, multi-step entry process and would therefore not be a final approval for CalOptima Health's participation in Covered California. Removing the current prohibition on participation would allow staff to take additional steps to conduct internal and external analyses, including related to membership projections, provider network considerations, and cost and staffing needs that would inform future decision-making.

Subject to BOS approval of an amended ordinance and the Board's ongoing support, staff would return to the Board regularly to request authorizations to take individual future steps regarding key operational and regulatory considerations over the next approximately two-and-a-half years for a potential market entry date of January 1, 2027. Board approvals would include but would not be limited to financial resources, implementation support, vendor solutions, regulatory filings, provider contracting, and marketing and outreach campaigns (see *Attachment 2* for preliminary high-level implementation timeline and Board review checkpoints). Most immediately, staff

would expect to return to the Board on December 5, 2024, to request approval for initial financial and development resources.

With input from the steering committee, leadership and staff have established the following Guiding Principles to inform CalOptima Health's potential participation in Covered California and present them for the Board's consideration and adoption:

**CalOptima Health's Covered California Guiding Principles**

1. Through Covered California participation, provide continuous, high-quality care to our members across changes in life circumstances.
2. Ensure sufficient provider reimbursement in alignment with the current Covered California market in Orange County.
3. Consistently engage external stakeholders on an ongoing basis to inform the design, development and implementation of the program in a transparent way.
4. Be strong stewards of public funds by identifying opportunities for efficiency and careful investment in needed capabilities.
5. Ensure ongoing reinvestment in the Orange County community as a key tenet of Covered California participation.
6. Start small, and target individuals and families churning on and off Medi-Cal coverage.
7. Ensure network adequacy to support access and availability to care for our members.

Given the critical insights of the steering committee, staff also recommends that the Board authorize the continued regular convening of CalOptima Health's Covered California Stakeholder Steering Committee to inform ongoing operational and regulatory considerations for CalOptima Health's potential participation in Covered California.

**Fiscal Impact**

The recommended actions have no immediate fiscal impact. Staff will request funding through separate Board actions at future meetings.

**Rationale for Recommendation**

This recommendation will allow CalOptima Health to proceed to the next step to consider participation in Covered California.

**Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

**Attachment**

1. Covered California Stakeholder Steering Committee Membership List
2. Preliminary High-Level Covered California Implementation Timeline and Board Review Checkpoints
3. Previous Board Action dated August 1, 2024, "Approve Actions Related to Convening a Steering Committee and Conducting Community Listening Sessions to Explore Joining Covered California"

/s/ Michael Hunn  
**Authorized Signature**

09/26/2024  
**Date**

## **Covered California Stakeholder Steering Committee**

### **Membership List**

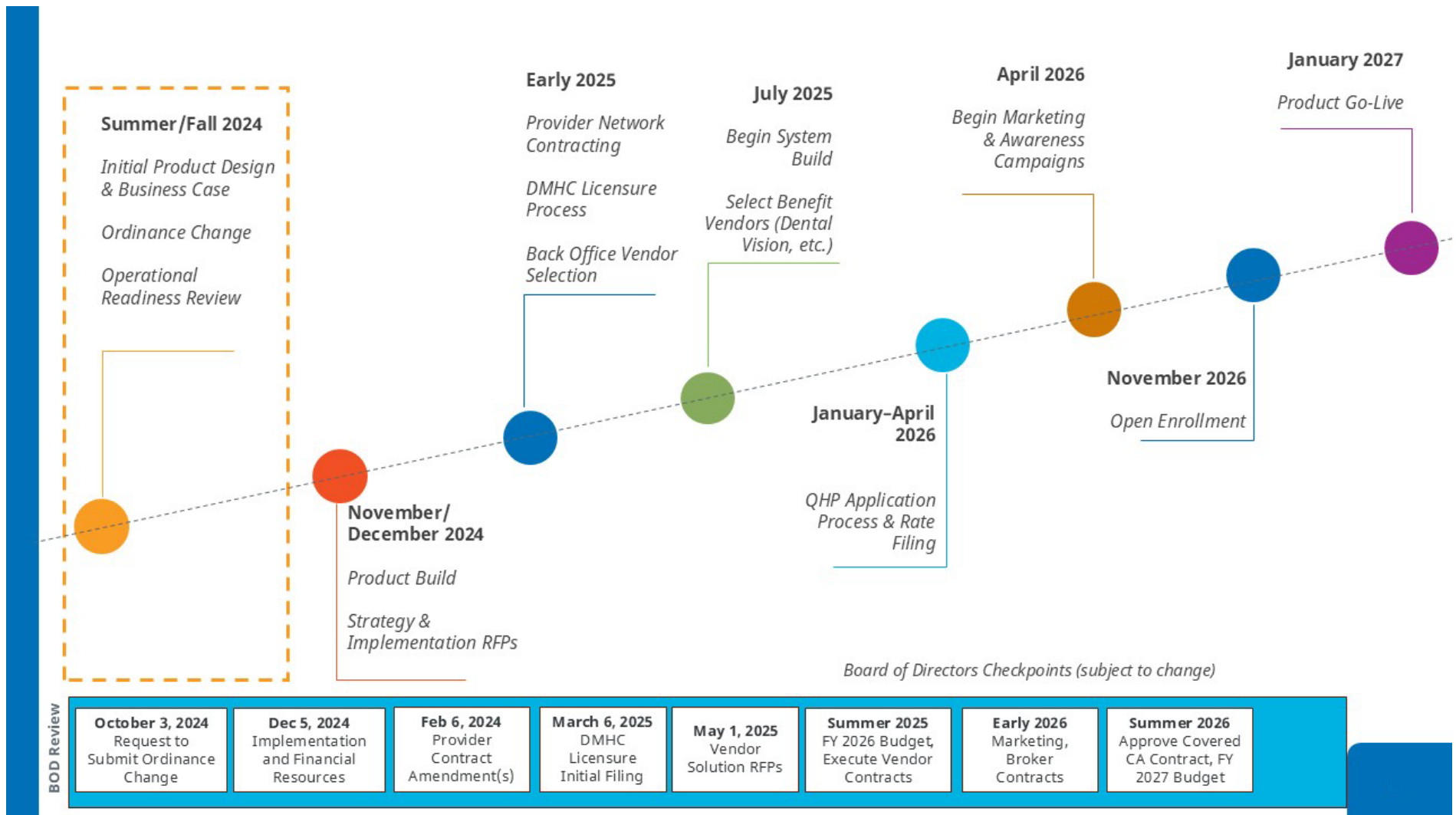
*(as of September 24, 2024)*

1. Hospital Association of Southern California (HASC) Representative
  - **Sara May / Paul Young**
2. Orange County Medical Association (OCMA) Representative
  - **Connie Bartlett, D.O.**
3. Safety Net Hospital Representative
  - **Randolph P. Siwabessy, MA, MBA, FACHE, FHFMA** — UCI Health
4. Pediatric Hospital Representative
  - **Jena Jensen** — Children's Hospital of Orange County (CHOC)
5. Large Health Network Representative
  - **Ray Chicoine** — Optum Orange County
6. Small Health Network Representative
  - **Toan Q. Tran, M.D. / Tao Le, M.D.** — Family Choice Health Services
7. Coalition of Orange County Community Health Centers (Coalition) Representative
  - **Sonia Shah, MPH / Ryan Yamamoto**
8. Community Clinic Representative
  - **Jenny Q. Nguyen, MPH** — Nhan Hoa Comprehensive Health Care Clinic
9. Chair, Member Advisory Committee (MAC)
  - **Christine C. Tolbert**
10. Chair, Provider Advisory Committee (PAC)
  - **John H. Nishimoto, O.D., MBA, FAAO**
11. Office of O.C. Supervisor Vicente Sarmiento
  - **Vasila Ahmad**
12. Office of O.C. Supervisor Doug Chaffee
  - **Al Jabbar**



## Preliminary High-Level Covered California Implementation Timeline and Board Review Checkpoints

(as of September 24, 2024)



## **CALOPTIMA HEALTH BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken August 1, 2024**

### **Regular Meeting of the CalOptima Health Board of Directors**

#### **Report Item**

18. Approve Actions Related to Convening a Steering Committee and Conducting Community Listening Sessions to Explore Joining Covered California

#### **Contacts**

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

Donna Laverdiere, Executive Director of Strategic Development, (714) 986-6981

#### **Recommended Actions**

1. Authorize the Chief Executive Officer, or designees, to convene a Stakeholder Steering Committee to explore CalOptima Health joining Covered California and provide feedback throughout the regulatory process.
2. Authorize the Chief Executive Officer, or designees, to conduct stakeholder listening sessions and workshops to explore CalOptima Health joining Covered California.

#### **Background/Discussion**

The Patient Protection and Affordable Care Act (ACA) was signed into law in March of 2010. The ACA allowed states to set up their own state-based marketplace or exchange to provide its residents with an avenue to shop for and purchase their health insurance and receive discounts in the form of federal subsidies if eligible.

California was the first state to introduce legislation to create the California Health Benefit Exchange, known as Covered California. In September of 2010, then-Governor Arnold Schwarzenegger signed Assembly Bill 1602, (the "California Patient Protection and Affordable Care Act"), by Assembly Speaker John Perez, and Senate Bill 900, by State Senator Elaine Alquist, into law.

In 2011, because of the signed legislations, the Orange County Board of Supervisors voted to not allow CalOptima to participate in Covered California. This was done through amending the CalOptima county ordinance that specifically prohibited CalOptima's participation in the State Health Care Exchange.

At the May 5, 2022, meeting, the Board had supported CalOptima's participation in Covered California and directed staff to seek an ordinance change from the County of Orange. The CalOptima Health Board of Directors approved joining Covered California in the Strategic Plan at its meeting on June 2, 2022.

CalOptima Health staff recommends convening a steering committee comprised of providers partners and members to explore joining Covered CA. The recent reinstatement of Medi-Cal renewals and existing churn in eligibility for low-income populations compromises continuity of care for members and results in mixed-coverage households with varying provider networks. Entry into Covered California would bridge the coverage gap when members lose Medi-Cal coverage and keep family members in aligned networks at affordable premiums.

The Steering Committee would provide staff with feedback starting in mid-August and continuing throughout the calendar year.

Additionally, in order to provide a transparent and robust stakeholder engagement process, staff would like to hold community listening sessions on August 14, 2024 and August 29, 2024.

Staff will bring findings and recommendations on next steps no later than the October Board meeting.

### **Fiscal Impact**

There is no immediate fiscal impact to explore CalOptima Health's participation in Covered California. Staff will address any additional fiscal impact in separate Board actions.

### **Rationale for Recommendation**

The recommendation action will allow CalOptima Health to solicit broad stakeholder feedback from the exploratory phase and obtain ongoing feedback related to CalOptima Health's participation in Covered California. The feedback will inform Board recommendations on next steps.

### **Concurrence**

Jim Novello, Outside General Counsel, Kennaday Leavitt

### **Attachments**

1. Proposed Steering Committee Seats
2. Previous Board Action dated May 5, 2022 "Direct the Chief Executive Officer to Take Actions to Amend CalOptima's Ordinance to Allow for the Participation in the California Health Benefit Exchange"
3. Previous Board Action dated June 2, 2022 "Adopt Strategic and Tactical Priorities for 2022-2025"

/s/ Michael Hunn  
**Authorized Signature**

07/25/2024  
**Date**

Covered California Steering Committee (PROPOSED)

1. Hospital Association of Southern California (HASC) Representative
2. Orange County Medical Association (OCMA) Representative
3. Safety Net Hospital Representative
4. Pediatric Hospital Representative
5. Large Health Network Representative
6. Small Health Network Representative
7. Community Clinic Representative
8. Member Advisory Committee Chair
9. Provider Advisory Committee Chair
10. Office of Supervisor Sarmiento
11. Office of Supervisor Chaffee

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken May 5, 2022**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

20. Direct the Chief Executive Officer to Take Actions to Amend CalOptima's Ordinance to Allow for the Participation in the California Health Benefit Exchange

#### **Contacts**

Michael Hunn, Chief Executive Officer, (657) 900-1481

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

#### **Recommended Actions**

1. Support CalOptima's participation in the California Health Benefit Exchange; and
2. Direct the Chief Executive Officer to seek an ordinance change from the County of Orange to allow CalOptima to participate in the State Health Insurance Exchange, also known as, Covered California.

#### **Background/Discussion**

The Patient Protection and Affordable Care Act (ACA) was signed into law in March of 2010. The ACA allowed states to set up their own state-based marketplace or exchange to provide its residents with an avenue to shop for and purchase their health insurance and receive discounts in the form of federal subsidies if eligible.

California was the first state to introduce legislation to create the California Health Benefit Exchange, known as Covered California. In September of 2010, then-Governor Arnold Schwarzenegger signed Assembly Bill 1602, (the "California Patient Protection and Affordable Care Act"), by Assembly Speaker John Perez, and Senate Bill 900, by State Senator Elaine Alquist, into law.

In 2011, because of the signed legislations, the Orange County Board of Supervisors voted to not allow CalOptima to participate in Covered California. This was done through amending the CalOptima county ordinance that specifically prohibited CalOptima's participation in the State Health Care Exchange.

Staff is seeking approval to allow the Chief Executive Officer to pursue an ordinance amendment at the County of Orange that would allow CalOptima to participate in Covered California. CalOptima's participation in Covered California would substantially benefit the county and CalOptima members for the following four core reasons:

- Reduce churn by providing CalOptima members continuity of care for former Medi-Cal members.
- Improve access by expanding the options to ensure more lives are covered.
- Extend local expertise that amplifies the impact of CalOptima's community focus.
- Bolster the safety net by bringing revenue that can be invested back into community health.

If approved, staff will seek approval to change the CalOptima Ordinance in order to allow participation in Covered California. The Ordinance is governed by the Orange County Board of Supervisors, so consideration of a change by the Board of Supervisors would require two readings:

- First Reading: Tuesday, May 10
- Second Reading: Tuesday, May 24

Following that process, CalOptima would begin work on building internal capabilities for a plan launch in January 2024. Covered California plans have an open enrollment period that begins in fall for annual coverage. Thus, the CalOptima plan would need to be ready to offer in late 2023 for 2024. Individuals can enroll outside of this window if they have certain life events, such as loss of coverage, a move, marriage and other considerations.

### **Fiscal Impact**

There is no immediate fiscal impact to support CalOptima's participation in Covered California and to seek a change to CalOptima's ordinance. Staff will address any additional fiscal impact in separate Board actions.

### **Rationale for Recommendation**

Participation in Covered California will provide CalOptima with greater opportunities to further its mission and serve its programs and members. The requested action will initiate the Ordinance change process.

### **Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

### **Attachments**

1. [CalOptima Marketplace Briefing Sheet](#)
2. [May 10, 2022 Board of Supervisors Agenda Item](#)

/s/ Michael Hunn  
**Authorized Signature**

04/28/2022  
**Date**

### **Proposal and Timeline**

At the May 5<sup>th</sup> CalOptima Board of Directors meeting, staff will seek approval to change the CalOptima Ordinance at the Board of Supervisors (BoS) in order to allow CalOptima to participate in Covered California. If approved, the ordinance change at the BoS would require two readings:

- First Reading-Tuesday, May 10<sup>th</sup>
- Second Reading-Tuesday, May 24<sup>th</sup>

The benefit to CalOptima and our members is:

- Continuity of care: up to 10,000 people in CA move between Medi-Cal and Covered California each month (pre-pandemic). Participating in the Exchange allows CalOptima to maintain continuity of care for Orange County residents who switch coverage
- Improved access to care
- Increased revenue that will help to support the safety net

### **Background**

Medi-Cal offers low-cost or free health coverage to eligible Orange County residents with limited income. Covered California is the state's health insurance marketplace where Orange County residents may shop for health plans and access financial assistance if they qualify for it.

According to Covered California:

- As of December 2021, Orange County has a total of 155,660 residents enrolled in Covered California:
  - 138,470 enrollees are subsidized
  - 17,200 enrollees are unsubsidized

- Covered California Enrollment in Orange County by FPL December 2021

|                      |       |
|----------------------|-------|
| 138% FPL or less     | 2.5%  |
| 138% FPL to 150% FPL | 22.2% |
| 150% FPL to 200% FPL | 23.4% |
| 200% FPL to 250% FPL | 13.3% |
| 250% FPL to 400% FPL | 25.7% |
| 400% FPL to 600% FPL | 5.4%  |
| 600% FPL or greater  | 2.3%  |

- Enrollment in Orange County by Health Plan, December 2021

|                                 |        |
|---------------------------------|--------|
| Anthem Blue Cross of California | 14,310 |
| Blue Shield of California       | 42,770 |
| Health Net                      | 28,650 |
| Kaiser Permanente               | 31,650 |
| Molina Healthcare               | 1,190  |
| Oscar Health Plan of California | 37,080 |

505 City Parkway West | Orange, CA 92868 | [www.caloptima.org](http://www.caloptima.org)

Main: 714-246-8400 | Fax: 714-246-8492 | TDD/TTY: 800-735-2929

**DRAFT 4/6/2022**

## Agenda Item

## AGENDA STAFF REPORT



ASR Control 22-000427

**MEETING DATE:** 05/10/22  
**LEGAL ENTITY TAKING ACTION:** Board of Supervisors  
**BOARD OF SUPERVISORS DISTRICT(S):** All Districts  
**SUBMITTING AGENCY/DEPARTMENT:** Health Care Agency (Approved)  
**DEPARTMENT CONTACT PERSON(S):** Torhon Barnes (714) 834-5109  
 Clayton Chau (714) 834-2830

**SUBJECT:** Amendments to CalOptima Ordinance

| CEO CONCUR | COUNTY COUNSEL REVIEW      | CLERK OF THE BOARD     |
|------------|----------------------------|------------------------|
| Concur     | Approved Ordinance to Form | Discussion             |
|            |                            | 3 Votes Board Majority |

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|   |   |                         |
|---|---|-------------------------|
| <b>Budgeted:</b> N/A                    | <b>Current Year Cost:</b> N/A           | <b>Annual Cost:</b> N/A |
| <b>Staffing Impact:</b> No              | <b># of Positions:</b>                  | <b>Sole Source:</b> N/A |
| <b>Current Fiscal Year Revenue:</b> N/A | <b>County Audit in last 3 years:</b> No |                         |
| <b>Funding Source:</b> N/A              |   |                         |
| <b>Prior Board Action:</b>              | 10/18/2011 #29, 10/04/2011 #38          |                         |

#### RECOMMENDED ACTION(S):

1. Read title of Ordinance, "An Ordinance of the County of Orange, California amending sections 4-11-2, of the Codified Ordinances of the County of Orange Regarding the Orange County Health Authority."
2. Order further reading of Ordinance be waived.
3. Consider the matter.
4. Direct Ordinance be placed on the agenda for the next regularly scheduled Board of Supervisors meeting for adoption.
5. Consider the matter and adopt the Ordinance at the next regularly scheduled meeting.

#### SUMMARY:

Modifying the CalOptima Ordinance will allow the CalOptima to participate in the California Health Benefit Exchange.

#### BACKGROUND INFORMATION:



The Patient Protection and Affordable Care Act (ACA) was signed into law in March of 2010. The ACA allowed states to set up their own state-based marketplace or exchange to provide its residents with an avenue to purchase their health insurance and receive discounts in the form of federal subsidies if eligible.

California was the first state to introduce legislation to create the California Health Benefit Exchange, known as Covered California. In September of 2010, then-Governor Arnold Schwarzenegger signed Assembly Bill 1602, the California Patient Protection and Affordable Care Act and Senate Bill 900 into law.

On October 4, 2011, the Orange County Board of Supervisors amended the CalOptima ordinance that stated, “It is not intended that the Health Authority compete with private sector health plans, individually or through joint ventures, to offer insurance directly to individual or group private payers procuring their coverage in the commercial, non-governmental health care market.”

On May 5, 2022, the CalOptima Board of Directors will consider authorizing the CalOptima Chief Executive Officer to seek an amendment of the CalOptima Ordinance from the Board of Supervisors regarding allowing CalOptima to participate in Covered California.

CalOptima’s participation in Covered California would substantially benefit the County and CalOptima members for the following four core reasons:

- Reduce churn by providing CalOptima members continuity of care for former Medi-Cal members.
- Improve access by expanding the options to ensure more individuals are covered.
- Extend local expertise that amplifies the impact of CalOptima’s community focus.
- Bolster the safety net by bringing revenue that can be invested back into community health.

The proposed amendments authorize CalOptima to participate in the Covered California as a health care service plan in accordance with Title 22 of the California Government Code (commencing with Section 100500) and Title 10 of the California Code of Regulations, and aligns the current Ordinance with Welfare & Institutions Code Section 14087.54.

In the event the Board adopts the amendments, CalOptima plans to begin building internal capabilities for a plan launch in January 2024.

#### **FINANCIAL IMPACT:**

N/A

#### **STAFFING IMPACT:**

N/A

#### **ATTACHMENT(S):**

Attachment A - Proposed Amendments to Orange County Codified Ordinance, Section 4-11-2

Attachment B - Current Version of Orange County Codified Ordinance, Section 4-11-2-2

Attachment C - Welfare & Institutions Code Section 14087.54

## ORDINANCE NO. 22-\_\_

AN ORDINANCE OF THE COUNTY OF ORANGE, CALIFORNIA  
 AMENDING SECTIONS 4-11-2 OF THE CODIFIED ORDINANCES OF THE  
 COUNTY OF ORANGE REGARDING THE ORANGE COUNTY HEALTH  
 AUTHORITY

The Board of Supervisors of the County of Orange, California ordains as follows:

SECTION 1. Section 4-11-12 of Article 1 of Division 11 of Title 4 of the Codified Ordinances of the County of Orange is hereby amended to read as follows:

Sec. 4-11-2. - Purpose.

(a) The purpose of the Health Authority is to negotiate exclusive contracts specified in Welfare and Institutions Code section 14087.5 with the California Department of Health Care Services and to arrange for the provision of health care services ~~to qualifying individuals who lack sufficient annual income to meet the cost of healthcare, and whose other assets are so limited that their application toward the cost of health care would jeopardize the person's or family's future minimum self-maintenance and security, pursuant to provided pursuant to chapter 7 of part 3 of division 9 of the Welfare and Institutions Code, and to participate in any other publicly supported health care program the Health Authority is permitted to participate in under state and federal law that are intended to assist low income or indigent residents in obtaining healthcare. It is not intended that the Health Authority compete with private sector health plans, individually or through joint ventures, to offer insurance directly to individual or group private payers procuring their coverage in the commercial, non-governmental health care market.~~

(b) The Health Authority shall design and operate a program that:

- (1) Incorporates managed care concepts; gives high priority to prevention, education and early intervention services; and improves access to primary care and related specialty and ancillary services for enrolled recipients.
- (2) Includes mechanisms for assuring that the program is culturally appropriate and linguistically competent, provides for continuity of care and geographic access to health care services, and meets appropriate quality of care standards.
- (3) Recognizes the importance of institutions providing medical, nursing and allied health education.
- (4) Provides a system for enrolled recipients to select their primary care provider.
- (5) Includes special care management components and a system of assignment to such components assuring that the health care needs of enrolled recipients with special requirements are met.

An Ordinance of the County of Orange, California, amending Section 4-11-2, subsection (a) of the Codified Ordinances of the County of Orange regarding the Orange County Health Authority

(6) Incorporates a plan of service delivery and implements reimbursement mechanisms which will assure the long-term viability of a locally operated Medi-Cal managed care system.

(7) Implements a financial plan which includes the creation of a prudent reserve within three (3) years of commencing operation, and which provides that if additional surplus funds accrue, such funds shall be used to expand access, improve benefits and/or augment provider reimbursement.

(8) Ensures that all program obligations, statutory, contractual or otherwise, shall be obligations of the program and shall not be the obligations of the County of Orange.

(c) The Health Authority shall have the power to contract with providers for services, including, but not limited to, contracts where services are provided on a capitation and other risk-sharing basis. The Health Authority may contract with public and private insurers, purchasers of health insurance, and fiscal intermediaries to administer its health care program.

(d) After commencement of operations of the Health Authority finance program for Medi-Cal recipients, the Health Authority shall design and implement a plan through separate contracts to include within the program it administers those eligible indigent persons for whom the County of Orange is responsible under part 5 (commencing with section 17000) of division 9 of the Welfare and Institutions Code. Unless otherwise provided by the Health Authority, providers contracting with the Health Authority shall serve all CalOptima eligible populations.

(e) The Health Authority shall have the power to contract with the California Managed Risk Medical Insurance Board, or other state approved Board as a participating health plan under California's Healthy Families Plan (part 6.2 of division 2 of the Insurance Code, commencing with section 12693).

(f) The Health Authority shall have the power to contract with the Centers for Medicare & Medicaid Services, or other applicable federal or state approved organization, and to execute such other agreements and documents to effectuate health care delivery systems for the following persons who are eligible to receive medical benefits:

(1) Persons who are eligible to receive medical benefits Under both Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.) and Title 19 of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.);

(2) Persons who are eligible to receive medical benefits Under Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.); and

(3) As otherwise permitted by Welfare and Institutions Code section 14087.54 Other individuals or groups in the service area, including, but not limited to, public agencies, private businesses, and uninsured or indigent persons. The Health Authority shall not use any payment or reserve from the Medi-Cal program for purposes of this subparagraph.

An Ordinance of the County of Orange, California, amending Section 4-11-2, subsection (a) of the Codified Ordinances of the County of Orange regarding the Orange County Health Authority

(g) The Health Authority shall have the power to enter into contracts for to-provisionde of a health care servicesdelivery system for the to individuals in the service area who are eligible to receive medical benefit under any publicly supported program, such as of-Medi-Cal eligible, and Healthy Families, if the Health Authority and participating providers acting pursuant to subcontracts with the Health Authority agree to hold harmless the beneficiaries of the publicly supported programs if the contract between the sponsoring government agency and the Health Authority does not ensure sufficient funding to cover program costs. The Health Authority shall not use any payments or reserve from the Medi-Cal program for this purposeeligible or other low income or indigent people in the County of Orange.

(h) The Health Authority shall ~~not have the power to offer a health insurance product in competition with private managed care organizations or private insurance plans in participate in the any California Health Insurance-Benefit Exchange (commonly known as Covered California) as a health care service plan in accordance with Title 22 of the California Government Code (commencing with Section 100500) and Title 10 of the California Code of Regulationscreated pursuant to the provisions of California Government Code Sections 100500-100521 or similar statutes that may be enacted, unless that product is intended to serve Medi-Cal eligible, Healthy Families eligible or other low income or indigent persons in obtaining healthcare.~~ The Health Authority shall have the power to participate in any other publicly supported health care program that the Health Authority is permitted to participate in under state and federal law that are intended to assist low income or indigent residents in obtaining healthcare. Nothing in this subsection (h) shall be construed to limit the power of the Health Authority to enter into contracts for the programs described in subsections (a) through (g) of this section. Nothing in this subsection (h) shall limit the Health Authority from coordinating the referral of Orange County residents who have applied to a Health Insurance-Benefit Exchange and are eligible for enrollment in the Medi-Cal, Healthy Families or other similar programs authorized by state or federal law for low income or indigent persons offered by the Health Authority.

(Ord. No. 3896, § 1, 8-10-93; Ord. No. 98-10, § 1, 7-21-98; Ord. No. 00-8, § 1, 8-1-00; Ord. No. 05-008, § 1, 5-24-05; Ord. No. 06-012, § 1, 12-5-06; Ord. No. 09-001, 1-13-09; Ord. No. 11-013, 5-3-11)

ORANGE COUNTY, CALIFORNIA, CODE OF ORDINANCES  
TITLE 4 - HEALTH SANITATION AND ANIMAL REGULATIONS  
Division 11 ORANGE COUNTY HEALTH AUTHORITY

ARTICLE 1. GENERAL PROVISIONS

Sec. 4-11-2. - Purpose.

(a) The purpose of the Health Authority is to negotiate exclusive contracts with the California Department of Health Care Services and to arrange for the provision of health care services to qualifying individuals who lack sufficient annual income to meet the cost of healthcare, and whose other assets are so limited that their application toward the cost of health care would jeopardize the person's or family's future minimum self-maintenance and security, pursuant to chapter 7 of part 3 of division 9 of the Welfare and Institutions code, and to participate in any other publicly supported health care program the Health Authority is permitted to participate in under state and federal law that are intended to assist low income or indigent residents in obtaining healthcare. It is not intended that the Health Authority compete with private sector health plans, individually or through joint ventures, to offer insurance directly to individual or group private payers procuring their coverage in the commercial, non-governmental health care market.

(b) The Health Authority shall design and operate a program that:

- (1) Incorporates managed care concepts; gives high priority to prevention, education and early intervention services; and improves access to primary care and related specialty and ancillary services for enrolled recipients.
- (2) Includes mechanisms for assuring that the program is culturally appropriate and linguistically competent, provides for continuity of care and geographic access to health care services, and meets appropriate quality of care standards.
- (3) Recognizes the importance of institutions providing medical, nursing and allied health education.
- (4) Provides a system for enrolled recipients to select their primary care provider.
- (5) Includes special care management components and a system of assignment to such components assuring that the health care needs of enrolled recipients with special requirements are met.
- (6) Incorporates a plan of service delivery and implements reimbursement mechanisms which will assure the long-term viability of a locally operated Medi-Cal managed care system.

An Ordinance of the County of Orange, California, Section 4-11-2, subsection (a) of the Codified Ordinances of the County of Orange regarding the Orange County Health Authority



(7) Implements a financial plan which includes the creation of a prudent reserve within three (3) years of commencing operation, and which provides that if additional surplus funds accrue, such funds shall be used to expand access, improve benefits and/or augment provider reimbursement.

(8) Ensures that all program obligations, statutory, contractual or otherwise, shall be obligations of the program and shall not be the obligations of the County of Orange.

(c) The Health Authority shall have the power to contract with providers for services, including, but not limited to, contracts where services are provided on a capitation and other risk-sharing basis. The Health Authority may contract with public and private insurers, purchasers of health insurance, and fiscal intermediaries to administer its health care program.

(d) After commencement of operations of the Health Authority finance program for Medi-Cal recipients, the Health Authority shall design and implement a plan through separate contracts to include within the program it administers those eligible indigent persons for whom the County of Orange is responsible under part 5 (commencing with section 17000) of division 9 of the Welfare and Institutions Code. Unless otherwise provided by the Health Authority, providers contracting with the Health Authority shall serve all CalOptima eligible populations.

(e) The Health Authority shall have the power to contract with the California Managed Risk Medical Insurance Board, or other state approved Board as a participating health plan under California's Healthy Families Plan (part 6.2 of division 2 of the Insurance Code, commencing with section 12693).

(f) The Health Authority shall have the power to contract with the Centers for Medicare & Medicaid Services, or other applicable federal or state approved organization, and to execute such other agreements and documents to effectuate health care delivery systems for persons who are eligible to receive medical benefits:

(1) Under both Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.) and Title 19 of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.);

(2) Under Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.); and

(3) As otherwise permitted by Welfare and Institutions Code section 14087.54.

(g) The Health Authority shall have the power to contract to provide a health care delivery system for the benefit of Medi-Cal eligible, Healthy Families eligible or other low income or indigent people in the County of Orange.

(h) The Health Authority shall not have the power to offer a health insurance product in competition with private managed care organizations or private insurance plans in any Health Insurance Exchange created pursuant to the provisions of California Government Code Sections 100500-100521 or similar statutes that may be enacted, unless that product is intended to serve

An Ordinance of the County of Orange, California, Section 4-11-2, subsection (a) of the Codified Ordinances of the County of Orange regarding the Orange County Health Authority

Medi-Cal eligible, Healthy Families eligible or other low income or indigent persons in obtaining healthcare. Nothing in this subsection (h) shall be construed to limit the power of the Health Authority to enter into contracts for the programs described in subsections (a) through (g) of this section. Nothing in this subsection (h) shall limit the Health Authority from coordinating the referral of Orange County residents who have applied to a Health Insurance Exchange and are eligible for enrollment in the Medi-Cal, Healthy Families or other similar programs authorized by state or federal law for low income or indigent persons offered by the Health Authority.

(Ord. No. 3896, § 1, 8-10-93; Ord. No. 98-10, § 1, 7-21-98; Ord. No. 00-8, § 1, 8-1-00; Ord. No. 05-008, § 1, 5-24-05; Ord. No. 06-012, § 1, 12-5-06; Ord. No. 09-001, 1-13-09; Ord. No. 11-013, 5-3-11)

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(b) The Health Authority shall design and operate a program that:

- (1) Incorporates managed care concepts; gives high priority to prevention, education and early intervention services; and improves access to primary care and related specialty and ancillary services for enrolled recipients.
- (2) Includes mechanisms for assuring that the program is culturally appropriate and linguistically competent, provides for continuity of care and geographic access to health care services, and meets appropriate quality of care standards.
- (3) Recognizes the importance of institutions providing medical, nursing and allied health education.
- (4) Provides a system for enrolled recipients to select their primary care provider.
- (5) Includes special care management components and a system of assignment to such components assuring that the health care needs of enrolled recipients with special requirements are met.
- (6) Incorporates a plan of service delivery and implements reimbursement mechanisms which will assure the long-term viability of a locally operated Medi-Cal managed care system.



(7) Implements a financial plan which includes the creation of a prudent reserve within three (3) years of commencing operation, and which provides that if additional surplus funds accrue, such funds shall be used to expand access, improve benefits and/or augment provider reimbursement.

(8) Ensures that all program obligations, statutory, contractual or otherwise, shall be obligations of the program and shall not be the obligations of the County of Orange.

(c) The Health Authority shall have the power to contract with providers for services, including, but not limited to, contracts where services are provided on a capitation and other risk-sharing basis. The Health Authority may contract with public and private insurers, purchasers of health insurance, and fiscal intermediaries to administer its health care program.

(d) After commencement of operations of the Health Authority finance program for Medi-Cal recipients, the Health Authority shall design and implement a plan through separate contracts to include within the program it administers those eligible indigent persons for whom the County of Orange is responsible under part 5 (commencing with section 17000) of division 9 of the Welfare and Institutions Code. Unless otherwise provided by the Health Authority, providers contracting with the Health Authority shall serve all CalOptima eligible populations.

(e) The Health Authority shall have the power to contract with the California Managed Risk Medical Insurance Board, or other state approved Board as a participating health plan under California's Healthy Families Plan (part 6.2 of division 2 of the Insurance Code, commencing with section 12693).

(f) The Health Authority shall have the power to contract with the Centers for Medicare & Medicaid Services, or other applicable federal or state approved organization, and to execute such other agreements and documents to effectuate health care delivery systems for persons who are eligible to receive medical benefits:

(1) Under both Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.) and Title 19 of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.);

(2) Under Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.); and

(3) As otherwise permitted by Welfare and Institutions Code section 14087.54.

(g) The Health Authority shall have the power to contract to provide a health care delivery system for the benefit of Medi-Cal eligible, Healthy Families eligible or other low income or indigent people in the County of Orange.

(h) The Health Authority shall not have the power to offer a health insurance product in competition with private managed care organizations or private insurance plans in any Health Insurance Exchange created pursuant to the provisions of California Government Code Sections 100500-100521 or similar statutes that may be enacted, unless that product is intended to serve

An Ordinance of the County of Orange, California, Section 4-11-2, subsection (a) of the Codified Ordinances of the County of Orange regarding the Orange County Health Authority

Medi-Cal eligible, Healthy Families eligible or other low income or indigent persons in obtaining healthcare. Nothing in this subsection (h) shall be construed to limit the power of the Health Authority to enter into contracts for the programs described in subsections (a) through (g) of this section. Nothing in this subsection (h) shall limit the Health Authority from coordinating the referral of Orange County residents who have applied to a Health Insurance Exchange and are eligible for enrollment in the Medi-Cal, Healthy Families or other similar programs authorized by state or federal law for low income or indigent persons offered by the Health Authority.

(Ord. No. 3896, § 1, 8-10-93; Ord. No. 98-10, § 1, 7-21-98; Ord. No. 00-8, § 1, 8-1-00; Ord. No. 05-008, § 1, 5-24-05; Ord. No. 06-012, § 1, 12-5-06; Ord. No. 09-001, 1-13-09; Ord. No. 11-013, 5-3-11)



## WELFARE AND INSTITUTIONS CODE - WIC

**DIVISION 9. PUBLIC SOCIAL SERVICES [10000 - 18999.98]** ( *Division 9 added by Stats. 1965, Ch. 1784.*  )

**PART 3. AID AND MEDICAL ASSISTANCE [11000 - 15771]** ( *Part 3 added by Stats. 1965, Ch. 1784.*  )

**CHAPTER 7. Basic Health Care [14000 - 14199.67]** ( *Chapter 7 added by Stats. 1965, 2nd Ex. Sess., Ch. 4.*  )

**ARTICLE 2.8. County Health Systems [14087.5 - 14087.95]** ( *Heading of Article 2.8 amended by Stats. 1988, Ch. 1348, Sec. 1.*  )

**14087.54.** (a) Any county or counties may establish a special commission in order to meet the problems of the delivery of publicly assisted medical care in the county or counties and to demonstrate ways of promoting quality care and cost efficiency.

(b) (1) A county board of supervisors may, by ordinance, establish a commission to negotiate the exclusive contract specified in Section 14087.5 and to arrange for the provision of health care services provided pursuant to this chapter. The boards of supervisors of more than one county may also establish a single commission with the authority to negotiate an exclusive contract and to arrange for the provision of services in those counties. If a board of supervisors elects to enact this ordinance, all rights, powers, duties, privileges, and immunities vested in a county by this article shall be vested in the county commission. Any reference in this article to "county" shall mean a commission established pursuant to this section.

(2) A commission operating pursuant to this section may also enter into contracts for the provision of health care services to persons who are eligible to receive medical benefits under any publicly supported program, if the commission and participating providers acting pursuant to subcontracts with the commission agree to hold harmless the beneficiaries of the publicly supported programs if the contract between the sponsoring government agency and the commission does not ensure sufficient funding to cover program costs. The commission shall not use any payments or reserves from the Medi-Cal program for this purpose.

(3) In addition to the authority specified in paragraph (1), the board of supervisors may, by ordinance, authorize the commission established pursuant to this section to provide health care delivery systems for any or all of the following persons:

(A) Persons who are eligible to receive medical benefits under both Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.) and Title 19 of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.).

(B) Persons who are eligible to receive medical benefits under Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395).

(C) Other individuals or groups in the service area, including, but not limited to, public agencies, private businesses, and uninsured or indigent persons. The commission shall not use any payment or reserve from the Medi-Cal program for purposes of this subparagraph.

(4) Nothing in this section shall prohibit a commission established pursuant to this section from providing services pursuant to subparagraph (C) of paragraph (3) in counties other than the commission's county if the commission is approved by the Department of Managed Health Care to provide services in those counties. The commission shall not use any payment or reserve from the Medi-Cal program for purposes of this paragraph.

(5) For purposes of providing services to persons described in subparagraph (A) or (B) of paragraph (3), if the commission seeks a contract with the federal Centers for Medicare and Medicaid Services to provide Medicare services as a Medicare Advantage

program, the commission shall first obtain a license under the Knox-Keene Health Care Service Plan Act (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code).

(6) With respect to the provision of services for persons described in subparagraph (A) or (B) of paragraph (3), the commission shall conform to applicable state licensing and freedom of choice requirements as directed by the federal Centers for Medicare and Medicaid Services.

(7) Any material, provided to a person described in subparagraph (A) or (B) of paragraph (3) who is dually eligible to receive medical benefits under both the Medi-Cal program and the Medicare Program, regarding the enrollment or availability of enrollment in Medicare services established by the commission shall include notice of all of the following information in the following format:

(A) Medi-Cal eligibility will not be lost or otherwise affected if the person does not enroll in the plan for Medicare benefits.

(B) The person is not required to enroll in the Medicare plan to be eligible for Medicare benefits.

(C) The person may have other choices for Medicare coverage and for further assistance may contact the federal Centers for Medicare and Medicaid Services (CMS) at 1-800-MEDICARE or [www.Medicare.gov](http://www.Medicare.gov).

(D) The notice shall be in plain language, prominently displayed, and translated into any language other than English that the commission is required to use in communicating with Medi-Cal beneficiaries.

(c) It is the intent of the Legislature that if a county forms a commission pursuant to this section, the county shall, with respect to its medical facilities and programs occupy no greater or lesser status than any other health care provider in negotiating with the commission for contracts to provide health care services.

(d) The enabling ordinance shall specify the membership of the county commission, the qualifications for individual members, the manner of appointment, selection, or removal of commissioners, and how long they shall serve, and any other matters as a board of supervisors deems necessary or convenient for the conduct of the county commission's activities. A commission so established shall be considered an entity separate from the county or counties, shall be considered a public entity for purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, and shall file the statement required by Section 53051 of the Government Code. The commission shall have in addition to the rights, powers, duties, privileges, and immunities previously conferred, the power to acquire, possess, and dispose of real or personal property, as may be necessary for the performance of its functions, to employ personnel and contract for services required to meet its obligations, to sue or be sued, and to enter into agreements under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code. Any obligations of a commission, statutory, contractual, or otherwise, shall be the obligations solely of the commission and shall not be the obligations of the county or of the state.

(e) Upon creation, a commission may borrow from the county or counties, and the county or counties may lend the commission funds, or issue revenue anticipation notes to obtain those funds necessary to commence operations.

(f) In the event a commission may no longer function for the purposes for which it was established, at the time that the commission's then existing obligations have been satisfied or the commission's assets have been exhausted, the board or boards of supervisors may by ordinance terminate the commission.

(g) Prior to the termination of a commission, the board or boards of supervisors shall notify the State Department of Health Care Services of its intent to terminate the commission. The department shall conduct an audit of the commission's records within 30 days of the notification to determine the liabilities and assets of the commission. The department shall report its findings to the board or boards within 10 days of completion of the audit. The board or boards shall prepare a plan to liquidate or otherwise dispose of the assets of the commission and to pay the liabilities of the commission to the extent of the commission's assets, and present the plan to the department within 30 days upon receipt of these findings.

(h) Upon termination of a commission by the board or boards, the county or counties shall manage any remaining assets of the commission until superseded by a department approved plan. Any liabilities of the commission shall not become obligations of the county or counties upon either the termination of the commission or the liquidation or disposition of the commission's remaining assets.

(i) Any assets of a commission shall be disposed of pursuant to provisions contained in the contract entered into between the state and the commission pursuant to this article.

(j) Nothing in this section shall be construed to supersede Section 14093.06 or 14094.3.

*(Amended by Stats. 2007, Ch. 483, Sec. 51. Effective January 1, 2008.)*

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 2, 2022**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

18. Adopt Strategic and Tactical Priorities for 2022-2025

#### **Contacts**

Michael Hunn, Chief Executive Officer, (657) 900-1481

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

#### **Recommended Action(s)**

1. Adopt Strategic and Tactical Priorities for 2022-2025

#### **Background and Discussion**

CalOptima was created by the Orange County Board of Supervisors in 1993 as a County Organized Health System (COHS) to meet the needs of Orange County residents and providers in the Medicaid system.

In July of 1994, the CalOptima Board of Directors (Board) adopted the Mission, Goals, and Objective Statement for O.P.T.I.M.A as developed by the Provider Advisory Committee and the Consumer/Beneficiary Advisory Committee.

At that time, the Board wanted to ensure that the statement regarding the inclusion of the County-responsible indigent population in O.P.T.I.M.A was linked to the availability of adequate funding for services provided to this population.

The following mission was adopted and defined in Policy #AA. 1201:

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

CalOptima also adopted the following vision statement:

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

In 2013, during a strategic planning session conducted by the Board updating the mission was considered. Ultimately, it was agreed up on that the original mission statement did not require any changes.

Today, CalOptima is the single largest health insurer in Orange County, providing coverage for one in four residents through four programs:

- Medi-Cal
- OneCare
- OneCare Connect

- PACE

On March 17, 2022, the Board formally adopted new mission and vision statements.

- Mission-To serve member health with excellence and dignity, respecting the value and needs of each person.
- Vision-By 2027, remove barriers to healthcare 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.

Beginning in December of 2021, staff developed five strategic priorities and tactical priorities. Over the last six months, CalOptima has sought feedback from advisory committees, health networks, hospitals, and clinics among others. The five strategic priority areas are as follows:

- Organizational and Leadership Development
- Overcoming Health Disparities
- Finance and Resource Allocation
- Accountability and Results Tracking
- Future Growth

The strategic priority areas and tactical priorities will support planning and development for CalOptima through 2025. Staff will return to the Board with a Strategic Plan using these priorities for approval.

### **Fiscal Impact**

There is no fiscal impact.

### **Rationale for Recommendation**

Development of the proposed Strategic Priority Areas is consistent with the direction provided by the Board of Directors to support planning and development of CalOptima programs and initiatives.

### **Concurrence**

James Novello, Outside General Counsel, Kennaday Leavitt

### **Attachments**

1. [Strategic Priorities One Pager](#)
2. [Resolution of New Mission and Vision Statement for CalOptima](#)

/s/ Michael Hunn  
**Authorized Signature**

05/27/2022  
**Date**



|                                |  |  |   |   |  |
|--------------------------------|--|--|---|---|--|
| Mission                        | To serve member health with excellence and dignity, respecting the value and needs of each person.   |  |   |   |  |
| Vision                         | By 2027, remove barriers to healthcare 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.  |  |   |   |  |
| Core Strategy                  | The ‘inter-agency’ co-creation of services and programs, together with our delegated networks, providers, and community partners, to support the mission and vision.   |  |   |   |  |
| Strategic Priorities 2022-2025 | Organizational and Leadership Development  | Overcoming Health Disparities  | Finance and Resource Allocation   | Accountabilities & Results Tracking   | Future Growth  |
| Tactical Priorities 2022-2025  | <ul style="list-style-type: none"> <li>• Cultural Alignment throughout CalOptima</li> <li>• Talent Development &amp; Succession Planning</li> <li>• Effective &amp; Efficient Organizational Structures</li> <li>• Aligned Operating Systems &amp; Structures</li> <li>• Staff Leadership Development Institutes (Training) &amp; Executive Coaching</li> <li>• Organizational Excellence Annual Priorities</li> <li>• On-going updated Policies &amp; Procedures</li> <li>• Governance &amp; Regulatory Compliance Trainings</li> <li>• Board Priorities</li> </ul> | <ul style="list-style-type: none"> <li>• CalOptima’s ‘Voice &amp; Influence’</li> <li>• Local, Federal &amp; State Advocacy</li> <li>• Collaboration with the County, HCA, BeWell, the Networks and Community Based Organizations</li> <li>• Support for Community Clinics &amp; Safety Net Providers</li> <li>• Medical Affairs Value Based Care Delivery</li> <li>• CalAIM initiatives</li> <li>• Focus on Equity &amp; Communities Impacted by Health Inequities</li> <li>• Co-Created Needs Assessment within Equity Communities &amp; Neighborhoods</li> <li>• ITS Architecture that supports the Core Strategy</li> <li>• DHCS Comprehensive Quality Strategy</li> </ul> | <p>Operating Budget Priorities</p> <ul style="list-style-type: none"> <li>• Balanced Operating Budget</li> <li>• New Programs &amp; Services Budgeting (CalAIM, DHCS Quality Strategy)</li> <li>• Fiscal Strategic Plan Priorities (KPI/KFI)</li> <li>• Quarterly Budget Reconciliation</li> </ul> <p>Capital Budget Priorities</p> <ul style="list-style-type: none"> <li>• Capital Planning &amp; Asset Management, including Real-Estate Management and Acquisition(s)</li> <li>• New ITS Architecture</li> </ul> <p>New Policy and Program Development based on Funding</p> <ul style="list-style-type: none"> <li>• Reserve/Spending Policies &amp; Priorities</li> <li>• Aligned Incentives for Network Quality &amp; Compliance</li> <li>• Contracting &amp; Vendor/Provider Management</li> </ul> | <ul style="list-style-type: none"> <li>• Updated By-Laws</li> <li>• Executive Priorities &amp; Outcomes</li> <li>• COBAR Clarity</li> <li>• Inter-Agency Team Priorities</li> <li>• Public/Private Implementation Work Group</li> <li>• Resource Allocation for Inter-Agency Initiatives</li> <li>• Partner CalAIM Opportunities for Outcomes Metrics</li> <li>• Research Analytics for Efficacy Reporting (Metrics of Success)</li> <li>• Regular Board Training Sessions</li> </ul> | <ul style="list-style-type: none"> <li>• Member Access to Quality Care</li> <li>• Participate in Covered California</li> <li>• Site Utilization (PACE etc.)</li> <li>• Services/Programs Aligned with Future Reimbursements from DHCS and CMS</li> <li>• Demographic &amp; Analytics by Micro-Community</li> <li>• ITS Data Sharing to benefit the member</li> <li>• Implement Programs &amp; Services (CalAIM) &amp; Plan for Site Locations</li> <li>• Industry Trends Analysis (Trade Associations, Lobbyists etc.)</li> <li>• Enhanced ITS security posture</li> </ul> |
| <a href="#">Back to Agenda</a> |  | <a href="#">Back to Item</a>   |   | DRAFT STRATEGIC AND TACTICAL PRIORITIES May_2022  |  |



**RESOLUTION NO. 22-0317-01**

**RESOLUTION OF THE BOARD OF DIRECTORS  
ORANGE COUNTY HEALTH AUTHORITY  
d.b.a. CalOptima**

**RESOLUTION FOR MISSION AND VISION STATEMENT**

WHEREAS, the governing body of the Orange County Health Authority, dba CalOptima, (“CalOptima”) adopted Mission, Goals, and Objective Statement O.P.T.I.M.A in July of 1994;

WHEREAS, this mission statement adopted in 1994 stated, the mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner;

WHEREAS, the adoption of the mission statement was reflected in Policy #AA. 1201;

WHEREAS, the governing body of CalOptima has adopted a new mission and vision statement on March 17, 2022 and will be reflected in Policy #AA. 1201;

WHEREAS, the governing body adopted CalOptima’s new mission and vision statement as follows;

- Mission: To serve member health with excellence and dignity, respecting the value and needs of each person.
- Vision: By 2027, remove barriers to healthcare 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.

NOW, THEREFORE, BE IT RESOLVED that the governing body of CalOptima adopts a new mission and vision statement.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 17th day of March 2022.

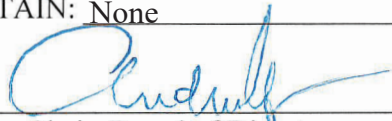
AYES: Becerra, Chaffee, Contratto, Corwin, Do, Mayorga, Schoeffel, Shivers

NOES: None

ABSENT: Tran

ABSTAIN: None

/s/



Title: Chair, Board of Directors

Printed Name and Title: Andrew Do, Chair, CalOptima Board of Directors

Attest:

/s/



Sharon Dwiers, Clerk of the Board