



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

**THURSDAY, APRIL 6, 2017
2:00 P.M.**

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

BOARD OF DIRECTORS

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

CHIEF EXECUTIVE OFFICER
Michael Schrader

CHIEF COUNSEL
Gary Crockett

CLERK OF THE BOARD
Suzanne Turf

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

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

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

CALL TO ORDER
Pledge of Allegiance
Establish Quorum

PRESENTATIONS/INTRODUCTIONS

MANAGEMENT REPORTS

1. **Chief Executive Officer Report**
 - a. American Health Care Act
 - b. New Executives
 - c. Program of All-Inclusive Care for the Elderly
 - d. Supervisor Steel Orientation
 - e. CalOptima Community Network
 - f. Fully Integrated Dual Eligible Special Needs Plan
 - g. Health Homes Program
 - h. Key Meetings

PUBLIC COMMENTS

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

CONSENT CALENDAR

2. **Minutes**
 - a. Approve Minutes of the March 2, 2017 Regular Meeting of the CalOptima Board of Directors
 - b. Receive and File Minutes of the January 12, 2017 Meeting of the CalOptima Board of Directors' Member Advisory Committee; the February 9, 2017 Meeting of the CalOptima Board of Directors' Provider Advisory Committee; and the February 23, 2017 and December 22, 2016 Meetings of the CalOptima Board of Directors' OneCare Connect Cal MediConnect (Medicare-Medicaid Plan) Member Advisory Committee

REPORTS

3. **Consider Authorizing Policy Changes Removing the Requirement for Full-Risk Health Networks to be Accredited and/or Certified by the National Committee for Quality Assurance (NCQA) in Order to Subdelegate Functions for the Medi-Cal Line of Business; Consider Authorizing Amendments to Full-Risk Health Network Contracts to Implement this Change**
4. **Consider Adoption of Resolution Approving Updated Human Resources Policies**
5. **Consider Authorization of Expenditures in Support of CalOptima's Participation in Community Event**

ADVISORY COMMITTEE UPDATES

6. **OneCare Connect Cal MediConnect (Medicare-Medicaid Plan) Member Advisory Committee Update**
7. **Member Advisory Committee Update**
8. **Provider Advisory Committee Update**

INFORMATION ITEMS

9. [Federal and State Legislative Advocates Reports](#)
10. [February 2017 Financial Summary](#)
11. [Compliance Report](#)
12. [CalOptima Community Outreach and Program Summary](#)

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

CLOSED SESSION

- CS 1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION. Government Code Section 54956.9, subdivision (d)(1) One Case: Fountain Valley Regional Hospital and Medical Center v. CalOptima and Healthcare Insight, a division of Verisk Health, Inc. Orange County Superior Court (OCSC) Case No. 30-2016-00848235-CU-BC-CJC

ADJOURNMENT

NEXT REGULAR MEETING: Thursday, May 4, 2017 at 2:00 p.m.

MEMORANDUM

DATE: April 6, 2017
TO: CalOptima Board of Directors
FROM: Michael Schrader, CEO
SUBJECT: CEO Report
COPY: Suzanne Turf, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; OneCare Connect Member Advisory Committee

American Health Care Act (AHCA)

On March 24, the AHCA was pulled from U.S. House of Representatives due to lack of support. While House Speaker Paul Ryan indicated that the GOP is “moving on” from health care, we will stay engaged with our associations, federal advocate and congressional delegation regarding possible future action to change the Affordable Care Act generally and Medicaid Expansion specifically. We also plan to closely monitor any regulatory or policy changes from the Department of Health and Human Services (HHS) and the Centers for Medicare & Medicaid Services (CMS) that may occur in lieu of legislative actions. Separately, before the reversal on AHCA, the California Department of Health Care Services (DHCS) released an analysis of the bill, identifying five serious concerns about the “massive and significant fiscal shift from the federal government to states.” The state’s preliminary analysis of the AHCA showed nearly \$6 billion in costs to California in 2020, growing to \$24.3 billion in 2027.

New Executives

CalOptima welcomed two new executives on March 27. Sesha Mudunuri is Executive Director of Operations. Most recently, he was corporate vice president of claims administration, information technology and analytics for New Directions Behavioral Health in Kansas City, Mo. Prior to that, Mudunuri worked in operations or information services for Kaiser Permanente, Excellus BlueCross BlueShield, Prudential Financial and other organizations. Michelle Laughlin is Executive Director of Network Operations. Most recently, she was senior account director, managed care, for Laboratory Corp. of America’s Specialty Testing Division. Laughlin has held several other leadership roles in managed care and provider relations, including at Genzyme Corp., Axiom Health Alliance and Tower Health Plan.

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

In response to your Board’s request at the March meeting, staff and invited experts will present a PACE study session as part of the May 4 Board meeting.

Supervisor Steel Orientation

Orange County Second District Supervisor Michelle Steel is CalOptima’s newly appointed alternate Board member. She attended an orientation session on March 21 covering the agency’s programs, financials and key issues in 2017 and beyond. Supervisor Steel also received

information regarding the Brown Act, Board member responsibilities and public agency requirements.

CalOptima Community Network (CCN)

CalOptima continuously manages our delivery system, including CCN, CalOptima's direct network. In establishing CCN, your Board set criteria to ensure the fair distribution of members to our network and to private-sector health networks during the auto assignment process. Per the Board's directive when CCN was established, once CCN membership grew to 10 percent of overall CalOptima membership and stayed at that level for three consecutive months, auto assignment to CCN would stop. CCN has met that threshold, with total membership of more than 68,000, so effective April 1, auto assignment to CCN ceased. Importantly, this does not impact a member's ability to choose CCN as their health network nor does this apply to members with certain complex medical conditions who are required to be in CCN Complex. The policies governing CCN auto assignment are at the discretion of your Board, and I understand there may be interest in revisiting the cap. As you know, there are differing perspectives in the community regarding CCN, and performance data and stakeholder input would support your Board in making an informed decision. At the request of our private-sector health networks, staff is developing a side-by-side comparison of CCN to the private-sector health networks. The comparison will include metrics related to financial performance, quality of care, member satisfaction and audit results. CalOptima staff plans to share the comparison data with the Member Advisory Committee and Provider Advisory Committee, your Board's Quality Assurance Committee and Finance and Audit Committee, as well as the CEOs of the health networks, before bringing it to your full Board later this year.

Fully Integrated Dual Eligible Special Needs Plan (FIDE-SNP)

In December, your Board authorized analysis by actuary Milliman Inc. to determine whether the conversion of OneCare from a Dual Eligible Special Needs Plan (D-SNP) to a FIDE-SNP presented a financial advantage based on the frailty index. Milliman studied the issue and provided analysis that showed relatively little financial gain (1 percent increase in revenue). Therefore, CalOptima OneCare will remain a D-SNP at this time, and we plan to submit our 2018 bid as such. If conditions change, we may consider the FIDE-SNP option again in the future and return to the Board with further recommendations.

Health Homes Program

On March 29, DHCS released a revised schedule for implementing the Health Homes Program, reflecting a one-year delay. The first phase will now begin July 1, 2018, with Orange County as part of the second phase, starting January 1, 2019. Federal approval of the program is still pending. As background, the Health Homes Program aims at coordinating the full range of medical, behavioral and community-based services for people with chronic conditions who meet certain eligibility criteria.

Key Meetings

- **UC Health**

On February 24, I attended a second meeting with UC Health officials to further discuss development of a systemwide agreement for Medi-Cal among the UCs in Southern

California. Led by the executive vice president of UC Health, the meeting included CEOs from L.A. Care Health Plan and Inland Empire Health Plan. While discussions are still at a very preliminary stage, an essential element of any such arrangement will be differentiating payment for UC's routine, community-based primary care and hospital services vs. advanced, highly specialized tertiary and quaternary care. Ultimately, if an agreement is reached, CalOptima members could gain more access to tertiary and quaternary care from UC medical centers and affiliates. I will keep your Board informed about progress and next steps.

- **ACAP Meetings**

The Association for Community Affiliated Plans (ACAP) Annual Conference was held March 20–23 in Costa Mesa, and CalOptima played a leading role since the event was in our county. Our executive team participated in or led three different sessions. Tracy Hitzeman, Executive Director of Clinical Operations, and Caryn Ireland, Executive Director of Quality and Analytics, spoke about Medicare Star ratings and quality measures. I provided an update on Cal MediConnect and OneCare Connect. In addition, Interim CFO Nancy Huang was on a panel to discuss the role of the CFO in achieving the Triple Aim. Separately, we also welcomed ACAP execs to our offices for a meeting and to the PACE center for a tour.

MINUTES

REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS

March 2, 2017

A Regular Meeting of the CalOptima Board of Directors was held on March 2, 2017, at CalOptima, 505 City Parkway West, Orange, California. Chair Mark Refowitz called the meeting to order at 2:05 p.m. Director Khatibi led the Pledge of Allegiance.

ROLL CALL

Members Present: Mark Refowitz, Chair (non-voting); Lee Penrose, Vice Chair; Supervisor Lisa Bartlett, Ria Berger, Ron DiLuigi, Supervisor Andrew Do, Dr. Nikan Khatibi, Alexander Nguyen, M.D., Scott Schoeffel, Paul Yost, M.D.

Members Absent: All members present

Others Present: Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Nancy Huang, Interim Chief Financial Officer; Ladan Khamseh, Chief Operating Officer; Len Rosignoli, Chief Information Officer; Suzanne Turf, Clerk of the Board

Chair Refowitz announced the following changes to the agenda: Agenda Item 14, Consider Temporarily Waiving Enforcement of the Bed Day Utilization Requirement and Related Policy for Physician Hospital Consortia, was continued to a future Board meeting; and Agenda Item 18, Consider Election of Board of Directors Chair Effective March 31, 2017, was reordered to be considered as the last item on the agenda.

MANAGEMENT REPORTS

1. Chief Executive Officer (CEO) Report

CEO Michael Schrader reported that the Local Health Plans of California held a legislative briefing in Sacramento on February 14, 2017, which included a presentation on the positive impact Cal MediConnect (CMC) plans have had in reducing costs and improving quality, and the importance of the continuation of CMC in the proposed state budget. It was also noted that CalOptima continues to track potential changes to the Affordable Care Act (ACA). A brief update was provided on the recent meeting with the Orange County delegation in Washington, D.C., to discuss the economic impact of Medicaid Expansion in Orange County.

On behalf of CalOptima staff, Mr. Schrader extended appreciation to Chair Refowitz for his leadership and guidance as Chair of the Board of Directors.

PUBLIC COMMENTS

Holly Hagler, Senior Serv; Dr. Jorge Galdamez and Dr. Maria Torres, AltaMed Health Services; Maria Grimaldo and Adam Hood, AltaMed PACE Participants; Luz Maria Fernandez; Justine Medina; Isabel Becerra, Coalition of Orange County Community Health Centers; Ana Perez, District Director for Senator Mendoza; Scott Baugh, Innovage; Jim McAleer, Alzheimers Orange County; and Mallory Vega, OC Adult Day Services Coalition – Oral re: Agenda Item 22, Program of All-Inclusive Care for the Elderly (PACE) Operational Analysis and Business Plan Follow Up.

CONSENT CALENDAR

2. Minutes

- a. Approve Minutes of the February 2, 2017 Regular Meeting of the CalOptima Board of Directors
- b. Receive and File Minutes of the November 17, 2016 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee, and the November 16, 2016 Regular Meeting of the CalOptima Board of Directors' Quality Assurance Committee

3. Consider Approval of the 2017 CalOptima Quality Improvement Program and 2017 Quality Improvement Work Plan

4. Consider Approval of the 2017 CalOptima Program of All-Inclusive Care for the Elderly (PACE) Quality Assessment and Performance Improvement (QAPI) Plan

5. Consider Approval of the Fiscal Year (FY) 2018 (Measurement Year 2017) Pay for Value Programs for Medi-Cal and OneCare Connect

6. Consider Authorizing Staff to Develop and Implement Medi-Cal Quality Improvement and Accreditation Activities During CalOptima Fiscal Year (FY) 2016-17 for Member and Provider Incentives

7. Receive and File Compliance Strategies' 2016 Compliance Program Effectiveness (CPE) Audit Report

8. Acting as the CalOptima Foundation: Consider Reappointments to the CalOptima Foundation Audit Committee

Consent Calendar Item 4 was pulled by Director DiLuigi for comment.

4. Consider Approval of the 2017 CalOptima Program of All-Inclusive Care for the Elderly (PACE) Quality Assessment and Performance Improvement (QAPI) Plan

Director DiLuigi commented on the importance of access, and the development and inclusion of metrics to determine plan effectiveness. After considerable discussion regarding PACE eligibility, access, and quality metrics, Board members suggested including PACE in the member health needs assessment.

Action: On motion of Supervisor Bartlett, seconded and carried, the Board approved the 2017 CalOptima PACE Quality Assessment and Performance Improvement (QAPI) Plan. (Motion carried 9-0-0)

Action: On motion of Director Schoeffel, seconded and carried, the Board of Directors approved the balance of the Consent Calendar as presented. (Motion carried 9-0-0)

REPORTS

9. Consider Authorizing Extension of Contract with Altruista Health for Comprehensive Medical Management System and Delegating Authority to Exercise Remaining Contract Extension Options
Len Rosignoli, Chief Information Officer, presented the recommended actions to authorize the extension of the contract with Altruista Health for comprehensive medical management, to authorize payment of maintenance and support fees to Altruista through this extension period, and delegate authority to the Chief Executive Officer to exercise the remaining four individual one-year contract extension options and to include related maintenance and support fees in future CalOptima operating budgets as applicable. Mr. Rosignoli reported that if each contract extension is exercised, the five one-year extension options would run through April 6, 2022. It was noted that the annual fees of approximately \$1.3 million per year are based on membership volume.

Action: On motion of Supervisor Do, seconded and carried, the Board of Directors authorized the Chief Executive Officer (CEO) to exercise a one-year extension option to extend the Altruista contract through April 6, 2018; authorized payment of maintenance and support fees to Altruista through this extension period; and delegated authority to the CEO to exercise the remaining four individual one-year contract extension options and to include related maintenance and support fees in future CalOptima operating budgets as applicable. (Motion carried 9-0-0)

10. Consider Authorizing Pursuit of Proposals with Qualifying Funding Partners to Secure Medi-Cal Funds Through the Voluntary Intergovernmental Transfer (IGT) Rate Range Program for Rate Years 2015-16 (IGT 6) and 2016-17 (IGT 7)

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

Action: On motion of Supervisor Do, seconded and carried, the Board of Directors authorized the submission of a proposal to the California Department of Health Care Services to participate in the Voluntary Intergovernmental Transfer (IGT) Rate Range Program for Rate Years 2015-16 (IGT 6) and 2016-17 (IGT 7); authorized IGT funding partnerships with the University of California-Irvine, the Children and Families Commission, the County of Orange, the City of Orange, and the City of Newport Beach to participate in the upcoming Voluntary Intergovernmental Transfer (IGT) Rate Range Program for Rate Years 2015-16 (IGT 6) and 2016-17 (IGT 7); and authorized the CalOptima Board Chair and/or Vice Chair to execute agreements with these entities as necessary to seek the IGT 6 and IGT 7 funds. (Motion carried 8-0-0; Director Schoeffel absent)

11. Consider Authorizing Contract with Vendor to Assist with the Member Health Needs Assessment Activities

Chair Refowitz reported that at the December 2016 Board meeting, the IGT Ad Hoc Committee, composed of Supervisor Do and Directors Nguyen and Schoeffel, recommended a spending plan that included funding to undertake a comprehensive CalOptima Member Health Needs Assessment (MHNA). On behalf of the ad hoc, Supervisor Do reported that the results of the MHNA will be used to understand the greatest needs of CalOptima Medi-Cal members, identify barriers to access, gaps in service and disparities in health among CalOptima members, and to inform the development of a process to select and support IGT funded projects and initiatives. A Request for Proposal process was conducted by CalOptima, and the two finalist firms were interviewed by the IGT Ad Hoc and staff. Based on the evaluation of proposals and in-person interviews, the IGT Ad Hoc recommended authorizing the Chief Executive Officer to execute a contract with Harder+Company Community Research to assist with the MHNA activities in an amount not to exceed \$414,405.

Supervisor Bartlett requested that Board members have an opportunity to review and provide input on the survey questions, and suggested the survey include members who are eligible for PACE services to obtain information on the level of service these members may want.

Action: On motion of Director Nguyen, seconded and carried, the Board of Directors authorized the Chief Executive Officer to execute a contract with Harder+Company Community Research to assist with the Member Health Needs Assessment activities in an amount not to exceed \$414,405. (Motion carried 8-1-0; Director Khatibi voting no)

12. Consider Adoption of Resolution Approving Updated Human Resources Policies

Action: On motion of Director Yost, seconded and carried, the Board of Directors adopted Resolution No. 17-0302, Approve Updated Human Resources Policies. (Motion carried 9-0-0)

13. Consider Modifications to CalOptima Policy FF.2008, Health Insurance Premium Payment, and Wind Down and Termination of the Program

Ladan Khamseh, Chief Operating Officer, presented the recommended actions to authorize modification of CalOptima Policy FF.2008, Health Insurance Premium Payment Program, consistent with guidance from the Department of Health Care Services, authorize continuation of the Health Insurance Premium Payment program under the name “CalOptima Premium Payment” for current participants, and authorize the wind down and termination of the program by June 30, 2017.

After discussion of the matter, the Board took the following action.

Action: On motion of Supervisor Do, seconded and carried, the Board of Directors authorized modification of CalOptima Policy FF.2008, Health Insurance Premium Payment Program, consistent with guidance from the Department of Health Care Services, authorize continuation of the Health Insurance Premium Payment program under the name “CalOptima Premium Payment” for current participants,

***and authorize the wind down and termination of the program by June 30, 2017.
(Motion carried 9-0-0)***

14. Consider Temporarily Waiving Enforcement of the Bed Day Utilization Requirement and Related Policy for Physician Hospital Consortia

This item was continued to a future Board of Directors meeting.

15. Consider Authorizing Issuance of a Request for Proposal (RFP) for Medi-Cal Perinatal Support Services (PSS), Contracts with Qualifying RFP Responders, and Amendment of Contract with Current Vendor

Ms. Khamseh presented the recommended actions to authorize the issuance of a RFP for Medi-Cal Perinatal Support Services, authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to contract with qualifying RFP responders and in compliance with CalOptima's PSS program and Medi-Cal requirements established by the California Department of Health Care Services (DHCS), and amend the contract with the current vendor, MOMS Orange County, to reflect per member per month and incentive payment based only on the CalOptima Classic Medi-Cal population, effective April 1, 2017 through the completion of the RFP process. Ms. Khamseh noted that CalOptima will conduct a Request for Information (RFI) process ahead of the RFP to seek best practices and identify potential partners and providers with capabilities to deliver PSS to CalOptima members to inform the development of the RFP and its scope of work. A brief overview of the proposed redesigned PSS program was provided.

Ms. Khamseh noted a correction to Attachment 3, Capitation: Qualifying Aid Categories for Payment, to remove Breast and Cervical Cancer Treatment Program (BCCTP) from the Aid Code Categories included in Capitation.

Action: On motion of Director Khatibi, seconded and carried, the Board of Directors: 1) Authorized the issuance of a RFP to identify community partner(s) experienced with providing Medi-Cal covered educational and care management services supporting pregnancies (pre and postpartum) specifically, these services are referred to as Perinatal Support Services (PSS) and are consistent with CPSP services, but have additional CalOptima identified requirements; 2) Authorized the CEO, with the assistance of Legal Counsel, to contract with qualifying RFP responders and in compliance with CalOptima's PSS program and Medi-Cal requirements established by the California Department of Health Care Services; and amend the contract with the current vendor to reflect per member per month incentive payment based only on the CalOptima Classic Medi-Cal population, effective April 1, 2017 through the completion of the RFP process. (Motion carried 9-0-0)

16. Consider Options for Development Rights at 505 City Parkway West, Orange, California Site

Nancy Huang, Interim Chief Financial Officer, presented the recommended action to authorize the CEO to issue a Request for Information (RFI) to solicit responses regarding potential interest and options for CalOptima's development rights with results to be presented to the Board at a future meeting.

Glen Allen, President, Newport Real Estate Services, presented a review of a proposed site plan, options for exercising CalOptima's development rights with pros and cons of certain options, and a preliminary timeline.

On behalf of the Board of Directors' Finance and Audit Committee (FAC), Director Schoeffel reported that this item was presented at the February 16, 2017 FAC meeting for review, and noted the importance of factoring in sufficient time in the planning and decision making process. The recommended RFI process will explore potential interest and options available with CalOptima's existing development rights, and provide information from the development community that will assist the Board in arriving at a decision that is in the best interests of CalOptima.

Action: On motion of Director Schoeffel, seconded and carried, the Board of Directors authorized the CEO to issue a Request for Information to solicit responses regarding potential interest and options for CalOptima's development rights with results to be presented to the Board at a future meeting. (Motion carried 9-0-0)

17. Consider Ratification and Approval of Expenditures Related to Emergency Repairs for CalOptima Facilities

Action: On motion of Director Yost, seconded and carried, the Board of Directors ratified and approved identified expenditures of up to \$68,648.75 from existing reserves for emergency repairs at CalOptima facilities located at 505 City Parkway West in Orange, and 13300 Garden Grove Boulevard in Garden Grove; and ratified contracts with vendors Muir-Chase Plumbing Co. Inc., Bennett's Plumbing, Inc., and Stellrecht Building Group to provide repair services. (Motion carried 9-0-0)

ADVISORY COMMITTEE UPDATES

19. Provider Advisory Committee (PAC) Update

PAC Chair Teri Miranti provided an update on the activities at the February 9, 2017 PAC meeting, including receiving updates from CalOptima staff on the DHCS and Department of Managed Health Care audits, the Pay for Value program, and the transition of behavioral health services to Magellan. Ms. Miranti reported on the recruitment for four open seats on the PAC: Community Health Centers, Hospital, Physician and Traditional/Safety Net Representatives as well as the PAC Chair and Vice Chair. The recruitment ends on March 31, 2017.

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

Patty Mouton, OCC MAC Chair, reported that a quorum was not reached at the January 26, 2017 OCC MAC meeting. Recruitment to fill OCC MAC seats expiring on June 30, 2017 has begun for the following seats: Home and Community-Based Services (HCBS) representative serving members with disabilities; HCBS representative serving members from an ethnic or cultural community; In Home Supportive Services (IHSS) or Union Provider representative; and OneCare Connect (OCC) member or family member of an OCC member (2 seats available). The application deadline is March 31, 2017.

21. Member Advisory Committee (MAC) Update

MAC Chair Mallory Vega presented a brief update on the recruitment efforts to fill the following MAC seats that expire on June 30, 2017: Adult Beneficiaries, Family Support, Medi-Cal Beneficiaries, Persons with Disabilities, Recipients of CalWORKs and Seniors. The deadline to apply is March 31, 2017.

INFORMATION ITEMS

22. Program of All-Inclusive Care for the Elderly (PACE) Operational Analysis and Business Plan Follow Up

Mr. Schrader presented follow up of the PACE Operational Analysis and Business Plan, and reviewed the February 4, 2016 Board action, which authorized staff to submit a PACE Service Area Expansion application to the Department of Health Care Services and the Centers for Medicare & Medicaid Services, initiate a Request for Proposal process for Alternative Care Settings (ACS) model for PACE expansion satellite locations, staff to perform financial analysis of the Community-Based Adult Services (CBAS) business model and present to the Board of Directors' Finance and Audit Committee for review, and when the Garden Grove PACE Center reaches 80% capacity, staff to return to the Board to consider one or more additional PACE Centers. Mr. Schrader also provided a brief overview of member access, fiscal stewardship and the delivery system.

Vice Chair Penrose and Director Schoeffel reported on behalf of the Board of Directors' Finance and Audit Committee (FAC). At the FAC meetings held in September 2016 and February 2017, staff presented comprehensive financial analysis and business plan details including key metrics and benchmarks related to membership growth, managing meal, transportation and staffing expenses, specialty and ancillary referrals, inpatient utilization, and pharmacy and inpatient expense. The FAC also reviewed various models for growth, including partial and full delegation. Based on the thorough analysis considered by the FAC, the Committee's concerns regarding the PACE economic and business plan were addressed.

After considerable discussion related to PACE Center capacity, PACE expansion and the ACS model, Board members requested holding a study session on the matter at a future Board meeting.

The following Information Items were accepted as presented:

- 23. CalOptima Opioid Reduction Program
- 24. January 2017 Financial Summary
- 25. Compliance Report
- 26. Federal and State Legislative Advocates Reports
- 27. CalOptima Community Outreach and Program Summary

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

Board members extended congratulations and thanks to Chair Refowitz on his retirement and for his service on the CalOptima Board of Directors.

Chair Refowitz thanked staff and his colleagues on the Board of Directors for their commitment to CalOptima and the members it serves.

18. Consider Election of Board of Directors Chair Effective March 31, 2017 through June 30, 2017
Chair Refowitz reported that he will be completing his service on the CalOptima Board of Directors at the end of March, and the Board will consider the election of a new chair to serve out the remainder of the chair's term that expires on June 30, 2017.

At the February 2, 2017 Board meeting, a Nominations Ad Hoc Committee composed of Chair Refowitz and Supervisor Bartlett, was formed to inform potential candidates of the additional duties and time commitment that the Chair position requires, above and beyond serving as a Board member. Supervisor Do and Director Yost expressed interest in serving as Chair. There were no additional nominations from the floor. After hearing comments from both candidates, the following action was considered.

Action: On motion of Director Schoeffel, seconded and carried, the Board considered electing either Supervisor Do or Director Yost for the position of CalOptima Board Chair for a term effective March 31, 2017 through June 30, 2017. Roll call votes to be cast by the showing of color cards, with a blue card registered as a vote for Supervisor Do, and a yellow card registered as a vote for Director Yost.

Director Yost was elected by roll call vote to the position of CalOptima Board Chair for a term effective March 31, 2017 through June 30, 2017. (Roll call vote: 6 votes cast for Director Yost [Berger, DiLuigi, Khatibi, Nguyen, Penrose, Yost]; 3 votes cast for Supervisor Do [Bartlett, Do, Schoeffel])

ADJOURNMENT

Hearing no further business, the meeting adjourned at 6:32 p.m.

/s/ Suzanne Turf
Suzanne Turf
Clerk of the Board

Approved: April 6, 2017

MINUTES

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

January 12, 2017

A Regular Meeting of the CalOptima Board of Directors' Member Advisory Committee (MAC) was held on January 12, 2017, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

Chair Mallory Vega called the meeting to order at 2:33 p.m., and led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Mallory Vega, Chair; Suzanne Butler; Connie Gonzalez; Donna Grubaugh; Sally Molnar; Patty Mouton; Christina Sepulveda; Velma Shivers; Sr. Mary Therese Sweeney; Christine Tolbert

Members Absent: Sandy Finestone; Victoria Hersey; Carlos Robles; Lisa Workman

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Candice Gomez, Executive Director, Program Implementation; Donald Sharps, MD, Medical Director; Emily Fonda, MD, Medical Director; Caryn Ireland, Executive Director, Quality Analytics; Phil Tsunoda, Executive Director, Public Affairs; Belinda Abeyta, Director, Customer Service; Le Nguyen, Associate Director, Customer Service; Becki Melli, Customer Service

MINUTES

Approve the Minutes of the November 10, 2016 Regular Meeting of the CalOptima Board of Directors' Member Advisory Committee

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

PUBLIC COMMENT

There were no requests for public comment.

REPORTS

Consider Recommendation of Candidate for the Foster Children Representative

Chair Mallory Vega reported that staff received two applications from interested candidates for the Foster Children Representative seat and submitted them to the Nominations Ad Hoc Subcommittee for review and consideration. The subcommittee, composed of Members Suzanne Butler, Christine Tolbert and Christina Sepulveda, met on January 3, 2017 and chose Jaime Muñoz as the candidate to fill the Foster Children seat. Mr. Muñoz, Administrative Manager with Children and Family Services for the Social Services Agency, manages a specialized program that focuses on improving the well-being and outcomes of transitional age youth and young adults in foster care. Mr. Muñoz

has 26 years of experience serving foster children as a child welfare services practitioner. He also has 29 years of experience as an education instructor teaching English as a second language. Mr. Muñoz serves on several community boards that serve under-resourced communities, including foster children.

The recommendation to consider approval of Jaime Muñoz as the Foster Children Representative will be presented to the Board of Directors for consideration at their February 2, 2017 meeting.

Action: On motion of Member Suzanne Butler, seconded and carried, the MAC recommended Jaime Muñoz as the representative for Foster Children.

PRESENTATION

Melissa Tober, Manager, Strategic Projects, Orange County Health Care Agency (HCA), presented an overview on the county's pilot proposal for the Whole Person Care program. Ms. Tober explained that the main objectives are to reduce inappropriate or unnecessary emergency room and inpatient utilization and to meet the social, medical and emotional needs in real-time for homeless persons and homeless persons living with a serious mental illness. Some of the proposed services include an emergency room notification system, social services referral system, respite/recuperative care and dedicated resources to seek out and secure housing opportunities with the numerous community partners.

CHIEF EXECUTIVE OFFICER AND MANAGEMENT TEAM DISCUSSION

Chief Executive Officer Update

Michael Schrader, Chief Executive Officer, reported that Governor Brown's proposed budget for Fiscal Year 2017-18 includes the extension of Cal MediConnect (CMC) until December 31, 2019. California's Department of Finance determined that CMC health plans have shown the potential to improve the quality of care for dual eligibles and achieve long-term cost savings. The extension of CMC, known as OneCare Connect in Orange County, means that CalOptima's OneCare Connect members will continue to have access to enhanced services and benefits available through the plan.

Mr. Schrader also updated the committee on the transition of the Whole-Child Model, which moves California Children's Services (CCS) into managed care. The implementation date for integrating CCS into CalOptima will now occur no sooner than January 1, 2019.

Mr. Schrader reported that CalOptima recently joined Medicaid Health Plans of America (MHPA), a national trade association that supports Medicaid health plans. Participation in this association will assist CalOptima to understand the impact of any changes to Medicaid.

Chief Medical Officer Update

Dr. Fonda, Medical Director, provided an update on the enhancements to the Long-Term Care program for members who reside in a long-term care facility. Adapted from OneCare Connect's Model of Care, improvements include the following: passively enrolling members by facility instead of by birth date; working with primary care physicians (PCPs) on early detection and treatment; implementing a treatment in place program to expedite care; and assigning Personal Care

Coordinators to long-term care facilities. Dr. Fonda noted that there remain opportunities for improvement so additional initiatives are in development for increasing provider participation and improving quality measures. The goals for this proposed program, which will be called Long-Term Connect, are to improve health outcomes, quality of life and patient satisfaction. CalOptima is realigning its internal operations to support these initiatives. Dr. Fonda added that Long-Term Connect would pertain initially to OneCare Connect members in the CalOptima Community Network; however, the changes are scalable to Medi-Cal and OneCare.

Chief Operating Officer Update

Ladan Khamseh, Chief Operating Officer, reported that CalOptima's average membership for January 2017 was approximately 770,000, with a loss of about 32,000 members. Ms. Khamseh informed the committee that CalOptima is preparing for the annual audit in February 2017, conducted by the Department of Health Care Services (DHCS). She also shared CalOptima's 2017 Report to the Community, developed annually to inform the community about CalOptima's achievements.

INFORMATION ITEMS

MAC Member Updates

Chair Vega announced that the MAC Goals and Objectives Ad Hoc Subcommittee would convene soon to develop the goals and objectives based on CalOptima's 2017-2019 Strategic Plan that was recently approved by the Board of Directors. Members Christine Tolbert, Patty Mouton and Sally Molnar volunteered to serve on this subcommittee. In addition, Chair Vega announced the need for three volunteers for the Nominations Ad Hoc Subcommittee. She explained that the following two-year seats' terms would expire on June 30, 2017: Adult Beneficiaries, Family Support, Medi-Cal Beneficiaries, Persons with Disabilities, Recipients of CalWORKs and Seniors. Members Sally Molnar, Connie Gonzalez and Velma Shivers volunteered to serve on the Nominations Subcommittee.

Member Christine Tolbert informed the committee that she has learned of a concern regarding durable medical equipment (DME) and the turnaround time to receive DME. She will update the committee if she learns more. Member Tolbert also asked the committee to contact her if anyone hears about any disparity in levels of service among ethnic children with developmental disabilities.

Member Christina Sepulveda volunteered to present on the Boys and Girls Clubs of Garden Grove at the March 9, 2017 MAC meeting.

Medi-Cal and OneCare Member Experience Survey Results

Marsha Choo, Manager, Quality Initiatives, presented the results of CalOptima's member experience surveys for the Medi-Cal and OneCare lines of business. CalOptima uses the Consumer Assessment of Healthcare Providers and Systems (CAHPS) member experience surveys, standardized tools used by health plans, to measure the member experience of Medi-Cal adults and children and OneCare members. Overall, CalOptima improved in some areas and found opportunities for improvement in others. Ms. Choo outlined some of the activities that CalOptima is planning to implement to improve member experience, including the following: increasing the

provider incentive percentage in the Pay-for-Value program; conducting customer service post call surveys (first call resolution); and providing member education on referrals and authorizations. CalOptima is now focusing on fielding the next CAHPS surveys in February 2017.

California Children's Services Update

Candice Gomez, Executive Director, Program Implementation, provided an update from the CCS Advisory Group meeting regarding the transition of the Whole-Child Model (WCM), which moves CCS services into managed care. CalOptima's transition has been postponed until January 2019. Following the transition of the WCM, CalOptima will be responsible for providing most of the CCS services currently administered by the HCA, such as care coordination, case management, service authorizations and provider referrals. Ms. Gomez noted a key change is the Neonatal Intensive Care Unit services, which will be managed directly by the state. The county will maintain responsibility for the Medical Therapy Program. In addition, a CCS child may opt to continue to receive case management and care coordination from his or her county public health nurse.

Managed Behavioral Health Organization Update

Donald Sharps, MD, Medical Director, Behavioral Health, presented an update on the January 1, 2017 transition of Magellan Health, Inc., CalOptima's new managed behavioral health organization. Dr. Sharps reported that members experienced very little disruption during the transition, as approximately 95 percent of members receiving either Medi-Cal-covered behavioral health services or autism treatment services had access to the same providers they had prior to the transition. All CalOptima members, including Medi-Cal, OneCare and OneCare Connect, may now access behavioral health services by calling a single phone number (855-877-3885). In addition, Magellan has established a local call center and clinical team. Dr. Sharps noted that CalOptima would be initiating a quality improvement program for behavioral health services in long-term care facilities.

Federal and State Legislative Update

Phil Tsunoda, Executive Director, Public Policy and Government Affairs, reported that the governor released his FY 2017–18 state budget proposal on January 10, 2017. Mr. Tsunoda noted that the pending May 2017 revision of the budget would be important given uncertainties at both the federal and state levels. He added that CalOptima staff is currently preparing a comprehensive analysis of the budget proposal.

Chair Vega announced that the next MAC meeting is Thursday March 9, 2017 at 2:30 p.m.

ADJOURNMENT

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

/s/ Cindi Reichert
Cindi Reichert
Program Assistant

Approved: March 9, 2017

MINUTES

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

February 9, 2017

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, February 9, 2017, at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

Teri Miranti, PAC Chair, called the meeting to order at 8:04 a.m., and Steven Flood led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Anjan Batra, M.D.; Donald Bruhns; Theodore Caliendo, M.D.; Stephen N. Flood; Pamela Kahn, R.N.; Teri Miranti; John Nishimoto, O.D.; Pamela Pimentel, R.N.; Suzanne Richards, RN, MBA, FACHE; Barry Ross, R.N., MPH, MBA; Jacob Sweidan, M.D.

Members Absent: Alan Edwards, M.D.; Jena Jensen; George Orras, Ph.D., FAAP; Mary Pham, Pharm.D., CHC

Others Present: Ladan Khamseh, Chief Operating Officer; Nancy Huang, Interim Chief Financial Officer; Gary Crockett, Chief Counsel; Candice Gomez, Executive Director, Program Implementation; Tracy Hitzeman, Executive Director, Clinical Operations; Caryn Ireland, Executive Director, Quality Analytics; Donald Sharps, M.D., Director, Behavioral Health Services; Cheryl Simmons, Staff to the PAC

MINUTES

Approve the Minutes of the December 8, 2016 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

Action: On motion of Member Ross, seconded and carried, the Committee approved the minutes of the December 8, 2016 meeting. (Motion carried 11-0-0; Members Edwards, Jensen, Orras and Pham absent)

PUBLIC COMMENTS

No requests for public comment were received.

CEO AND MANAGEMENT REPORTS

Chief Operating Officer Update

Ladan Khamseh, Chief Operating Officer, provided an update on the ongoing Department of Healthcare Services (DHCS) and Department of Managed Healthcare (DMHC) audits. Ms. Khamseh reported that in January 2017, the Governor released his proposed budget for Fiscal Year 2017-18. The proposed budget includes the continuation of Cal MediConnect (CMC) Program, including the OneCare Connect (OCC) program in Orange County, until December 31, 2019. The proposed budget discontinues the broader Coordinated Care Initiative (CCI) on January 1, 2018, and returns the In-Home Supportive Services (IHSS) program to the counties.

Chief Medical Officer Update

Richard Bock, M.D., Deputy Chief Medical Officer provided an update on the rising opioid epidemic. Dr. Bock agreed to present additional information at an upcoming PAC meeting.

PAC Chair Miranti reordered the agenda to hear Agenda Item VII.C, Pay for Value Update.

Pay for Value Update

Caryn Ireland, Executive Director, Quality Analytics, and Dr. Richard Bock, Deputy Chief Medical Officer, presented the Pay for Value (P4V) results for measurement year 2015 (HEDIS 2016). The 2017 proposed program scoring and payment methodology will reward providers for performance improvement. PAC members reiterated that they are willing to work with CalOptima staff and the health networks to educate providers to improve overall scores. Ms. Ireland noted that staff planned to present the draft changes to the P4V Program to the Board of Directors' Quality Assurance Committee for review prior to submitting the program to the CalOptima Board of Directors for consideration.

Chief Financial Officer Update

Nancy Huang, Interim Chief Financial Officer, presented CalOptima's Financial Report for December 2016, including a review of the Health Network Enrollment Summary for the month of December 2016.

INFORMATION ITEMS

Magellan Healthcare Update

Donald Sharps, M.D., Director, Behavioral Health Services, provided an update on the CalOptima transition of Managed Behavioral Health Organization (MBHO) to Magellan. He noted that 274 contracts have been completed or received by Magellan. These represent 83 percent of the 327 providers initially recruited for contracts. These providers represent approximately 95 percent of those who have existing provider relationships with CalOptima members. PAC members were interested in learning how Magellan's providers are sharing medical records with the clinics and providers. Dr. Sharps encouraged the networks to invite Magellan to the Interdisciplinary Care Team meeting for members who have behavioral health needs. He also informed the PAC that the State is working on the Drug Medi-Cal program.

PAC Member Comments

Chair Miranti reminded the members to provide input on the PAC Report to the Board to staff for inclusion in the next report. She also reminded the members that nominations for the following open PAC seats will be accepted beginning March 1, 2017 through March 31, 2017: Community Health Centers, Hospital, Physician and Traditional/Safety Net Representatives. Nominations for PAC Chair and Vice Chair will also be accepted.

Chair Miranti reported that the draft 2017-18 PAC Goals and Objectives will be reviewed at the March 9, 2017 PAC meeting.

ADJOURNMENT

There being no further business before the Committee, Chair Miranti adjourned the meeting at 9:33 a.m.

/s/ Cheryl Simmons
Cheryl Simmons
Staff to the PAC

Approved: March 9, 2017

MINUTES

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

February 23, 2017

The Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee (OCC MAC) was held on February 23, 2017, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

Vice Chair Gio Corzo called the meeting to order at 3:02 p.m., and led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Ted Chigaros, Christine Chow, Gio Corzo, Josefina Diaz, John Dupies, Susie Gordee, Sara Lee, Lena Berlove (non-voting), Jorge Sole (non-voting), Erin Ulibarri (non-voting)

Members Absent: Patty Mouton, Chair; Sandy Finestone, Donta Harrison, George Crits, M.D. (non-voting)

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Richard Bock, M.D., Deputy Chief Medical Officer; Belinda Abeyta, Director, Customer Service; Becki Melli, Customer Service; Caryn Ireland, Executive Director, Quality Analytics; Phil Tsunoda, Executive Director, Public Policy and Public Affairs; Emily Fonda, M.D., Medical Director; Tracy Hitzeman, Executive Director, Clinical Operations

MINUTES

Approve the Minutes of the December 22, 2016 Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee

Action: On motion of member Ted Chigaros, seconded and carried, the OCC MAC approved the minutes as submitted.

PUBLIC COMMENT

No requests for public comment were received.

CEO AND MANAGEMENT TEAM DISCUSSION

Chief Executive Officer (CEO) Update

Michael Schrader, Chief Executive Officer, reported that Governor Brown's proposed FY 2017–18 State Budget includes an extension of the Cal MediConnect (CMC) program, known as OneCare Connect in Orange County, until December 31, 2019. However, the proposed budget discontinues the broader Coordinated Care Initiative (CCI) that originally authorized CMC. Based on the Department of Finance's assessment that CCI was not cost-effective, the initiative is slated to end January 1, 2018. Under the proposed budget, the state will return responsibility for IHSS to counties and IHSS benefits will be removed from health plan capitation rates. IHSS is a Medi-Cal benefit considered an alternative to nursing home care.

Mr. Schrader reported that CalOptima is closely monitoring potential changes to the Affordable Care Act (ACA). Congress has started the budget reconciliation process that instructs four congressional committees to develop ACA repeal language, which could reduce or eliminate funding for Medicaid expansion. In addition, President Trump signed an Executive Order directing federal agencies to minimize economic and regulatory burdens of the ACA and giving greater flexibility to the states. Mr. Schrader noted that the states could pursue waivers to modify Medicaid programs. He added that CalOptima is participating in legislative events with the Association for Community Affiliated Plans and Local Health Plans of California, as well as collaborating with local stakeholders to develop advocacy strategies for Orange County.

Chief Medical Officer (CMO) Update

Richard Bock, M.D., Deputy Chief Medical Officer, reported that the Department of Health Care Services (DHCS) and the California Department of Managed Health Care (DMHC) completed their annual regulatory audits on February 17. DHCS evaluated Medi-Cal's compliance with our contract and regulations in areas such as utilization management, case management and care coordination, access and availability, member rights and responsibilities, quality improvement, facility site reviews, and medical records review. DMHC reviewed Medi-Cal's compliance with the Seniors and Persons with Disabilities 1115 Waiver and OneCare Connect's provision of Medicaid-based services, evaluating compliance in the areas of utilization management, continuity of care, availability and accessibility of services, member rights, and quality management.

Dr. Bock provided a brief update on the opioid epidemic and CalOptima's proposed interventions for our member population. The interventions include the following: edits at the point of service to prevent members from obtaining prescriptions from multiple sources; identifying high volume prescribers; and conducting education and training series for providers. The opioid reduction program will be presented to the Board of Directors at the March 2, 2017 meeting.

Dr. Bock reported that the transition to Magellan Health, Inc. as the managed behavioral health organization provided OCC members with a larger selection of physicians than before the transition.

INFORMATION ITEMS

Committee Member Updates

Vice Chair Gio Corzo announced that recruitment begins March 1, 2017 for five OCC MAC seats that expire on June 30, 2017. The application and additional recruitment information are available on the CalOptima website. Vice Chair Corzo also announced the need for volunteers to serve as Chair and Vice Chair for next year. The deadline to apply for all these positions is March 31, 2017.

Quarterly Ombudsman Update

Member Sara Lee, Health Consumer Action Center of the Legal Aid Society of Orange County (LASOC), presented the Quarterly Ombudsman Update. Member Lee reported that LASOC continues to receive direct referrals and warm transfers from CalOptima regarding OneCare Connect (OCC) members' eligibility issues. Many of the cases involve proposed Medi-Cal and OCC termination and/or other issues related to OCC coverage. LASOC works with members to resolve service disruption issues for members experiencing problems with their Medi-Cal eligibility. Member Lee explained that in an effort to alleviate disruptions, LASOC conducts considerable outreach and education to OCC members on OCC benefits, billing issues and the importance of complying with the Medi-Cal renewal process. In addition, LASOC educates members on their rights and LASOC's role as the Ombudsman to assist with their issues.

Pay for Value Update

Caryn Ireland, Executive Director, Quality and Analytics, presented the 2016 Pay for Value program results, explaining that the program's focus is to improve members' health, provide better care and lower health care costs. She added that the program objectives include the following: recognizing and rewarding the health networks and their physicians for demonstrating quality performance; providing comparative information for members and the public on CalOptima's performance; and providing industry standard benchmarks and data driven feedback to the health networks on their quality improvement efforts. Ms. Ireland reviewed the proposed 2017 program scoring and payment methodology that rewards providers for performance and improvement. She noted that both performance and improvement are important factors when measuring the health network's overall performance.

Federal and State Budget and Legislative Update

Phil Tsunoda, Executive Director, Public Affairs, provided a recap regarding Governor Brown's proposed budget containing the Cal MediConnect extension until December 31, 2019. He added that for the program to be funded, it must be reauthorized by the legislature. Mr. Tsunoda will share information to advocate for the extension of Cal MediConnect/OneCare Connect in the final budget with the Committee at a future meeting.

Vice Chair Corzo announced that the next OneCare Connect MAC meeting is March 23, 2017 at 3:00 p.m.

ADJOURNMENT

Hearing no further business, Vice Chair Corzo adjourned the meeting at 4:13 p.m.

Minutes of the Regular Meeting of the CalOptima Board of Directors
OneCare Connect Member Advisory Committee
February 23, 2017
Page 4

/s/ Cindi Reichert
Cindi Reichert
Program Assistant

Approved: March 23, 2017

MINUTES

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

December 22, 2016

The Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee (OCC MAC) was held on December 22, 2016, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

Chair Patty Mouton called the meeting to order at 3:05 p.m., and led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Ted Chigaros, Christine Chow, Josefina Diaz, Sandy Finestone, Donta Harrison, Susie Gordee, Sara Lee, Patty Mouton, Lena Berlove (non-voting), Jorge Sole (non-voting)

Members Absent: Gio Corzo, John Dupies, Adam Crits (non-voting), Erin Ulibarri (non-voting)

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Candice Gomez, Executive Director, Program Implementation; Caryn Ireland, Executive Director, Quality Analytics; Belinda Abeyta, Director, Customer Service; Dr. Richard Bock, Deputy Chief Medical Officer; Tracy Hitzeman, Interim Executive Director, Clinical Operations; Phil Tsunoda, Executive Director, Government Affairs; Becki Melli, Staff to OCC MAC

MINUTES

Approve the Minutes of the November 17, 2016 Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee

The minutes were corrected to reflect the attendance of Member Christine Chow at the November 17, 2016 Board of Directors' OneCare Connect Member Advisory Committee Meeting.

Action: On motion of Member Sandy Finestone, seconded and carried, the OCC MAC approved the November 17, 2016 minutes as corrected.

PUBLIC COMMENT

There were no requests for public comment.

CEO AND MANAGEMENT TEAM DISCUSSION

Chief Executive Officer (CEO) Update

Michael Schrader, Chief Executive Officer, provided an update on the uncertainty of the future of OneCare Connect. He reminded the committee that Cal MediConnect (OneCare Connect in Orange

County) comprises eleven health plans in six counties in California. As part of the statute that established Cal MediConnect, the Department of Finance has the authority to eliminate the program if it does not result in cost-savings for the state. Last year, there was concern amongst the health plans that Cal MediConnect would be eliminated, since the program had not met enrollment goals. While Cal MediConnect was given another year to continue, there is yet again a possibility of elimination in 2017. CalOptima has worked closely with the California Association of Health Plans (CAHP) to advocate with key state officials to continue the program for another year. With the release of the governor's 2017-18 State Budget proposals in January, CalOptima will learn if the program will be continued or eliminated. If the program is eliminated, it will likely wind down during the 2017 calendar year, and CalOptima will explore options with the Centers for Medicare & Medicaid Services (CMS) and the Department of Health Care Services (DHCS) to ensure that OCC members continue to receive coordinated benefits through other programs.

Chief Medical Officer (CMO) Update

Dr. Richard Bock, Deputy Chief Medical Officer, reported that Magellan Health, Inc. would transition as scheduled on January 1, 2017, as the new Managed Behavioral Health Organization.

Dr. Bock reported that the health networks would receive Pay for Value payments for 2016, based on their results from 2015. Pay for Value payments consider the members' quality of care as measured by the Healthcare Effectiveness Data and Information Set (HEDIS), and member satisfaction as measured by the Consumer Assessment of Healthcare Providers & Systems (CAHPS). The Board of Directors recently approved an additional \$1.1 million for existing and on-going quality improvement programs.

INFORMATION ITEMS

OCC MAC Member Updates

Chair Patty Mouton announced that an OCC MAC Goals and Objectives Ad Hoc Subcommittee would convene in the next couple of months to develop the goals and objectives for FY 2017-18. The goals and objectives will be based on CalOptima's 2017-2019 Strategic Plan approved by the Board of Directors. Chair Mouton reported that Member Susie Gordee is scheduled to present on Silverado Senior Care at the January 26, 2017 meeting, and Member Sara Lee is scheduled to present the Quarterly Ombudsman update in February 2017. Member Lena Berlove will present on In-Home Supportive Services at the March 2017 meeting. Member Gordee requested that CalOptima staff present information on the Assisted Living Waiver at a future meeting.

OCC MAC Member Presentation

Chair Mouton reported on the Orange County Advance Care Planning Partners (OCACPP), which is a program that provides advance care planning information and advises on the appropriate use of the Physician's Orders for Life Sustaining Treatment (POLST) document. Formed in 2009, OCACPP is a community collaboration of stakeholders that provides leadership and education on issues related to end of life care and planning. Community awareness events about OCACPP are held at various venues throughout Orange County, including senior centers, worship centers, skilled nursing facilities (SNFs), hospitals and community-based organizations.

Multipurpose Senior Services Program (MSSP) Overview

Jim Pijloo, MSSP Site Director, Long-Term Services and Supports, provided an overview on the Multipurpose Senior Services Program, explaining that the primary objective of MSSP is to avoid or delay the premature placement of people in nursing facilities while fostering independent living in the community. He added that MSSP lowers the state's chronic health care costs by arranging home-based services for frail elders on Medi-Cal who are eligible for nursing home placement. Mr. Pijloo reported that a member must be 65 years of age or older, be receiving Medi-Cal with an eligible aid code, and be certified for nursing facility placement to be eligible for the MSSP program. CalOptima's MSSP site is funded for 455 clients per month. The average wait time prior to admission to the program is approximately 100 days from the date when the referral is received.

Personal Care Coordinator (PCC) Member Notices

Sloane Petrillo, Interim Director, Case Management, reported on the outreach conducted by CalOptima and the health networks to inform OCC members regarding their Personal Care Coordinator. Ms. Petrillo provided a sampling of CalOptima and health network PCC welcome letters that OCC members receive. She also reported that all Personal Care Coordinators attempt telephonic outreach to their assigned OCC members, while welcome letters are sent at about a 50% rate.

OneCare Connect OCC Update

Candice Gomez, Executive Director, Business Integration, reported that the Board of Directors approved \$75,000 to increase member communications to OneCare Connect members. The additional member communications will include health education and promotion news, benefit information and an increase in the number of member newsletters.

Federal and State Legislative Update

Phil Tsunoda, Executive Director, Government Affairs, reported that the Registrar of Voters certified the November General Election in early December. Mr. Tsunoda also reviewed the 2017 Orange County Legislative Delegation.

Chair Mouton announced that the next meeting date is January 26, 2017.

ADJOURNMENT

Hearing no further business, Chair Mouton adjourned the meeting at 5:06p.m.

/s/ Cindi Reichert

Cindi Reichert
Program Assistant

Approved: February 23, 2017

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 6, 2017

Regular Meeting of the CalOptima Board of Directors

Report Item

3. Consider Authorizing Policy Changes Removing the Requirement for Full-Risk Health Networks to be Accredited and/or Certified by the National Committee for Quality Assurance (NCQA) in Order to Subdelegate Functions for the Medi-Cal Line of Business; Consider Authorizing Amendments to Full Risk Health Network Contracts to Implement this Change

Contact

Ladan Khamseh, Chief Operating Officer, (714) 246-8400

Recommended Actions

1. Authorize policy change removing the requirement that full-risk Medi-Cal health networks be accredited and/or certified by the National Committee for Quality Assurance (NCQA) in order to subdelegate services provided under the contract; and
2. Authorize amendments to the contracts with Monarch Health Plan, Inc., Heritage Provider Network, Inc., and Kaiser Foundation Health Plan, Inc., to implement this change.

Background

CalOptima contracts with health networks based on three different financial models: Shared Risk, Physician Hospital Consortia (PHC) and Full Risk. The three models prescribe different levels of health network financial risk. Under the Shared Risk arrangement, the health networks receive capitation for professional services, but can participate in shared hospital risk pool savings. PHC arrangements include CalOptima agreements with the two PHC partners: one with the entity (hospital) assuming facility risk, and the second with the entity accepting professional responsibility. Full-risk health networks accept both the professional and facility financial risk.

Health networks contracting with CalOptima are thoroughly evaluated by staff through a readiness assessment process to assess the entities' ability to take on the desired level of risk. Yearly audits are conducted to monitor each network's ongoing ability to perform in accordance with the terms of its contract(s). In order to take full hospital and professional risk, health networks must also be appropriately licensed by the Department of Managed Health Care (DMHC).

Delegated health networks are responsible for performing functions that are ultimately the responsibility of CalOptima and described in CalOptima's contract with the Department of Health Care Services (DHCS). A health network may, in certain circumstances, be permitted to subdelegate responsibility for performance of some of its contractual obligations. Subdelegation can occur only if the delegation of these activities is allowed by the contract with DHCS and if the health network complies with all applicable CalOptima policies. A health network may subdelegate certain responsibilities, but it remains responsible for the oversight of the delegation and for the performance of these contractual obligations by the delegate.

An additional requirement is currently imposed on Medi-Cal full-risk entities and their ability to subdelegate responsibilities. CalOptima's full-risk networks for the Medi-Cal services are required to be accredited and/or certified by NCQA for the responsibility(s) they wish to subdelegate.

CalOptima Board Action Agenda Referral
Consider Authorizing Policy Changes Removing the Requirement for
Full-Risk Health Networks to be Accredited and/or Certified by the
NCQA in Order to Subdelegate Functions for the Medi-Cal Line of
Business; Consider Authorizing Amendments to Full Risk Health
Network Contracts to Implement this Change
Page 2

Accreditation and/or certification are achieved through a thorough review of the health network's administrative and medical policies and processes by NCQA. The accreditation and/or certification is not a regulatory requirement, but is a CalOptima-imposed condition for subdelegation. This requirement is unique to the Medi-Cal line of business and does not currently apply to OneCare or OneCare Connect. When added, this requirement was seen as an additional gauge (beyond the readiness assessments conducted by CalOptima staff) of a health network's ability to oversee a subdelegated entity.

Discussion

CalOptima encourages all health networks to pursue and maintain NCQA accreditation and/or certification. However, achieving full accreditation may not be a realistic goal for all health networks. Also, as stated above, this requirement is unique to health networks that are full-risk contractors for the Medi-Cal line of business. In order to standardize contractual requirements across all lines of business, and to avoid placing unduly burdensome requirements on health networks that impede their ability to participate with the Medi-Cal line of business, CalOptima staff is recommending that the Board authorize removal of this requirement for Medi-Cal full-risk health networks.

Fiscal Impact

There is no anticipated fiscal impact to the recommended actions.

Rationale for Recommendation

The removal of this requirement will standardize delegated health network requirements across all financial models and all lines of business.

Concurrence

Gary Crockett, Chief Counsel

Attachments

None

/s/ Michael Schrader
Authorized Signature

03/30/2017
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 6, 2017

Regular Meeting of the CalOptima Board of Directors

Report Item

4. Consider Adoption of Resolution Approving Updated Human Resources Policies

Contact

Ladan Khamseh, Chief Operations Officer, (714) 246-8400

Vicki Hewlett, Interim Director Human Resources, (714) 246-8400

Recommended Action

Adopt Resolution Approving CalOptima's Updated Human Resources Policies.

Background

On November 1, 1994, the Board of Directors delegated authority to the Chief Executive Officer to promulgate employee policies and procedures, and to amend these policies from time to time, subject to annual presentation of the policies and procedures, with specific emphasis on any changes thereto, to the Board of Directors or a committee appointed by the Board of Directors for that purpose. On December 6, 1994, the Board adopted CalOptima's Bylaws, which requires, pursuant to section 13.1, that the Board of Directors adopt by resolution, and from time to time amend, procedures, practices and policies for, among other things, hiring employees and managing personnel.

The following table lists existing Human Resources policies that have been updated and are being presented for review and approval.

	Policy No./Name	Summary of Changes	Reason for Change
1.	GA.8026 Employee Referral Program	<ul style="list-style-type: none">• Minor language and formatting changes• Addition of term and definition• Revise definitions consistent with HR policies	<ul style="list-style-type: none">-Annual review with minor updates and formatting changes-Referral process clarification- Need to update new terms, definitions and/or revised definitions
2.	GA.8030 Background Check	<ul style="list-style-type: none">• Minor language and formatting changes• Added Medi-Cal Suspended & Ineligible (S&I) exclusion monitoring• Addition of terms and definitions	<ul style="list-style-type: none">-Annual review with minor updates and formatting changes-Updates consistent with DHCS requirement and regulatory changes-Process language clarification

	Policy No./Name	Summary of Changes	Reason for Change
3.	GA.8046 Relocation	<ul style="list-style-type: none">• Minor language and formatting changes• Revised tax implication language, clarification of approved expenses	-Annual review with minor updates and formatting changes -Legal recommendation

Fiscal Impact

The fiscal impact of this recommended action is budget neutral.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Resolution No. 17-0406, Approve Updated Human Resources Policies
2. Revised CalOptima Policies:
 - a. GA.8026 Employee Referral Program (redline and clean)
 - b. GA.8030 Background Check (redline and clean) – with Sample Attachments
 - c. GA.8046 Relocation (redline and clean) – with Sample Attachment

/s/ Michael Schrader
Authorized Signature

03/30/2017
Date

RESOLUTION NO. 17-0406

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

APPROVE UPDATED HUMAN RESOURCES POLICIES

WHEREAS, section 13.1 of the Bylaws of the Orange County Health Authority, dba CalOptima, provide that the Board of Directors shall adopt by resolution, and may from time to time amend, procedures, practices and policies for, inter alia, hiring employees, and managing personnel; and

WHEREAS, in 1994, the Board of Directors designated the Chief Executive Officer as the Appointing Authority with full power to hire and terminate CalOptima employees at will, to set compensation within the boundaries of the budget limits set by the Board, to promulgate employee policies and procedures, and to amend said policies and procedures from time to time, subject to annual review by the Board of Directors, or a committee appointed by the Board for that purpose.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That the Board of Directors hereby approves and adopts the attached updated Human Resources Policies: GA.8026 Employee Referral Program; GA.8030 Background Check; and GA.8046 Relocation.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 6th day of April, 2017.

AYES:
NOES:
ABSENT:
ABSTAIN:

/s/ _____

Title: Chair, Board of Directors

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

Attest:

/s/ _____

Suzanne Turf, Clerk of the Board

Policy #: GA.8026
Title: **Employee Referral Program**
Department: Human Resources
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: ~~4/501/05/~~
Last Review Date: 12 ~~6/4/15~~
Last Revised Date: 04/06/17
04/06/17
6/4/15

Board Approved Policy

I. PURPOSE

~~To provide~~ This policy provides for an opportunity for employees to receive compensation for individuals referred to and hired by CalOptima.

~~H.~~ DEFINITIONS

Term	Definition
Executive Staff	Any CalOptima employee whose position title is Executive Director or Chief Officer of one (1) or more departments.
Good Standing	The employee has at least a fully meets expectations job performance rating on their most recent evaluation and has not received written disciplinary action within the last six (6) months.

~~III.~~ II. POLICY

A. Employee referrals are a valuable and cost-effective source of new employees. In times of recruiting challenges, CalOptima may choose to reward the recruiting efforts of employees by awarding a bonus to employees whose referrals are hired, in accordance with the following guidelines. Exceptions to the policy may be made, in special circumstances, by the Human Resources (HR) Department.

B. Eligibility

1. Employees will be eligible to receive bonuses for referrals if all of the following conditions are met:
 - a. The employee making the referral is a regular full-time or part-time employee;
 - b. The referred applicant is hired for a regular full-time or part-time position at CalOptima;
 - c. The referred applicant remains continuously employed by CalOptima and is in Good Standing for a minimum of four (4) months;
 - d. The employee making the referral is employed by CalOptima at the conclusion of the four (4) month period; and

e. The applicant was not already identified through another source.

~~2.f.~~ All regular full and part-time employees are eligible to receive a referral bonus, except:

~~a.i.~~ Members of the HR Department;

~~b.ii.~~ ~~Management~~ Employees in supervisory positions who refer applicants for employment within their own work units;

~~e.iii.~~ Members of the Executive Staff; and

~~d.iv.~~ Temporary or contract workers.

~~3.g.~~ All referrals will be considered for the employee referral bonus except:

~~a.i.~~ Referrals of former or current employees of CalOptima;

~~b.ii.~~ ~~Former or~~ Former or current consultants to CalOptima; and

~~e.iii.~~ Temporary workers who currently work on-site or have worked with CalOptima in the past.

C. Awards

- There is no limit to the number of applicants an employee may refer. For each referred applicant who is hired under the terms of this policy, the employee may receive a bonus of a specified amount before taxes. The bonus amount, which will be set in a fair and consistent manner, is dependent on the position and at the discretion of the ~~Human Resources department.~~ HR Department. If the referred applicant indicates more than one (1) employee name as a referral, the HR Department will select the first employee listed to receive the referral bonus. Employees will receive bonuses with their paychecks (in a separate check) within two (2) to four (4) weeks after the four (4) month minimum employment period.

~~D. D.~~ The Employee Referral Program is provided only to the extent that budgeted funds are available. CalOptima is under no obligation to fund or continue the Employee Referral Program.

IV.III. PROCEDURE

Responsible Party	Action
Employee	1. Employee's name needs to be entered by the applicant at time of completing the online application through the CalOptima website, under "How did you hear about us?" <u>1.</u>
Human Resources	1. Determine the amount of the bonus payment appropriate to the position prior to advertising for the open position; <u>2. If the referred applicant indicates more than one (1) employee name as a referral, the first employee listed will receive the referral bonus;</u>

Responsible Party	Action
	2.3. Notify referring employees of candidates who were hired; 3.4. Track all hired referrals through the waiting period; 4.5. Certify that both employees are still employed at the end of the four (4) month waiting period; 5.6. Ensure sufficient funds in budget for bonus payment; 6.7. Approve the bonus payment; and 7.8. Send Action Form to the Payroll Department.
Payroll Department	1. Upon receipt of HR's request for payment, the Payroll Department will issue the bonus payment to the referring employee.

V.IV. ATTACHMENTS

Not Applicable

VI.V. REFERENCES4.A. CalOptima Employee Handbook**VII.VI. REGULATORY AGENCY APPROVALS**~~Not Applicable~~~~None to Date~~**VIII.VII. BOARD ~~ACTION~~ACTIONS**A. 04/06/17: Regular Meeting of the CalOptima Board of DirectorsB. ~~6/4/06/04/15:-~~ Regular Meeting of the CalOptima Board of Directors~~A. Regular Meeting of the CalOptima Board of Directors~~C. ~~1/5/01/05/12:~~ Regular Meeting of the CalOptima Board of Directors~~B. Regular CalOptima Board Meeting of the CalOptima Board of Directors~~~~A.~~**IX.VIII. REVIEW/REVISION HISTORY**

Version	Version Date	Policy Number	Policy Title	<u>Line(s) of Business</u>
Original <u>Date Effect</u> <u>ive</u>	1/5/12 <u>01/05/2012</u>	GA.8026	Employee Referral Program	<u>Administrative</u>
Revision <u>+Revised</u>	6/4/15 <u>06/04/2015</u>	GA.8026	Employee Referral Program	<u>Administrative</u>
<u>Revised</u>	<u>04/06/2017</u>	<u>GA.8026</u>	<u>Employee Referral Program</u>	<u>Administrative</u>

Policy #: GA.8026

Title: Employee Referral Program

Revised Date: 04/06/17~~6/4/15~~

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Policy #: GA.8026

Title: Employee Referral Program

Revised Date: 04/06/17~~6/4/15~~

IX. GLOSSARY

<u>Term</u>	<u>Definition</u>
<u>Employee Referral Program</u>	<u>A bonus program for employees whose applicant referrals are hired and the eligibility conditions are met.</u>
<u>Executive Staff</u>	<u>Any CalOptima employee whose position title is Executive Director or Chief Officer of one (1) or more departments.</u>
<u>Good Standing</u>	<u>The employee has at least a fully meets expectations job performance rating on their most recent evaluation and has not received written disciplinary action within the last six (6) months</u>

Policy #: GA.8026
Title: **Employee Referral Program**
Department: Human Resources
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 01/05/12
Last Review Date: 04/06/17
Last Revised Date: 04/06/17

I. PURPOSE

This policy provides for an opportunity for employees to receive compensation for individuals referred to and hired by CalOptima.

II. POLICY

A. Employee referrals are a valuable and cost-effective source of new employees. In times of recruiting challenges, CalOptima may choose to reward the recruiting efforts of employees by awarding a bonus to employees whose referrals are hired, in accordance with the following guidelines. Exceptions to the policy may be made, in special circumstances, by the Human Resources (HR) Department.

B. Eligibility

1. Employees will be eligible to receive bonuses for referrals if all of the following conditions are met:
 - a. The employee making the referral is a regular full-time or part-time employee;
 - b. The referred applicant is hired for a regular full-time or part-time position at CalOptima;
 - c. The referred applicant remains continuously employed by CalOptima and is in Good Standing for a minimum of four (4) months;
 - d. The employee making the referral is employed by CalOptima at the conclusion of the four (4) month period; and
 - e. The applicant was not already identified through another source.
 - f. All regular full and part-time employees are eligible to receive a referral bonus, except:
 - i. Members of the HR Department;
 - ii. Employees in supervisory positions who refer applicants for employment within their own work units;
 - iii. Members of the Executive Staff; and
 - iv. Temporary or contract workers.

g. All referrals will be considered for the employee referral bonus except:

- i. Referrals of former or current employees of CalOptima;
- ii. Former or current consultants to CalOptima; and
- iii. Temporary workers who currently work on-site or have worked with CalOptima in the past.

C. Awards

1. There is no limit to the number of applicants an employee may refer. For each referred applicant who is hired under the terms of this policy, the employee may receive a bonus of a specified amount before taxes. The bonus amount, which will be set in a fair and consistent manner, is dependent on the position and at the discretion of the HR Department. If the referred applicant indicates more than one (1) employee name as a referral, the HR Department will select the first employee listed to receive the referral bonus. Employees will receive bonuses with their paychecks (in a separate check) within two (2) to four (4) weeks after the four (4) month minimum employment period.

D. The Employee Referral Program is provided only to the extent that budgeted funds are available. CalOptima is under no obligation to fund or continue the Employee Referral Program.

III. PROCEDURE

Responsible Party	Action
Employee	1. Employee's name needs to be entered by the applicant at time of completing the online application through the CalOptima website, under "How did you hear about us?"
Human Resources	<ol style="list-style-type: none">1. Determine the amount of the bonus payment appropriate to the position prior to advertising for the open position;2. If the referred applicant indicates more than one (1) employee name as a referral, the first employee listed will receive the referral bonus;3. Notify referring employees of candidates who were hired;4. Track all hired referrals through the waiting period;5. Certify that both employees are still employed at the end of the four (4) month waiting period;6. Ensure sufficient funds in budget for bonus payment;7. Approve the bonus payment; and8. Send Action Form to the Payroll Department.

Responsible Party	Action
Payroll Department	1. Upon receipt of HR's request for payment, the Payroll Department will issue the bonus payment to the referring employee.

IV. ATTACHMENTS

Not Applicable

V. REFERENCES

A. CalOptima Employee Handbook

VI. REGULATORY AGENCY APPROVALS

None to Date

VII. BOARD ACTIONS

A. 04/06/17: Regular Meeting of the CalOptima Board of Directors

B. 06/04/15: Regular Meeting of the CalOptima Board of Directors

C. 01/05/12: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	01/05/2012	GA.8026	Employee Referral Program	Administrative
Revised	06/04/2015	GA.8026	Employee Referral Program	Administrative
Revised	04/06/2017	GA.8026	Employee Referral Program	Administrative

IX. GLOSSARY

Term	Definition
Employee Referral Program	A bonus program for employees whose applicant referrals are hired and the eligibility conditions are met.
Executive Staff	Any CalOptima employee whose position title is Executive Director or Chief Officer of one (1) or more departments.
Good Standing	The employee has at least a fully meets expectations job performance rating on their most recent evaluation and has not received written disciplinary action within the last six (6) months



Policy #: GA.8030
Title: **Background Check**
Department: Human Resources
Section: Not Applicable

CEO Approval: Michael Schrader _____

~~Revised Date:~~ 2/1/14

Effective Date: ~~4/104/01/~~

Last Review Date: 13

Last Revision Date: 04/06/17

04/06/17

I. PURPOSE

~~To outline CalOptima's~~ This policy ~~for conducting~~ outlines the process by which CalOptima conducts background checks.

II. POLICY

- A. CalOptima believes that hiring qualified individuals contributes to CalOptima's overall strategic success. Background checks serve as an important part of the selection process. CalOptima employees have access to confidential private and protected health information. -Through comprehensive background checks, CalOptima can obtain additional applicant information that helps determine the applicant's overall employability, and ensures the protection of the people, property, and information of the organization.
- B. CalOptima shall conduct background checks on all job applicants prior to commencement of employment. -For promotions, or transfers, of employees to certain positions, a post-employment background check may ~~also~~ be required. - Types of positions included would be those who are safety sensitive, have health risk, or exposure and/or financial exposure. CalOptima shall use a third party agency to conduct the background checks and prepare a report, which may include, but is not limited to, information pertaining to an applicant's:
1. Past employment;
 2. Criminal background;
 3. Highest level of education, whether required for the position or not; if highest education completed is greater than a Master's degree, check all education levels from Master's degree and higher (i.e. MD, PhD, etc.);
 4. Department of Motor Vehicles (DMV) record, where applicable;
 5. Credit record; where applicable;
 6. Professional and personal references, where applicable;
 7. Character; and

8. Reputation.

- C. The background check is conducted, in part, to verify the accuracy of the information provided by the applicant, including the applicant's social security number. ~~Some positions may require additional screening, depending on the job requirements and responsibilities.~~
- D. For positions that require physical examinations, drug testing, and/or tuberculosis testing, CalOptima shall perform the background check first, and if an employment offer is made after the background check is completed, but prior to the commencement of employment duties, CalOptima may then condition employment on the passing of a physical examination, drug testing, and/or tuberculosis testing provided that:
1. The examination, or inquiry, is job-related and consistent with business necessity; and
 2. That all new employees in the same job classification are subject to the same examination, or screening.
- E. The Human Resources Department shall also be responsible for conducting exclusion monitoring for all CalOptima employees upon hire and monthly thereafter. ~~The Human Resources Department shall conduct exclusion monitoring through the Office of Inspector General (OIG) List of Excluded Individuals/Entities (LEIE), the General Services Administration's (GSA) System for Award Management (SAM), and the Medi-Cal Suspended & Ineligible (S&I) Website, as outlined in the Human Resources exclusions desktop procedure. Any applicant or existing employee found on the Office of Inspector General (OIG), System for Award Management (SAM), and/or Medi-Cal (S&I) Website and verified according to the Human Resources procedure cannot be hired by or be employed~~continue employment with CalOptima.
- F. Employees shall notify the Human Resources Department upon hire or immediately any time thereafter, if the ~~Employee-employee~~ knows, or has reason to know that the ~~eEmployee~~ is excluded from a federally funded healthcare program and/or may be listed on the ~~SAM Website~~OIG List, SAM, and/or Medi-Cal (S&I) Websites.
- G. CalOptima shall ensure that all background checks are held confidentially, in compliance with all federal and state statutes, such as the California Investigative Consumer Reporting Act and the Fair Credit Reporting Act.
- H. For positions that require an employee to drive ~~fifty percent (50%) or more as part~~ of their work ~~hours~~duties, CalOptima ~~may make inquiries regarding~~check the applicant/employee's DMV records, which ~~may include~~includes verification of car insurance and ~~status of the driver license~~. ~~Employees shall notify the Human Resources Department upon hire or immediately any time thereafter, if the employee knows or has reason to know of any action to be taken on the employee's driver's license or an event that occurs that could lead to such actions, including, but not limited to, accidents, citations for driving under the influence (DUI), etc. Failure to report such incidents to Human Resources may lead to disciplinary action up to and including termination.~~
- I. Falsification of information on the employment application, or providing false information for the purpose of hiring, may result in disciplinary action up to and including termination of employment.

~~Poli~~ GA.8030

~~Policy~~

Policy #:

Title: Background Check

Revised Date: 04/06/17~~2/1/14~~

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J. The Human Resources Department, with the assistance of Legal Counsel, may revise the sample attachments, as appropriate, to reflect individual circumstances and to be consistent with applicable laws.

III. PROCEDURE

Responsible Party	Action
Applicant	<ol style="list-style-type: none"> 1. Complete application on Open Hire. 2. Submit a copy of references. 3. Complete the Background Check Consent Form.
Human Resources	<ol style="list-style-type: none"> 1. Provide notice and disclosure to the applicant about the purpose of the report and how the Background Check report will be used as required pursuant to Federal and State laws. 2. Complete a Background Check Order Form. 3. Facsimile Order Form to vendor. 4. If the applicant wishes to receive a copy of the report, a copy shall be sent to the applicant within three (3) business days of the date that the report was provided to CalOptima. 5. Send Pre-Adverse Action Form to the candidate, if applicable. 6. Notify candidate of the results of the background check in general terms (i.e., passed, unable to locate, etc., within forty-eight (48) hours of receiving results).

IV. ATTACHMENTS

- A. Sample Background Check Disclosure, Authorization and Consent Form
- B. Sample Pre-Adverse Action – Full Disclosure
- C. Sample Adverse Action – Employment Notice - Denial
- D. Adverse Action – Employment & Withdrawal of Offer
- C.

V. DEFINITIONS

Not Applicable

VI. REFERENCES

- A. California Consumer Credit Reporting Agencies Act, California Civil Code §1785.1 *et seq.*
- B. California Investigative Consumer Reporting Act, California Civil Code §1786 *et seq.*
- C. California Labor Code, §1024.5
- A.D. CalOptima Employee Handbook
- B.E. CalOptima Policy GA.8000: Glossary of Terms
- C. California Investigative Consumer Reporting Act, California Civil Code Section 1786 *et seq.*

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D. ~~California Consumer Credit Reporting Agencies Act, California Civil Code Section 1785.1 et seq.~~

E. ~~California Labor Code Section 1024.5~~

F. Fair Credit Reporting Act, [15, USC ~~Section, §~~ 1681 et seq.]

VI. REGULATORY AGENCY APPROVALS ~~OR~~

None to Date

VII. BOARD ACTIONACTIONS

A. 04/06/17: Regular Meeting of the CalOptima Board of Directors

~~A.B. 5/4/11/06/14: Regular Meeting of the CalOptima Board Meeting of Directors~~

C. 05/01/14: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

<u>Version</u>	<u>Date</u>	<u>Policy Number</u>	<u>Policy Title</u>	<u>Line(s) of Business</u>
<u>Effective</u>	<u>04/01/2013</u>	<u>GA.8030</u>	<u>Background Check</u>	<u>Administrative</u>
<u>Revised</u>	<u>05/01/2014</u>	<u>GA.8030</u>	<u>Background Check</u>	<u>Administrative</u>
<u>Revised</u>	<u>10/01/2014</u>	<u>GA.8030</u>	<u>Background Check</u>	<u>Administrative</u>
<u>Revised</u>	<u>04/06/2017</u>	<u>GA.8030</u>	<u>Background Check</u>	<u>Administrative</u>

~~Poli~~ GA.8030

~~Policy~~

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Title: Background Check

Revised Date: 04/06/17~~2/1/14~~

IX. GLOSSARY

Not Applicable

~~A. 2/1/14: GA.8030: Background Check~~

IX. KEYWORDS

~~DMV Record~~

~~Credit Report~~

Policy #: GA.8030
Title: **Background Check**
Department: Human Resources
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 04/01/13
Last Review Date: 04/06/17
Last Revision Date: 04/06/17

I. PURPOSE

This policy outlines the process by which CalOptima conducts background checks.

II. POLICY

- A. CalOptima believes that hiring qualified individuals contributes to CalOptima's overall strategic success. Background checks serve as an important part of the selection process. CalOptima employees have access to confidential private and protected health information. Through comprehensive background checks, CalOptima can obtain additional applicant information that helps determine the applicant's overall employability, and ensures the protection of the people, property, and information of the organization.
- B. CalOptima shall conduct background checks on all job applicants prior to commencement of employment. For promotions, or transfers, of employees to certain positions, a post-employment background check may be required. Types of positions included would be those who are safety sensitive, have health risk, or exposure and/or financial exposure. CalOptima shall use a third party agency to conduct the background checks and prepare a report, which may include, but is not limited to, information pertaining to an applicant's:
1. Past employment;
 2. Criminal background;
 3. Highest level of education, whether required for the position or not; if highest education completed is greater than a Master's degree, check all education levels from Master's degree and higher (i.e. MD, PhD, etc.);
 4. Department of Motor Vehicles (DMV) record, where applicable;
 5. Credit record; where applicable;
 6. Professional and personal references, where applicable;
 7. Character; and
 8. Reputation.

- C. The background check is conducted, in part, to verify the accuracy of the information provided by the applicant, including the applicant's social security number. Some positions may require additional screening, depending on the job requirements and responsibilities.
- D. For positions that require physical examinations, drug testing, and/or tuberculosis testing, CalOptima shall perform the background check first, and if an employment offer is made after the background check is completed, but prior to the commencement of employment duties, CalOptima may then condition employment on the passing of a physical examination, drug testing, and/or tuberculosis testing provided that:
 1. The examination, or inquiry, is job-related and consistent with business necessity; and
 2. That all new employees in the same job classification are subject to the same examination, or screening.
- E. The Human Resources Department shall also be responsible for conducting exclusion monitoring for all CalOptima employees upon hire and monthly thereafter. The Human Resources Department shall conduct exclusion monitoring through the Office of Inspector General (OIG) List of Excluded Individuals/Entities (LEIE), the General Services Administration's (GSA) System for Award Management (SAM), and the Medi-Cal Suspended & Ineligible (S&I) Website, as outlined in the Human Resources exclusions desktop procedure. Any applicant or existing employee found on the Office of Inspector General (OIG), System for Award Management (SAM), and/or Medi-Cal (S&I) Website and verified according to the Human Resources procedure cannot be hired by or continue employment with CalOptima.
- F. Employees shall notify the Human Resources Department upon hire or immediately any time thereafter, if the employee knows, or has reason to know that the employee is excluded from a federally funded healthcare program and/or may be listed on the OIG List, SAM, and/or Medi-Cal (S&I) Websites.
- G. CalOptima shall ensure that all background checks are held confidentially, in compliance with all federal and state statutes, such as the California Investigative Consumer Reporting Act and the Fair Credit Reporting Act.
- H. For positions that require an employee to drive as part of their work duties, CalOptima may check the applicant/employee's DMV records, which includes verification of car insurance and status of the driver license. Employees shall notify the Human Resources Department upon hire or immediately any time thereafter, if the employee knows or has reason to know of any action to be taken on the employee's driver's license or an event that occurs that could lead to such actions, including, but not limited to, accidents, citations for driving under the influence (DUI), etc. Failure to report such incidents to Human Resources may lead to disciplinary action up to and including termination.
- I. Falsification of information on the employment application, or providing false information for the purpose of hiring, may result in disciplinary action up to and including termination of employment.
- J. The Human Resources Department, with the assistance of Legal Counsel, may revise the sample attachments, as appropriate, to reflect individual circumstances and to be consistent with applicable laws.

III. PROCEDURE

Responsible Party	Action
Applicant	<ol style="list-style-type: none">1. Complete application on Open Hire.2. Submit a copy of references.3. Complete the Background Check Consent Form.
Human Resources	<ol style="list-style-type: none">1. Provide notice and disclosure to the applicant about the purpose of the report and how the Background Check report will be used as required pursuant to Federal and State laws.2. Complete a Background Check Order Form.3. Facsimile Order Form to vendor.4. If the applicant wishes to receive a copy of the report, a copy shall be sent to the applicant within three (3) business days of the date that the report was provided to CalOptima.5. Send Pre-Adverse Action Form to the candidate, if applicable.6. Notify candidate of the results of the background check in general terms (i.e., passed, unable to locate, etc. within forty-eight (48) hours of receiving results).

IV. ATTACHMENTS

- A. Sample Background Check Disclosure, Authorization and Consent Form
- B. Sample Pre-Adverse Action – Full Disclosure
- C. Sample Adverse Action Notice - Denial & Withdrawal

V. REFERENCES

- A. California Consumer Credit Reporting Agencies Act, California Civil Code §1785.1 *et seq.*
- B. California Investigative Consumer Reporting Act, California Civil Code §1786 *et seq.*
- C. California Labor Code, §1024.5
- D. CalOptima Employee Handbook
- E. CalOptima Policy GA.8000: Glossary of Terms
- F. Fair Credit Reporting Act [15, USC, §1681 *et seq.*]

VI. REGULATORY AGENCY APPROVALS

None to Date

VII. BOARD ACTIONS

- A. 04/06/17: Regular Meeting of the CalOptima Board of Directors

Policy #: GA.8030
Title: Background Check

Revised Date: 04/06/17

- B. 11/06/14: Regular Meeting of the CalOptima Board of Directors
C. 05/01/14: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	04/01/2013	GA.8030	Background Check	Administrative
Revised	05/01/2014	GA.8030	Background Check	Administrative
Revised	10/01/2014	GA.8030	Background Check	Administrative
Revised	04/06/2017	GA.8030	Background Check	Administrative

- 1 **IX. GLOSSARY**
- 2
- 3 Not Applicable
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DISCLOSURE AUTHORIZATION AND CONSENT FORM

PLEASE READ CAREFULLY

We truly welcome your application with **CalOptima**. You are applying for a position whose acceptance will place you in a category of recognized professionals. In pursuit of that excellence we require, as a condition of employment, that all applicants consent to and authorize a pre-employment and/or continued employment verification of their background, including information submitted on their application or resume.

DISCLOSURE

This document serves solely as a clear and conspicuous written disclosure as required by the Federal Fair Credit Reporting Act set forth in Section 604 (b) to the applicant that a social security number trace, motor vehicle verification, education, previous employment, credit and a criminal background verification may be obtained for the purpose of this employment application. In addition, investigative consumer reports gathered from personal interviews with former employers and other past or current associates of mine to gather information regarding my work performance, character, general reputation and personal characteristics may be obtained for the purpose of this employment application. By the signature below, the Applicant acknowledges that **AccuSource, Inc.** has made this disclosure.

APPLICANT AUTHORIZATION AND CONSENT FOR RELEASE OF INFORMATION

This release and authorization acknowledges that **CalOptima** may now, or any time while I am employed/training, conduct a verification of my education, previous employment/work history, credit history, contact personal references, motor vehicle records, conduct drug testing and to receive any criminal history information pertaining to me which may be in the files of any Federal, State, or Local criminal justice agency, and to verify any other information deemed necessary to fulfill the job requirements. The results of this verification process will be used to determine employment/training eligibility under **CalOptima** employment/training policies. In the event that information from the report is utilized in whole or in part in making an adverse action decision with regard to your potential employment/training, before making the adverse decision, we will provide you with a copy of the consumer report and a description in writing of your rights under the law. I authorize **AccuSource, Inc.** at 1240 E. Ontario Avenue, Suite 102-140, Corona, California 92881, 951-734-8882, customerservice@accusource-online.com, www.accusource-online.com, and any of its agents, to disclose orally and in writing the results of this verification process to the designated authorized representative **CalOptima**. **Contact AccuSource, Inc., if you want to receive a copy of our Information Security Policy.**

I have read and understand this disclosure, and I authorize the background verification.

I authorize persons, schools, current and former employers, and other organizations and Agencies to provide **AccuSource, Inc.** with all information that may be requested. I agree that any copy of this document is as valid as the original. According to the Federal Fair Credit Reporting Act, I am entitled to know if employment/training was denied based on information obtained by my prospective employer/training program and to receive a disclosure of the public record information and of the nature and scope of the investigative report.

CONFIDENTIAL INFORMATION FOR POSITIVE IDENTIFICATION PURPOSES ONLY

Applicant Last Name	First Name	Middle Name
List Other Names Used (MAIDEN NAME)	Date of Birth (For Identification only)	Social Security Number
Drivers License Number	State Drivers License Issued	Last Name on Drivers License
Current Address	City/State/Zip	Dates
Previous Address	City/State/Zip	Dates
Previous Address	City/State/Zip	Dates

Applicant's Signature

Today's Date

← **RELEASE MUST BE SIGNED**

- ☐ Please provide me with a copy of my credit report (California, Oklahoma, Minnesota residents only)
- ☐ Please provide me with a copy of my investigative consumer report (California, New Jersey and New York residents only)

[Back to Agenda](#)

CalOptima
505 City Parkway West
ORANGE, CA 92868
Phone: 714-246-8425

PRE-ADVERSE ACTION LETTER

We are writing to inform you that in evaluating your application for employment we have received the enclosed consumer report. This notification is provided because we may make an adverse decision that may be based, in whole or part, on this report. We are hereby informing you of certain information pursuant to the Fair Credit Reporting Act and state law.

The report was procured pursuant to an authorization signed by you. A summary of your rights as a consumer is enclosed. If you have any questions regarding this report or believe that it may contain incorrect information, you may contact the provider of the report, AccuSource Inc., and they will respond to your inquiry. Their mailing address and phone number are listed below:

AccuSource Inc.
1240 E ONTARIO AVE #102-140
CORONA, CA 92881
Phone: 951-734-8882 / 888-649-6272
Fax: 951-734-0884 / 888-649-6244
<http://www.accusource-online.com>

AccuSource Inc. only provided us the consumer report and plays no part in the decision to take any action on your employment application. AccuSource Inc. is unable to provide you with specific reasons for any employment related decisions to be made.

Sincerely,
CalOptima

Enclosures: Consumer Rights Notification
Consumer Report

CalOptima
505 City Parkway West
ORANGE, CA 92868
Phone: 714-246-8425

ADVERSE ACTION NOTICE

May 13, 2014

Dear ,

This letter is to inform you that an offer of employment will not be made at this time. This decision was based in whole or part, on the information provided us in a Consumer Report or Investigative Consumer Report.

The report was prepared pursuant to an authorization signed by you at the time of application. Subsequently you also received a copy of your consumer report and a summary of your rights under the Fair Credit Reporting Act. The consumer report was used only for employment purposes and prepared for us by a consumer-reporting agency. Their mailing address and phone number are listed below:

AccuSource Inc.
1240 E ONTARIO AVE #102-140
CORONA, CA 92881
Phone: 951-734-8882 / 888-649-6272
Fax: 951-734-0884 / 888-649-6244
<http://www.accusource-online.com>

AccuSource Inc. plays no part in the decision to take any action on your employment application and is unable to provide you with specific reason(s) for not extending an offer of employment.

You may, upon providing proper identification, request another free copy of the report and may dispute with the consumer reporting agency the completeness or accuracy of any information in the report within 60 days of receipt of this notice with AccuSource Inc..

Sincerely,
CalOptima

CalOptima
505 City Parkway West
ORANGE, CA 92868
Phone: 714-246-8425

CalOptima
505 City Parkway West
ORANGE, CA 92868
Phone: 714-246-8425

ADVERSE ACTION NOTICE

May 13, 2014

Dear ,

This letter is to inform you that we find it necessary to rescind our previous offer of employment.

This decision was based in whole or part, on the information provided us in a Consumer Report or Investigative Consumer Report.

The report was prepared pursuant to an authorization signed by you at the time of application. Subsequently you also received a copy of your consumer report and a summary of your rights under the Fair Credit Reporting Act. The consumer report was used only for employment purposes and prepared for us by a consumer-reporting agency. Their mailing address and phone number are listed below:

AccuSource Inc.
1240 E ONTARIO AVE #102-140
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AccuSource Inc. plays no part in the decision to take any action on your employment application and is unable to provide you with specific reason(s) for not extending an offer of employment.

You may, upon providing proper identification, request another free copy of the report and may dispute with the consumer reporting agency the completeness or accuracy of any information in the report within 60 days of receipt of this notice with AccuSource Inc..

Sincerely,
CalOptima

CalOptima
505 City Parkway West
ORANGE, CA 92868
Phone: 714-246-8425

Policy #: GA.8046
Title: **Relocation**
Department: Human Resources
Section: Not Applicable

CEO Approval: Michael Schrader _____

~~2/1~~
Effective Date: 02/01/14
Last Review Date: 04/06/17
Last Revised Date: 04/06/17

I. PURPOSE

~~To establish~~ This policy sets forth CalOptima's guidelines for the reimbursement of defined expenses incurred for relocation as a negotiating tool to recruit the most qualified candidates.

II. POLICY

- A. CalOptima may provide relocation expenses for new employees if funds are available in the hiring department's budget on a case-by-case basis and in full compliance with Federal Internal Revenue Service (IRS) regulations.
- B. ~~CalOptima~~ shall comply with all applicable laws and regulations in administering relocation expenses.
- C. Reimbursement for relocation expenses should be consistent with CalOptima Policy ~~#~~-GA.5004: Travel Policy.

III. PROCEDURE

- A. All or part of a new employee's relocation expenses may be paid for or reimbursed by CalOptima when such an incentive assists the organization in the attraction and retention of qualified new hires.
 - 1. **ELIGIBILITY** – Eligibility for payment of relocation expenses is determined and approved by the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Executive Director of Human Resources based on guidelines managed by the Human Resources Department. CalOptima does not base eligibility on position or title, but on the department's need to use relocation as a recruiting tool. ~~A candidate that is offered~~ relocationsrelocation benefits shall not be eligible to receive payment of relocation expenses until after the candidate has accepted a position, which is defined herein as the point when (i) the candidate has returned to CalOptima the countersigned employment offer letter and all other required employment documents and (ii) the candidate has successfully completed the pre-employment screening and background check, and the candidate has commenced work with CalOptima.
 - 2. **AMOUNTS AND PACKAGE** – Individual departments may provide relocation expenses to new employees based on the amount of funds available in the department's budget and consistent with the guidelines managed by the Human Resources Department. The offer letter of employment should specify the approved relocation expenses and define the maximum amount allowable. Relocation expenses are limited to actual and necessary approved relocation expenses, and CalOptima shall not pay for any amounts in excess of the actual and necessary

Poli GA.8046

Policy #:

Title: Relocation

Effective Revised 2/1/14 4/06/17
Date:

approved relocation expenses, even if the new employee's relocation expenses are below the maximum amount allowable. A request for reimbursement of relocation expense must be submitted within a reasonable period of time to the Accounting Department, and must be supported by original receipts or equivalent electronic receipts that contain the same level of detail as an acceptable paper receipt or invoice and evidence the purchase of qualifying expenditures.

3. APPROVALS – CalOptima's CEO, CFO, and the Executive Director of Human Resources must approve relocation eligibility, amounts, and package.

B. A department offering payment of relocation expenses to a new employee should use the expense form maintained by the Accounting Department Accounts Payable. Levels of approval must be completed prior to payment. The form must:

~~1. Identify which relocation expenses will be covered by the hiring department;~~

~~2. Make clear which relocation expenses are considered taxable income by the IRS;~~

~~1. List all taxable income and submit it to payroll for inclusion in year-end W-2; and~~
~~3.~~

~~4.2~~ Explain how to process payment for relocation expenses.

C. Relocation Tax Implications (IRS Distance and Time Tests)

1. In order for CalOptima's payment or reimbursement of certain relocation expenses to be non-taxable to a new employee, the move must meet both the IRS' distance and time tests as outlined in guidelines provided by the IRS, as may be amended from time to time. CalOptima should advise new employees eligible for relocation to consult their own tax consultants regarding relocation tax implications.

~~a. IRS Distance Test – For certain relocation expenses to be non-taxable, the new job at CalOptima must be a least fifty (50) miles farther from the new employee's former home than the new employee's old job location was from the new employee's former home.~~

~~b. IRS Time Test – For certain relocation expense to be non-taxable, the candidate must work full-time for at least thirty nine (39) weeks during the first twelve (12) months upon arrival at CalOptima.~~

D. Common Relocation Expense/~~Corresponding Tax Implication~~

~~1. Below are common relocation expenses which may be offered to new employees. If the relocation expense is paid~~ Expenses are outlined in guidelines provided by the IRS, as may be amended from time to time.

~~a. Packing, crating, and transporting household goods and personal effects and those of the members of the new employee's household from the new employee's former home to the new home;~~

Poli GA.8046

Policy #:

Title: Relocation

Effective Revised 2/1/14 4/06/17
Date:

~~1.b. Storing household goods or reimbursed by CalOptima, the tax implication associated with such payment will apply:~~ personal affects en route within any period of thirty (30) consecutive days;

~~c. Storing household goods or personal effects once at CalOptima;~~

~~d. Searching for housing or consulting about relocation;~~

~~e. Lodging en route for new employee and members of new employee's household;~~

~~f. Lodging once in Orange County (other than first day of arrival);~~

~~g. Dining en route and dining once in Orange County;~~

~~h. Using personal vehicle; and/or~~

~~—Using commercial transportation.~~

~~i. —~~

2. Use of Personal Vehicles –Post-acceptance expenses for use of personal vehicles, such as travel expenses (one (1) trip) to find a new home or moving expenses to transfer to the new location, are considered relocation expenses and shall be reimbursed consistent with CalOptima Policy #: GA.5004: Travel Policy.

3. Use of Commercial Transportation – Use of commercial transportation (i.e., airlines, trains, etc.) when relocating may be reimbursed by CalOptima, including transportation for family members. However, only one-way trips, without side excursions, are ~~considered non-taxable and~~ reimbursable by CalOptima.

IV. ATTACHMENTS

A. ~~Expense Forms~~ Form

V. DEFINITIONS

~~Not Applicable~~

VI. REFERENCES

- A. CalOptima Policy GA.8000: Glossary of Terms
- B. CalOptima Policy GA.5004: Travel Policy

VI. REGULATORY AGENCY APPROVALS OR

None to Date

~~Policy~~ GA.8046

~~Policy~~

~~Policy~~ #:

Title: Relocation

~~Effective~~ ~~Revised~~ 2/1/14 04/06/17

Date:

VII. ~~BOARD ACTION~~ ACTIONS

A. 04/06/17: Regular Meeting of the CalOptima Board of Directors

A.B. 5/405/01/14: Regular Meeting of the CalOptima Board Meeting of Directors

VIII. REVIEW/REVISION HISTORY

Not Applicable

~~IX.~~ KEYWORDS

~~IRS~~

~~Relocation~~

<u>Version</u>	<u>Date</u>	<u>Policy Number</u>	<u>Policy Title</u>	<u>Line(s) of Business</u>
<u>Effective</u>	<u>02/01/2014</u>	<u>GA.8046</u>	<u>Relocation</u>	<u>Administrative</u>
<u>Revised</u>	<u>04/06/2017</u>	<u>GA.8046</u>	<u>Relocation</u>	<u>Administrative</u>

~~Poli~~ GA.8046

~~Policy~~

#:

Title: Relocation

~~Effective~~ Revised 2/1/14 4/06/17

Date:

IX. GLOSSARY

Not Applicable

Policy #: GA.8046
Title: **Relocation**
Department: Human Resources
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 02/01/14
Last Review Date: 04/06/17
Last Revised Date: 04/06/17

I. PURPOSE

This policy sets forth CalOptima's guidelines for the reimbursement of defined expenses incurred for relocation as a negotiating tool to recruit the most qualified candidates.

II. POLICY

- A. CalOptima may provide relocation expenses for new employees if funds are available in the hiring department's budget on a case-by-case basis and in full compliance with Federal Internal Revenue Service (IRS) regulations.
- B. CalOptima shall comply with all applicable laws and regulations in administering relocation expenses.
- C. Reimbursement for relocation expenses should be consistent with CalOptima Policy GA.5004: Travel Policy.

III. PROCEDURE

- A. All or part of a new employee's relocation expenses may be paid for or reimbursed by CalOptima when such an incentive assists the organization in the attraction and retention of qualified new hires.
 - 1. **ELIGIBILITY** – Eligibility for payment of relocation expenses is determined and approved by the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Executive Director of Human Resources based on guidelines managed by the Human Resources Department. CalOptima does not base eligibility on position or title, but on the department's need to use relocation as a recruiting tool. A candidate that is offered relocation benefits shall not be eligible to receive payment of relocation expenses until after the candidate has accepted a position, which is defined herein as the point when (i) the candidate has returned to CalOptima the countersigned employment offer letter and all other required employment documents and (ii) the candidate has successfully completed the pre-employment screening and background check, and the candidate has commenced work with CalOptima.
 - 2. **AMOUNTS AND PACKAGE** – Individual departments may provide relocation expenses to new employees based on the amount of funds available in the department's budget and consistent with the guidelines managed by the Human Resources Department. The offer letter of employment should specify the approved relocation expenses and define the maximum amount allowable. Relocation expenses are limited to actual and necessary approved relocation expenses, and CalOptima shall not pay for any amounts in excess of the actual and necessary approved relocation expenses, even if the new employee's relocation expenses are below the

maximum amount allowable. A request for reimbursement of relocation expense must be submitted within a reasonable period of time to the Accounting Department, and must be supported by original receipts or equivalent electronic receipts that contain the same level of detail as an acceptable paper receipt or invoice and evidence the purchase of qualifying expenditures.

3. APPROVALS – CalOptima’s CEO, CFO, and the Executive Director of Human Resources must approve relocation eligibility, amounts, and package.

- B. A department offering payment of relocation expenses to a new employee should use the expense form maintained by the Accounting Department Accounts Payable. Levels of approval must be completed prior to payment. The form must:

1. Identify which relocation expenses will be covered by the hiring department; and
2. Explain how to process payment for relocation expenses.

- C. Relocation Tax Implications (IRS Distance and Time Tests)

1. In order for CalOptima’s payment or reimbursement of certain relocation expenses to be non-taxable to a new employee, the move must meet both the IRS’ distance and time tests as outlined in guidelines provided by the IRS, as may be amended from time to time. CalOptima should advise new employees eligible for relocation to consult their own tax consultants regarding relocation tax implications.

- D. Common Relocation Expense

1. Below are common relocation expenses which may be offered to new employees. Expenses are outlined in guidelines provided by the IRS, as may be amended from time to time.
 - a. Packing, crating, and transporting household goods and personal effects and those of the members of the new employee’s household from the new employee’s former home to the new home;
 - b. Storing household goods or personal affects en route within any period of thirty (30) consecutive days;
 - c. Storing household goods or personal effects once at CalOptima;
 - d. Searching for housing or consulting about relocation;
 - e. Lodging en route for new employee and members of new employee’s household;
 - f. Lodging once in Orange County (other than first day of arrival);
 - g. Dining en route and dining once in Orange County;
 - h. Using personal vehicle; and/or

i. Using commercial transportation.

2. Use of Personal Vehicles –Post-acceptance expenses for use of personal vehicles, such as travel expenses (one (1) trip) to find a new home or moving expenses to transfer to the new location, are considered relocation expenses and shall be reimbursed consistent with CalOptima Policy GA.5004: Travel Policy.

3. Use of Commercial Transportation – Use of commercial transportation (i.e., airlines, trains, etc.) when relocating may be reimbursed by CalOptima, including transportation for family members. However, only one-way trips, without side excursions, are reimbursable by CalOptima.

IV. ATTACHMENTS

A. Expense Form

V. REFERENCES

A. CalOptima Policy GA.8000: Glossary of Terms

B. CalOptima Policy GA.5004: Travel Policy

VI. REGULATORY AGENCY APPROVALS

None to Date

VII. BOARD ACTIONS

A. 04/06/17: Regular Meeting of the CalOptima Board of Directors

B. 05/01/14: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	02/01/2014	GA.8046	Relocation	Administrative
Revised	04/06/2017	GA.8046	Relocation	Administrative

Policy #: GA.8046
Title: Relocation

Revised Date: 04/06/17

- 1 **IX. GLOSSARY**
- 2
- 3 Not Applicable
- 4



CalOptima

Better. Together.

2017 Expense Report

Line of Business (LOB) Medi-Cal
Name _____

Employee ID# _____
Dept. Cost Center _____

DATES								TOTALS
Miles Driven								0
Reimbursement	-	-	-	-	-	-	-	\$ -
Parking and Tolls								\$ -
Auto Rental								\$ -
Taxi/Shuttle/Other								\$ -
Airfare								\$ -
Transportation Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -
Lodging								\$ -
Other								\$ -
Breakfast								\$ -
Lunch								\$ -
Dinner								\$ -
Sub-Total Meals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -
Lodging & Meals Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -
Supplies/Equipment								\$ -
Phone, Fax, Internet								\$ -
Catering								\$ -
Business Meals								\$ -
Other								\$ -
<i>Other</i>								\$ -
Miscellaneous Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -

DETAILED EXPENSE RECORD					
Date	Item	Person and Business Relationship	Place Name & Location	Business Purpose	Amount

PURPOSE OF TRIP

SUMMARY

TOTAL EXPENSES	\$ -
LESS CASH ADVANCE	
AMOUNT DUE EMPLOYEE	\$ -
AMOUNT DUE CALOPTIMA	\$ -

EMPLOYEE SIGNATURE _____ DATE _____

APPROVED BY _____ DATE _____

Instructions:

1. Submit all receipts, please tape to a separate 8.5" by 11" paper. Explain any missing receipts.
2. Attach a copy of the Travel & Training Authorization Form for all travel and training reimbursements.
3. IRS regulations require that you provide business purpose for all expenses.
4. Maximum reimbursement for travel and training meals is \$45.00 per day per employee. Note names of all employees included.
5. Use this report for expenses incurred in calendar year 2017 (rate is 53.5 cents per mile).

[Back to Agenda](#)

ACCOUNTING REVIEW

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 6, 2017

Regular Meeting of the CalOptima Board of Directors

Report Item

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

Contact

Phil Tsunoda, Executive Director Public Policy and Public Affairs, (714) 246-8400

Recommended Actions

1. Authorize the expenditure for CalOptima's participation in the following community event:
 - a. Up to \$10,000 and staff participation for Age Well Senior Services' 2017 South County Senior Summit on May 12, 2017 at the Laguna Woods' Performing Art Center;
2. Make a finding that such an expenditure is for a public purpose and in furtherance of CalOptima's mission and statutory purpose; and
3. Authorize the Chief Executive Officer to execute agreements as necessary for the event and expenditure.

Background

CalOptima has a long history of participating in community events, health and resource fairs, town halls, workshops, and other public activities in furtherance of the organization's statutory purpose. Consistent with these activities, CalOptima has offered financial participation in public activities from time to time when such participation is in the public good, in furtherance of CalOptima's mission and statutory purpose, and encourages broader participation in CalOptima's programs and services, or promotes health and wellness among the populations CalOptima serves. As a result, CalOptima has developed and cultivated a strong reputation in Orange County with community partners and key stakeholders.

Requests for participation are considered based on several factors, including: the number of CalOptima members and potential members the activity/event will reach, the marketing benefits accrued to CalOptima, the strength of the partnership or level of involvement with the requesting entity, past participation, staff availability, and available budget.

Discussion

Staff recommends the authorization of expenditures for participation in this community event, with the goal of marketing OneCare Connect, and increasing enrollment in the program. This event will provide CalOptima with an opportunity to conduct outreach and education to current and potential members, increasing access to health care services, and meeting the needs of our senior community.

A \$10,000 financial commitment for Age Well Senior Services' 2017 South County Senior Summit includes: One (1) premier exhibit booth location, CalOptima logo on event advertising, half-page advertisement in event program, large event banner at event, CalOptima information in each attendee's event bag and verbal recognition at the event. CalOptima staff time will be used to participate in this event. This tenth annual event is expected to draw over twelve hundred (1,200) older adults and will be televised in thousands of households throughout South Orange County.

CalOptima CEO Michael Schrader will be included in the program and will be speaking on our senior-related lines of business, including the OneCare Connect program and the PACE Center. The event will feature a panel of experts who will be presenting on the topic of "Financial Planning for Your Golden Years." Attendees will be provided free financial planning by certified members of the Financial Planning Association of Orange County.

CalOptima staff has reviewed this request and has determined that the event meets the considerations for participation including the following:

1. Participation is in the public good, in furtherance of CalOptima's mission and statutory purpose, and encourages broader participation in CalOptima's programs and services;
2. Participation promotes health and wellness among the populations CalOptima serves;
3. The number of people the activity/event will reach;
4. The marketing benefits accrued to CalOptima;
5. The strength of the partnership or level of involvement with the requesting entity;
6. Past participation;
7. Staff availability; and
8. Available budget.

CalOptima's involvement in community events is coordinated by the Community Relations Department. The Community Relations Department will take the lead to coordinate staff schedules, resources, and appropriate materials for each event.

As part of its consideration of the recommended actions, approval of this item would be based on the Board making a finding that the proposed activity and expenditure is in the public interest and in furtherance of CalOptima's statutory purpose.

Fiscal Impact

Funding for the recommended action of up to \$10,000 to participate in the 2017 South County Senior Summit is included as part of the Community Events budget under the CalOptima Fiscal Year 2016-17 Operating Budget approved by the CalOptima Board of Directors on June 2, 2016.

Rationale for Recommendation

Staff recommends approval of the recommended actions in order to support community activities that provide opportunities that reflect CalOptima's mission, encourage broader participation in CalOptima's programs and services, or promote health and wellness. CalOptima's participation in the events will provide an opportunity to conduct outreach and education about CalOptima's programs and services to our senior members.

Concurrence

Gary Crockett, Chief Counsel

Attachments

Event Informational Packet

/s/ Michael Schrader
Authorized Signature

03/30/2017
Date

Case Management
In-Home Care Support
Meals on Wheels



Nutritional Services
Senior Centers
Transportation
Volunteering Opportunities

Tel: (949) 855-8033

Fax: (949) 855-8025

As the lead sponsoring nonprofit agency, Age Well Senior Services, Inc. cordially invites you to support the 2017 South County Senior Summit. This popular 10th annual event – presented by Orange County Supervisor Lisa Bartlett in partnership with the Orange County Office on Aging, Laguna Woods Village, and Age Well Senior Services, Inc – will take place Friday, May 12 inside the Laguna Woods Performing Art Center (formerly Clubhouse 3).

The 2017 Senior Summit is pleased to announce special guest speaker Senator John Moorlach, who will present a legislative update from the State on issues impacting older adults. Additionally, the program will feature a panel of renowned experts providing timely presentations related to this year's theme, *"Financial Planning for Your Golden Years"*. As such, the 2017 Senior Summit will offer FREE financial planning consultation services for attendees, graciously provided by certified members of the Financial Planning Association of Orange County.

Over 1,200 older adults are expected to attend the 2017 Senior Summit, which will be televised to thousands of households throughout South County. As always, the event will begin at 8 AM with a complimentary continental breakfast, followed by an informative and exciting program commencing at 9 AM with a welcome address by Supervisor Lisa Bartlett. At the conclusion of the program, a complimentary lunch will also be provided for all attendees.

By becoming a sponsor of the 10th Annual South County Senior Summit, your organization will be recognized in the official event program attendees will receive upon arrival. Your tax-deductible donation will also provide your organization with the options and incentives listed in the attached Sponsor Pledge Form

As an organizational sponsor, you not only will be supporting the South County Senior Summit, but you will also have a unique opportunity to connect with countless older adults in Orange County and demonstrate your caring and concern for them.

To become a sponsor of the 10th Annual South County Senior Summit, please complete and return the attached Sponsor Pledge Form by Friday, April 29. Thank you so much for your consideration. We look forward to seeing you at the South County Senior Summit!

Sincerely,

A handwritten signature in black ink, reading "Marilyn L. Ditty".

Marilyn L. Ditty
Chief Executive Officer
Age Well Senior Services, Inc

SPONSOR PLEDGE FORM

Name of Organization: _____

Contact Person: _____ Phone: () _____

Address: _____

Fax: () _____ Email: _____

Sponsorship Levels:

☐ **Title Sponsor \$15,000** – As a Title Sponsor, your Organization will be offered a Speaking Role at the Event. Your Logo will be prominently featured on Event Advertising as "Title Sponsor". You will also receive Verbal Recognition and be presented a Special Award from Supervisor Bartlett at the Summit, Full-Page advertising space in the Event Program, Premier Booth Location, Two Large Banners prominently displayed at the Summit, Product/Service information in the Event Bag, Recognition about sponsorship in the Supervisor's Newsletter, Certificate of Recognition from Supervisor Bartlett.

☐ **Diamond Sponsor \$10,000** – As a Diamond Sponsor, your Organization's Logo will be prominently featured on Event Advertising as a "Diamond Sponsor". You will also receive Verbal Recognition and be presented a Special Award from Supervisor Bartlett at the Summit, Half-Page advertising in Event Program, One Large Banner prominently displayed at the Summit, Premium Booth Location, Product/Service info in the Event Bag, Recognition about sponsorship in the Supervisor's Newsletter, Certificate of Recognition from Supervisor Bartlett.

☐ **Platinum Sponsor \$5,000** – As a Platinum Sponsor, you will receive Verbal Recognition and be presented a Special Award from Supervisor Bartlett at the Summit, 1/4-Page advertising in Event Program, Preferred Booth Location, Product/Service information in the Event Bag, Recognition about your sponsorship in the Supervisor's Newsletter, Certificate of Recognition from Supervisor Bartlett.

☐ **Gold Sponsor \$2,500** – As a Gold Sponsor, you will receive Verbal Recognition and be presented a Special Award from Supervisor Bartlett at the Summit, Individual Booth Location, Special Recognition in the Event Program, Certificate of Recognition from Supervisor Bartlett.

☐ **Silver Sponsor \$1,000** – Silver Sponsors will receive Verbal Recognition from Supervisor Bartlett at the Summit, Special Recognition in the Event Program, Individual Booth Space, Certificate of Recognition from Supervisor Bartlett.

☐ **Bronze Sponsor \$500** – Recognition in the Event Program, Booth Space, Certificate of Recognition from Supervisor Bartlett.

☐ **Non-Profit Sponsor \$250** – Recognition in the Event Program, Booth Space, Certificate of Recognition from Supervisor Bartlett.

To ensure your Sponsorship Level is properly recognized on Event Advertising, please return this form by April 29 with your **tax-deductible** check (Tax ID # 93-1163563) made payable to **Age Well Senior Services** and note "**Senior Summit**" in the memo line. You may also email your completed Sponsor Pledge Form and high resolution logo file to Beth Apodaca at bapodaca@myagewell.org. Please mail your sponsor check to:

Age Well Senior Services, Inc.
c/o South County Senior Summit Rep
24461 Ridge Route Drive, Suite 220
Laguna Hills, CA 92653

Phone: (949) 855-8033
Fax: (949) 855-8025

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Board of Directors Meeting April 6, 2017

OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan) Member Advisory Committee Update

At the February 23, 2017 OneCare Connect Member Advisory Committee (OCC MAC) meeting, Caryn Ireland, Executive Director, Quality and Analytics, presented the 2016 results of the Pay for Value program, noting that its focus is to improve members' health, provide better care and lower health care costs. Ms. Ireland added that both performance and improvement are considered when measuring the health network's overall performance.

Member Sara Lee, Legal Aid Society of Orange County (LASOC), provided the Quarterly Ombudsman Update. Member Lee reported that LASOC continues to resolve service disruption issues for OneCare Connect (OCC) members that experience problems with their Medi-Cal eligibility. In an effort to alleviate disruptions, LASOC conducts outreach and education to OCC members on OCC benefits, billing issues and the importance of complying with the Medi-Cal renewal process.

Also at the February meeting, OCC MAC members received the following updates from CalOptima's executive staff: Chief Executive Officer update, Chief Medical Officer update, and State and Federal Legislative update.

Recruitment ended on March 31, 2017 for the five OCC MAC seats whose terms expire on June 30, 2017. The OCC MAC Nominations Ad Hoc Subcommittee will evaluate each of the candidates and recommend a slate of candidates for the OCC MAC to consider at the April 27, 2017 meeting. The OCC MAC will then forward the recommended slate of candidates to the Board of Directors for consideration.

The OCC MAC appreciates the opportunity to provide the CalOptima Board with input and updates on OCC MAC activities.

Board of Directors Meeting April 6, 2017

Member Advisory Committee Update

At the March 9, 2017 Member Advisory Committee (MAC) meeting, MAC members received two informational presentations from CalOptima staff, including the 2016 results of the Pay for Value (P4V) program and the Managed Behavioral Health Organization (MBHO) update. Abraham Manase, Sr. Data Analyst, Quality Analytics, explained that the P4V program recognizes and rewards health networks and their providers for demonstrating quality performance and improvement. He added that the focus of P4V is to improve members' health, provide better care and lower health care costs. Mimi Cheung, Supervisor, Quality Analytics, reported that various provider and member incentives have been developed, which are designed to improve quality of care.

Dr. Sharps, Medical Director, Behavioral Health Integration, presented an update on the transition of Magellan Health, Inc., as the new MBHO effective January 1, 2017, noting that Magellan's providers covered 95 percent of the behavioral health cases for Medi-Cal members and 100 percent for OneCare Connect members. The MAC was pleased to learn that members experienced a smooth transition. Dr. Sharps added that a quality improvement initiative for 2017 will assess the behavioral health needs of members residing in skilled nursing facilities.

MAC member Christina Sepulveda provided an overview of the Boys and Girls Clubs of Garden Grove (BGCGG). Ms. Sepulveda explained that the BGCGG serves over 6,500 youths on a daily basis in central Orange County through various youth development programs and family strengthening services.

Chair Mallory Vega announced that the Provider Advisory Committee (PAC) would like to convene a joint MAC/PAC meeting similar to last year's joint advisory committee meeting in which behavioral health issues were discussed. MAC members expressed interest in convening a joint meeting to address areas of mutual concern. The joint meeting is tentatively scheduled for September 14, 2017 at 8:00 a.m.

Recruitment ended on March 31, 2017 for the six MAC seats whose terms expire on June 30, 2017. The MAC Nominations Ad Hoc Subcommittee will evaluate each of the candidates and recommend a slate of candidates for the MAC to consider at the May 11, 2017 meeting. The MAC will then forward the recommended slate of candidates to the Board of Directors for consideration.

The MAC appreciates the opportunity to provide the CalOptima Board with input and updates on the MAC's activities.

Board of Directors Meeting April 6, 2017

Provider Advisory Committee (PAC) Update

March 9, 2017 PAC Meeting

Twelve (12) PAC members were in attendance at the March PAC meeting.

PAC members received an update from Chief Executive Officer Michael Schrader on the ongoing Affordable Care Act (ACA) changes to Medicaid Classic and Medicaid Expansion (MCE). Mr. Schrader also updated the PAC on his meetings with legislators in Washington D.C. in February.

Dr. Richard Helmer, Chief Medical Officer, provided PAC with an update on the Magellan transition. Dr. Helmer also mentioned that CalOptima was exploring the possibility of using incentive payments for providers to help identify depression in 12 year olds. There was much discussion among the PAC members and the CalOptima executives about how to best rollout this program to the CalOptima providers. PAC will continue to monitor this area as it aligns with the proposed PAC goals and objectives for 2017-18. The PAC chair has formed an ad hoc committee comprised of PAC members Miranti, Flood and Nishimoto for the specific purpose of identifying services that are available for the homeless. The ad hoc will return to the PAC with its findings and recommendations.

PAC also received an informative presentation from Phil Tsunoda, Executive Director, Public Policy and Public Affairs, who provided a State and Federal legislative update regarding the replacement of the Affordable Care Act (ACA) and the new American Health Care Act (AHCA) proposed by the Trump Administration.

Melissa Tober of the Orange County Healthcare Agency presented to the PAC a very informative presentation on the status of the Whole Person Care (WPC) Pilot Proposal. Ms. Tober noted that the target populations for this pilot are persons who are homeless and persons who are homeless and living with mental illness.

PAC members reviewed and discussed their Goals and Objectives for Fiscal Year 2017-18. One of PAC's many goals is to hold a joint MAC/PAC meeting in September 2017.

A MAC/PAC ad hoc will be formed to discuss possible agenda items of mutual interest for this meeting and will meet in July if MAC is amenable to this joint meeting. MAC and PAC will provide more information on this at a future Board meeting.

Once again, the PAC appreciates and thanks the CalOptima Board for the opportunity to present input and updates on the PAC's current activities.



CalOptima
Better. Together.

Federal & State Legislative Advocate Reports

**Board of Directors Meeting
April 6, 2017**

Akin Gump Strauss Hauer & Feld / Edelstein Gilbert Robson & Smith

M E M O R A N D U M

March 27, 2017

To: CalOptima
From: Akin Gump Strauss Hauer & Feld, LLP
Re: March Report

In the month of March, we began our representation of CalOptima in Washington, D.C., which necessitated initial conference calls to enhance our understanding of CalOptima's immediate and medium-term policy goals as well as robust engagement on behalf of CalOptima to monitor and influence the development of the American Health Care Act (AHCA), the House Republican bill to repeal the Affordable Care Act and reform Medicaid. Susan Lent led the initial 'kick-off' call with follow-up conference calls throughout the month to brief CalOptima on developments related to the AHCA including Geoff Verhoff, Ryan Ellis, and Josh Teitelbaum. This monthly report reviews Akin Gump support for CalOptima and the contemporaneous development of the AHCA in the U.S. House of Representatives.

Kick-Off Call

On Friday, March 3, 2017, Akin Gump and CalOptima had an initial kick-off conference call to discuss the upcoming health care agenda on Capitol Hill as well as discuss how to properly communicate new developments to CalOptima in the month ahead and the upcoming Board of Directors (BOD) meeting. Akin Gump advised the Orange County delegation that we are representing CalOptima, and as noted below, Akin Gump then continued to engage the delegation on CalOptima's AHCA positions and shared that we will look for opportunities to engage with the delegation moving forward.

Akin Gump also described the expected timetable for moving the AHCA through Congress as it was understood at the time. This timetable included a plan by the House Majority to release and markup the titles of the bill in their respective committees the week of March 6. The following week of March 13, the Budget Committee would bring the two texts together into a single bill as is required for reconciliation bills. The week of March 20 would be reserved for markup in the House Rules Committee, which would be an opportunity for the House Majority to make any additional changes as well as structure debate for the House floor vote later that week, when it would pass the bill and send it to the Senate for its consideration. The goal for this rapid timetable was to complete passage of the AHCA before the two week April recess (weeks of April 10 and 17) after which Congress would need to address the expiration of funding for the government on April 28 and then turn to the FY2018 budget process that would be the vehicle for another top agenda item: tax reform.

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The American Health Care Act

On the evening of Monday, March 6, 2017, the House Energy & Commerce Committee and the House Ways & Means Committee publicly released their respective titles of the American Health Care Act and announced that the markup for the bills would be held less than two days later on Wednesday, March 8, 2017. The bill repealed key pieces of the ACA, and replaced them with Republican health care proposals.

Specifically, the House Ways & Means Committee, which has jurisdiction over taxes, released the text of a bill that would:

- End the penalties associated with the individual and employer mandates;
- Repeal or delay many of the taxes established by the ACA to pay for its expanded coverage, including taxes on over-the-counter medications, tanning salons, health savings accounts, flexible savings accounts, high cost health plans, medical devices, and the surtax on high income earners; and
- Convert the ACA's advanced, refundable tax credit from one based on income and geography to one based on age.

And, the House Energy & Commerce Committee, which has jurisdiction over Medicaid, released the text of a bill that would, among other things:

- Codify that expanding Medicaid as envisioned by the ACA was an option that states may choose until December 31, 2019;
- Repeal the ability of states to choose to expand their Medicaid eligibility as envisioned by the ACA after December 31, 2019;
- Repeal the enhanced federal matching rate for newly eligible beneficiaries after December 31, 2019, but allows states to continue to receive the enhanced federal match for Medicaid expansion enrollees who were enrolled on December 31, 2019 and do not experience a gap in Medicaid eligibility greater than one month;
- Repeal the requirement that State Medicaid plans provide the same essential health benefits that are required by plans on the individual marketplace exchanges beginning on January 1, 2020; and
- Convert federal funding for Medicaid from an open-ended system of reimbursement for states into a per capita cap model in which the federal government sends a capped amount of money to each state based on that State's Medicaid spending in a prior year adjusted for increases in the prices of medical products (known as medical inflation).

On the morning of Wednesday, March 8, 2017, each Committee began its formal markup of their respective titles of the AHCA. Over 16 hours later past 4:30am, the Ways & Means Committee

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completed its markup of the bill. The Committee considered nearly 40 amendments and motions with nearly all of them adopted, defeated, or tabled along party lines. The Energy & Commerce Committee would not finish its markup until the following day, setting a record for the longest Energy & Commerce Committee markup. Just as in the Ways & Means Committee markup, no substantive changes were made by amendment to the bill and all amendments and motions were adopted, defeated, or tabled along party lines. Akin Gump provided real time updates throughout both markups to CalOptima regarding any amendments offered and considered regarding Medicaid.

On Friday, March 10, Akin Gump and CalOptima held a conference call to review the progress made that week by the House in moving the AHCA through the Committees. Both parties discussed CalOptima's views on how the bill might impact CalOptima's ability to fulfill its mission of providing high quality, cost-effective care as well as the accelerated timeline that the House planned to maintain for consideration of the bill. Akin Gump agreed to attend the CalOptima BOD monthly meeting on April 6 to deliver a presentation and answer questions on the AHCA.

On Monday, March 13, the Congressional Budget Office (CBO) published its cost and coverage estimate of the AHCA, commonly known as the bill's score. Overall, the CBO estimated that the AHCA would reduce the deficit by \$337 billion over the coming ten years as well as lead to an increase in the uninsured population of 24 million by 2026. In Medicaid specifically, the CBO estimated that the bill would lead to an \$880 billion reduction in federal spending on Medicaid and 14 percent fewer Medicaid enrollees by 2026. Most of the decrease in federal outlays and enrollment would be attributable to changes after 2020, including the phase-down of the enhanced federal match for the expansion population and the adoption of the per capita cap payment model.

On the morning of Thursday, March 16, the House Budget Committee held its markup of the two separate titles passed by the Energy & Commerce Committee and Ways & Means Committee, bringing the titles into a single bill and reporting them favorably to the full House. This procedural step is required only for bills developed pursuant to reconciliation instructions passed in that fiscal year's budget resolution. Bills developed and passed through reconciliation enjoy procedural advantages in the Senate that allow it to avoid a filibuster, but also face substantive restrictions on what it may contain. Further, as a sign of continuing divisions within the House Republican Majority, three of the more conservative members of the Republican conference voted against the bill in the Budget Committee

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On the afternoon of Thursday, March 16, Akin Gump and CalOptima held another conference call to review the current state of the process for consideration of the AHCA, the timetable as it was then understood for the weeks ahead, and CalOptima's priorities for engaging members of Capitol Hill on provisions of the AHCA.

On the evening of Monday, March 20, 2017, the House Republican leadership released a manager's amendment that made a number of substantive changes to the bill intended to secure the votes of more conservative members of the Republican conference, set a Rules Committee markup of the rule for floor debate of the AHCA, and announced that a final vote would be held Thursday evening. The changes made by the manager's amendment included:

- Repealing the ability of states to choose to expand Medicaid at the end of 2017 rather than the end of 2019;
- Allowing states to add work requirements to their State Medicaid plans, similar to the work requirements adopted under Personal Responsibility and Work Opportunity Reconciliation Act of 1996, commonly known as 'welfare reform'; and
- Allowing states to choose to receive a Medicaid block grant rather than per capita caps beginning in 2020.

On Wednesday, March 22, Akin Gump and CalOptima held another conference call review the AHCA changes proposed by the manager's amendment as well as those under negotiation by the House Republican conference. Although the final floor vote was scheduled for less than two days away, public reports and private conversations confirmed that the House Republican conference still lacked a majority of votes to pass the bill. President Trump attended a meeting of the Republican conference to urge them to back the bill and met privately with smaller groups of key House members to negotiate for their votes. Akin Gump and CalOptima corresponded regularly by email over this period with frequent updates on the possible changes to the bill. Akin Gump completed a draft of a letter on behalf of CalOptima formalizing its position with respect to the bill's 30 day continuous coverage requirement for enhanced federal Medicaid support and the base level and growth factors in the per capita cap model.

On Thursday afternoon, March 23, House leadership postponed the final vote on the bill as it became apparent that it still had not yet secured a majority of their conference's votes. The most conservative members were seeking the repeal of the ACA's ten essential health benefits that were required of employer-sponsored and individual market health plans. These members argued that repealing these benefits would drive down premiums for consumers, while moderate members balked at eliminating popular coverage mandates like guarantees for doctor visits, hospital stays, maternity care, and medical screenings. In addition, it is believed that a repeal of

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the essential health benefits could not survive the reconciliation rules of the Senate, which prohibit the adoption of provisions that are merely incidental to the budgetary process.

Following the decision to postpone the vote, President Trump communicated to the House Republican conference on Thursday night through a message delivered by Mick Mulvaney, the Director of the Office of Management and Budget, that he wanted an up or down vote. In an effort to win that vote, the President and the House Republican leadership agreed to the negotiating demands of the House Freedom Caucus, the conference's most conservative members, to make changes to the essential health benefits coverage mandates in the ACA. As some of the most popular provisions of the law and with the coverage and budgetary impact of repealing them unknown without a revised CBO score, a number of more moderate members declared that they would not vote for the AHCA. These moderate members included Rep. Charlie Dent (the leader of the moderate Tuesday Group), Rep. Barbara Comstock (who represents a swing district in Northern Virginia), and Rep. Rodney Frelinghuysen (the Chairman of the House Appropriations Committee). As the moderates disappeared, not enough members of the conservative Freedom Caucus decided to support the bill.

As disarray in the House Republican Caucus occurred, there appeared to be a similar lack of consensus amongst their Republican colleagues on the Senate side. While Senate Leadership had planned to move the bill directly to the Senate floor as fast as within a week of receipt from the House, there were a number of Senators from a range of political perspectives with serious concerns about the bill. On one side of the Republican spectrum, Senators Rand Paul (KY), Mike Lee (UT) and Ted Cruz (TX) had planned to push the limits of what can be included in a reconciliation bill to make it more conservative. Senator Paul had advocated for repealing the ACA in full and dealing with the replacement later on. On the other side, more moderate or "purple state" Members like Senators Susan Collins (ME), Lisa Murkowski (AK), Rob Portman (OH), Cory Gardner (CO) and Dean Heller (NV) raised concerns about insurance affordability and the expedited rollback of Medicaid expansion in the House version of the bill. Other Senators who will likely play a prominent role in any further health reform developments include physician Senator Bill Cassidy (LA), and Senator Tom Cotton (AR), who advocated all along to slow the process down. Republicans can only lose two Senators and still pass any health reform bill, with the vote of Vice President Mike Pence breaking the tie.

On Friday afternoon, March 24, recognizing that he did not have a majority to pass the bill, Speaker Paul Ryan announced that the House would not vote on the AHCA.

As a next step, House and Senate Republican Leadership plan to take more time to develop consensus in any future approach to health reform. How much time is unclear – but it seems

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unlikely the bill will be the legislative focus in the short term. Instead, there will likely be a cooling-off period on health reform legislative activity, since the fundamental disagreements within the caucus are not easily fixed. There will continue to be significant messaging against ACA from conservatives, and there is the potential that the idea of “repeal and delay” may gain more traction. Nonetheless, in the short term, the Speaker indicated he would move on to other items on his conference’s agenda – including tax reform. Keep in mind, however, that since health-related tax provisions are a major component of the tax code, it would not be surprising to see some health issues resurface in tax reform.

The Speaker indicated that he expects the ACA marketplaces to get worse – specifically citing rising premium costs. In his own remarks on the failure to pass AHCA, the President suggested the Democrats will own any rising premiums, and provided a rare moment of optimism for the day when he indicated that a bipartisan health care reform bill may be achievable in the future when that happens. As the Legislative Branch takes time to develop consensus, more focus will be placed on the Executive Branch. We expect HHS Secretary Tom Price and White House Budget Director Mick Mulvaney to take an increasingly important role in driving the health agenda. It is unclear at this point whether the Trump Administration will let ACA drift in the wind, take administrative actions to try to improve the marketplace, or even actively work to derail it further. A likely bellwether as to the Administration’s intent is how it approaches the pending litigation over cost-sharing reduction (CSR) subsidies. The House had sued the Obama Administration over the program, which funnels federal dollars to insurers to help keep out-of-pocket costs manageable for lower-income individuals, saying the funding had to be appropriated. But after the inauguration, the House and Trump Administration sought a stay of the case until May 22 to allow time to resolve the issue. If the Administration agrees to fold, the subsidies would be cut off, leading to further market instability. If the House folds, the CSR payments would continue into the indefinite future.

From a health care legislative perspective, 2017 will still be far from a quiet year. The President has proposed significant changes in the funding levels of important discretionary health programs. Those budget battles will now move more front and center on the legislative agenda. Furthermore, there continue to be “must pass” pieces of health care legislation, including CHIP reauthorization, FDA User Fee legislation, and certain Medicare extenders legislation.



CalOptima Board of Directors Meeting Federal Advocacy Update

April 6, 2017

Presented by: Josh Teitelbaum & Geoff Verhoff

Akin Gump Strauss Hauer & Feld LLP

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Overview of the Firm – Global Reach

- Drawing on experienced, knowledgeable professionals in offices worldwide, Akin Gump deploys efficient and effective client service teams that include lawyers and advisors with legal subject matter experience and broad knowledge of public policy



Our Public Law and Policy (PLP) Practice

- Our public law and policy practice is consistently ranked as one of the top government relations practices in Washington, D.C., both by publications and our peers, which is reflected in the recognition received by our firm and individual team members.
- Our practice stresses careful evaluation of client issues and detailed design of strategies and tactics to achieve objectives and provide advocacy that is executed in an effective, timely and coordinated manner.
- The practice comprises more than 80 lawyers and advisors who practice exclusively on legislative, policy and regulatory matters, including many former members of Congress and other lawyers with considerable experience in government service, many of whom also engage in outside political activities in both major U.S. political parties.
- The public law and policy practice represents many Fortune 500 and Fortune 100 U.S. corporations. We also represent a wide range of individuals, small or medium-sized U.S. companies, nonprofit organizations, municipal governments and agencies, Native American tribes, foreign governments, foreign-based companies and organizations, foreign nationals and domestic and international coalitions and trade associations.

About Us



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The American Health Care Act

March 6:
House GOP
releases AHCA
text in two
separate titles

March 13: CBO
publishes
score of AHCA,
finds it will
reduce the
deficit by \$337
billion and the
uninsured by
24 million over
next 10 years

March 20:
House GOP
leadership
releases a
manager's
amendment to
the AHCA
making further
changes to the
bill

March 8-9:
House Energy
& Commerce
Committee and
Ways & Means
Committees
mark up and
approve their
respective
AHCA titles

March 16:
House Budget
Committee
combines titles
of the AHCA
into single
reconciliation
bill and reports
it to the full
House

March 24:
House GOP
leadership
pulls AHCA
from floor and
postpones the
vote

Akin Gump AHCA Activities

■ Key Passages from CalOptima AHCA Letter

The Medicaid Continuous Coverage Requirement for Enhanced Federal Support

In order to ease the heavy regulatory burden and administrative costs on States that will be needed to comply with the 30-day requirement for maintaining the enhanced federal support, we ask that the AHCA include language allowing States to petition the Secretary of Health and Human Services for flexibility in administering this requirement. This flexibility could include an extension of the 30 day requirement with reasonable limits. Such flexibility would be at the option of the State in requesting it and at the discretion of the Secretary in granting it. We believe that such administrative flexibility is common in program implementation and would not undermine the intent of section 112.

Per Capita Caps Funding Level

Our strong concern, reinforced by the CBO and California DHCS estimates, is that the increasing disparity over time between the federal per capita cap and actual Medicaid spending will impose budgetary pressure on expansion states like California to choose to reduce Medicaid spending through lowering rates to plans, ending certain optional services, or restricting enrollment eligibility. We strongly urge that the AHCA or any subsequent legislation to establish per capita caps include federal funding levels and growth rates commensurate with the expected increase in Medicaid spending and sufficient to fulfill the mission of delivering quality, cost-effective care.

What Comes Next for the AHCA

- Planning and negotiations continue among the key stakeholders – White House, House Leadership, and House GOP caucuses (moderate Tuesday Group and conservative Freedom Caucus) – but no consensus reached yet
- Focus remains on the policies (e.g., the essential health benefits) that divided the House GOP in days before the vote
- Further compromise needed by all sides of House GOP to reach majority of 216 votes
- The FY2017 reconciliation resolution will soon expire, limiting ability of Republicans to pass AHCA-like bills on their own
- But, efforts to engage Democrats on health care to date are limited

Activities Moving Forward

■ Akin Gump will continue to:

- Educate key Congressional allies about the importance of the COHS model and other key CalOptima initiatives like PACE and D-SNP reauthorization
- Serve as an expert resource for the Orange County and California Congressional delegation
- Monitor ongoing developments on Capitol Hill related to Medicaid and
- Advocate for CalOptima interests in legislation

■ CHIP Reauthorization

- Funding for the Children's Health Insurance Program expires at the end of this fiscal year
- Will be next legislative vehicle for changes to Medicaid

Questions



CalOptima Board of Directors Meeting Federal Advocacy Update

Geoff Verhoff
Josh Teitelbaum
Akin Gump Strauss Hauer & Feld LLP

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**CalOptima Legislative Report
By Don Gilbert and Trent Smith
March 22, 2017**

On March 8, CalOptima staff came to Sacramento to participate in the CalPACE (California Program of All-inclusive Care for the Elderly) lobbying day. We scheduled meetings with the offices of nine Orange County delegation members. Prior to scheduling these meetings, and prior to the PACE discussion at the CalOptima Board Meeting on March 2, several offices reached out to our firm to get a better grasp of the program and the focus of the debate that was likely to take place at the board meeting. We provided these offices with a very general overview, but returned on March 8 with expert staff from CalOptima who provided much greater detail regarding the status of PACE within CalOptima and the potential for expansion within Orange County. The briefings were well received and appreciated, as some offices had been visited by other PACE providers. We believe that the offices we met with will reach out to us if there are further questions regarding PACE services in Orange County.

The Senate and Assembly Health Committees continue to meet in an effort to learn more about the Centers for Medicare and Medicaid Services (CMS) Mega Regulations. At one of the hearings the issue of Independent Medical Review (IMR) was discussed. The CMS regulations requires some form of IMR. The background materials prepared by staff for the hearing highlighted the fact that County Organized Health Systems (COHS) are not required to have an IMR consisting of a panel of physicians, but rather utilize an administrative law judge as the final means of adjudicating appeals. The reason for the different forms of the appeals process was correctly attributed to the fact that COHS are not Knox-Keene Licensed (KKL). The background materials also mentioned 2015 legislation to require COHS to obtain a KKL from the Department of Managed Health Care was defeated on the Assembly Floor.

Patient advocates testifying at the hearing encouraged the Legislature to require COHS to have an IMR process that utilizes physicians rather than administrative law judges. However, the Western Center on Law and Poverty, sponsors of the 2015 legislation, testified that COHS should be required to have a KKL. While we think it is unlikely that the Legislature would impose a KKL requirement on COHS as part of the CMS regulation bills, it is possible that they would require a physician based IMR process. We will be engaged in any such debate.

Both the Senate and Assembly Health Committees have had informational hearings focused on potential changes to the Affordable Care Act (ACA). Obviously, most of the testimony has been speculative while we wait to see what action Congress takes.

Budget committees are also meeting to debate various aspects of the Governor's Proposed State Budget. Of interest to CalOptima, was a hearing of the Assembly Budget Sub-committee where the continuation of the Cal MediConnect program was debated. The Governor's proposal formally removes fiscal responsibility for In Home Supportive Services (IHSS) from the program. Counties would reassume responsibility for funding IHSS.

It was no great surprise that Counties testified in opposition to the proposal, citing significant financial burdens that could threaten their ability to provide other important county services.

The committee took no action on the proposal. Rather, most budget committee actions will come after the May Revise when the Governor will release a revised budget plan to reflect updated revenue numbers calculated using April tax returns.

On a political note, Senate Republicans have elected Orange County Senator, Pat Bates, to serve as the Senate Minority Leader. She begins serving in this role on April 12.

2017–18 Legislative Tracking Matrix

STATE BILLS

Bill Number (Author)	Bill Summary	Bill Status	CalOptima Position
AB 15 (Maienschein)	This bill would require DHCS to increase the Denti-Cal provider reimbursement rates to the regional commercial rates for the 15 most common dental services. While the bill does not specify a dollar amount for the increase, it does note Denti-Cal's low utilization and funding levels, citing the need for increased reimbursement rates to attract additional providers. CalOptima members who receive Denti-Cal benefits outside of CalOptima may be affected by this proposed increase in funding. This bill would take effect on January 1, 2018.	01/19/2017 Referred to Assembly Committee on Health	Watch
AB 340 (Arambula)	This bill would require the Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT) to include screenings for incidents of trauma that affect a child's mental or physical health. The EPSDT program is a comprehensive, preventive Medi-Cal benefit for children under the age of 21. CalOptima provides most EPSDT services, while the Orange County Health Care Agency (HCA) covers services not covered by CalOptima. Further clarification is needed in the bill to define whether trauma screening is considered a specialty mental health service offered by county mental health plans, or if Medi-Cal managed care plans would be responsible for providing these services.	02/21/2017 Referred to Assembly Committee on Health	Watch
AB 675 (Ridley-Thomas)	This bill would appropriate \$650 million of state General Fund dollars to DHCS in order to allow In-Home Supportive Services (IHSS) to continue as a Medi-Cal managed care benefit. The Coordinated Care Initiative (CCI) contained a "poison pill" that went into effect in January, meaning IHSS will no longer be a Medi-Cal managed care benefit beginning January 1, 2018. As a result, counties will absorb the responsibility of IHSS. This bill aims to retain the IHSS provision of CCI by shifting dollars from the General Fund to DHCS.	03/02/2017 Referred to Assembly Committees on Health and Human Services	Watch
SB 152 (Hernandez)	Based on the most recent guidance from DHCS, CalOptima will implement the Whole Child Model (WCM) no sooner than January 1, 2019. However, under current law, DHCS is required to submit a report to the Legislature no later than January 1, 2021 (two years after plan implementation). Since the WCM implementation date has been delayed, this bill has been introduced to allow plans the full three years to implement the WCM before DHCS submits its report to the Legislature.	03/23/2017 Referred to Senate Committee on Rules	Watch
SB 171 (Hernandez)	This bill would lengthen the amount of time that Medi-Cal members have to request a state fair hearing. Under current law, if a Medi-Cal member who is enrolled in a county organized health system (COHS) plan is unhappy with their health plan, health network, or provider, the member can file a complaint or appeal with their health plan or the State Department of Social Services (DSS). The complaint or appeal must be submitted within 90 days of receiving a notice from the health plan or health network. This bill would allow members to file a complaint or appeal with DSS within 120 days of receiving the notice. This bill is related to the state's implementation of federal Medicaid managed care regulations.	02/02/2017 Referred to Senate Committees on Health and Appropriations	Watch

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	CalOptima Position
SB 508 (Roth)	This bill would allow DHCS to create a dental health collaboration pilot program for Medi-Cal members in Riverside and San Bernardino counties. The program would coordinate efforts between health plans and DHCS to deliver more coordinated Denti-Cal services for Medi-Cal members and incentive based payment structures for Denti-Cal providers. According to the bill, this pilot program would be implemented for up to five years.	03/20/2017 Referred to Senate Committee on Rules	Watch
State Budget Trailer Bill – Cal MediConnect	This trailer bill language (TBL) would establish statutory authority for the continuation of Cal MediConnect (CMC), which includes CalOptima's OneCare Connect. CMC is currently part of the Coordinated Care Initiative (CCI), which operates in seven counties and consists of both CMC, and the integration of Medi-Cal long-term services and supports, including In-Home Supportive Services (IHSS), into managed care. Gov. Brown's FY 2017–18 state budget proposed the continuation of CMC until December 31, 2019, even as the broader CCI is discontinued as of January 1, 2018. CCI's discontinuation means that IHSS administration will be transferred back to counties from managed care plans and that new state legislation will be required to authorize the CMC program past January 1, 2018.	02/01/2017 Preliminary trailer bill language published by the Department of Finance	Watch

FEDERAL BILLS

Bill Number (Author)	Bill Summary	Bill Status	CalOptima Position
HR 1628 (Black)	The American Health Care Act (AHCA) would make sweeping changes to the national health care system. For CalOptima, the most significant changes would be 1) Changes to the Medicaid financing structure from the federal medical assistance percentage (FMAP) to a per capita cap system, 2) Decreased federal dollars for Medicaid expansion members who leave and return to the program, 3) Additional state authority to set "essential health benefit" requirements for Medicaid plans, and 4) Potentially decreased funding and additional restrictions for state waiver programs.	03/24/2017 Consideration of this bill has been postponed	Watch
S 191 (Cassidy)	The Patient Freedom Act would repeal several mandates in the Affordable Care Act (ACA), such as the individual and employer mandates, as well as the essential health benefit requirements. The bill retains most of the ACA consumer protections, such as prohibiting discrimination, pre-existing conditions exclusions, and annual/lifetime limits. Once the ACA provisions are repealed, the bill would provide greater state flexibility for their Medicaid and exchange programs. Specifically, states would be given three options after the ACA provisions are repealed: 1) A state-specific health system (excluding the repealed ACA provisions) with 95 percent of current federal funding available to states prior to implementation of this bill, 2) A state-based health care system with no federal financial assistance, or 3) Continue under current system at funding no more than option 1 (state legislatures would be required to reinstate the ACA requirements and mandates repealed by S. 191).	01/23/2017 Referred to Senate Committee on Finance	Watch

The CalOptima Legislative Tracking Matrix includes information regarding legislation that directly impacts CalOptima and our members. These bills are closely tracked and analyzed by CalOptima's Government Affairs Department throughout the legislative session. All official "Support" and "Oppose" positions are approved by the CalOptima Board of Directors. Bills with a "Watch" position are monitored by staff to determine the level of impact.

2017 State Legislative Deadlines

January 4	Legislature reconvenes
February 17	Last day for legislation to be introduced
April 28	Last day for policy committees to hear and report bills to fiscal committees
May 12	Last day for policy committees to hear and report non-fiscal bills to the floor
May 26	Last day for fiscal committees to report fiscal bills to the floor
May 30–June 2	Floor session only
June 2	Last day to pass bills out of their house of origin
June 15	Budget bill must be passed by midnight
July 21–August 21	Summer recess
September 1	Last day for fiscal committees to report bills to the floor
September 5–15	Floor session only
September 15	Last day for bills to be passed. Interim recess begins
October 15	Last day for Governor to sign or veto bills passed by the Legislature

Sources: 2017 State Legislative Deadlines, California State Assembly: <http://assembly.ca.gov/legislativedeadlines>

About CalOptima

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

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CalOptima

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Financial Summary

February 2017

Board of Directors Meeting
April 6, 2017

Nancy Huang
Interim Chief Financial Officer

FY 2016-17: Consolidated Enrollment

- February 2017 MTD:
 - Overall enrollment was 791,103 member months
 - Actual lower than budget by 14,913 or 1.9%
 - Medi-Cal: unfavorable variance of 9,551 members
 - Lower than budget in TANF aid categories
 - OneCare Connect: unfavorable variance of 5,470 members
 - 0.5% or 4,249 decrease from prior month
 - Medi-Cal: decrease of 4,112 from January
 - OneCare Connect: decrease of 124 from January
 - OneCare: decrease of 23 from January
 - PACE: increase of 10 from January

FY 2016-17: Consolidated Enrollment

- February 2017 YTD:

- Overall enrollment was 6,378,684 member months
 - Actual lower than budget by 40,606 or 0.6%
 - Medi-Cal: unfavorable variance of 3,658 members
 - Medi-Cal Expansion (MCE) growth higher than budget
 - SPD enrollment higher than budget due to less than anticipated dual eligible members transferring to OneCare Connect
 - Offset by lower than budget TANF enrollment
 - OneCare Connect: unfavorable variance of 37,108 members or 21.1%
 - PACE: unfavorable variance of 1 members or 0.1%
 - OneCare: favorable variance of 161 members or 1.7%

FY 2016-17: Consolidated Revenues

- February 2017 MTD:

- Actual lower than budget by \$6.8 million or 2.4%
 - Medi-Cal: favorable to budget by \$11.7 million or 5.0%
 - Price related favorable variance of \$14.6 million due to:
 - \$4.8 million of LTC revenue for non-LTC members
 - \$4.2 million for IHSS
 - Remaining from member mix difference versus budget
 - Volume related unfavorable variance of \$2.9 million
 - OneCare Connect: unfavorable variance of \$18.4 million or 42.3%
 - Unfavorable volume variance of \$11.0 million
 - Unfavorable price variance of \$7.4 million
 - OCC Medicare Part A and B revenue decreases due to base rate and RAF score changes
 - OCC Medi-Cal adjustments related to prior year updates.
 - OCC Medi-Cal cohorts mix true-up for prior periods

FY 2016-17: Consolidated Revenues (con't.)

- February 2017 YTD:
 - Actual lower than budget by \$31.7 million or 1.4%
 - Medi-Cal: favorable to budget by \$88.1 million or 4.7%
 - OneCare Connect: unfavorable variance of \$120.2 million or 33.4%
 - Medi-Cal revenue unfavorable \$40.4 million
 - Medicare revenue unfavorable \$79.8 million
 - OneCare: unfavorable \$0.5 million or 4.4%
 - PACE: favorable \$0.9 million

FY 2016-17: Consolidated Medical Expenses

- February 2017 MTD:
 - Actual higher than budget by \$3.1 million or 1.2%
 - Medi-Cal: unfavorable variance of \$18.8 million
 - MLTSS unfavorable variance \$14.7 million
 - LTC unfavorable variance \$14.7 million
 - \$6.9 million higher LTC Claim expense due to less than anticipated members enrolling in OneCare Connect
 - \$2.0 million variance from FY17 mandated rate accrual
 - IHSS related unfavorable variance approximately \$5.4 million
 - Provider Capitation unfavorable variance of \$12.9 million related to one additional HMO network beginning in February
 - Facilities expenses favorable variance of \$7.0 million due to one shared risk group network moving to HMO model in February
 - OneCare Connect: favorable variance of \$15.6 million
 - Favorable volume variance of \$10.3 million
 - Favorable price variance of \$5.3 million
 - Lower than budget prescription drugs and LTC costs

FY 2016-17: Consolidated Medical Expenses (Cont.)

- February 2017 YTD:

- Actual lower than budget by \$1.0 million
 - Medi-Cal: unfavorable variance of \$107.6 million
 - Unfavorable price variance of \$108.7 million
 - IHSS estimated expense \$42.7 million higher than budget
 - Long Term Care expense \$40.8 million higher than budget
 - Facilities expense \$10.6 million higher than budget
 - Favorable volume variance of \$1.0 million
 - OneCare Connect: favorable variance of \$107.2 million
 - Favorable volume variance of \$71.4 million
 - Favorable price variance of \$35.8 million

- Medical Loss Ratio (MLR):

➤ February 2017 MTD:	Actual: 96.0%	Budget: 92.6%
➤ February 2017 YTD:	Actual: 96.7%	Budget: 95.4%

FY 2016-17: Consolidated Administrative Expenses

- February 2017 MTD:

- Actual lower than budget by \$2.1 million or 18.5%
 - Salaries and Benefits: favorable variance of \$1.3 million
 - Other categories: favorable variance of \$0.8 million

- February 2017 YTD:

- Actual lower than budget by \$19.0 million or 20.4%
 - Salaries and Benefits: favorable variance of \$12.8 million driven by lower than budgeted FTE
 - Other categories: favorable variance of \$6.1 million

- Administrative Loss Ratio (ALR):

- February 2017 MTD: Actual: 3.4% Budget: 4.1%
- February 2017 YTD: Actual: 3.3% Budget: 4.1%

FY 2016-17: Change in Net Assets

- February 2017 MTD:
 - \$3.7 million surplus
 - \$5.8 million unfavorable to budget
 - Lower than budgeted revenue of \$6.8 million
 - Lower than budgeted administrative expenses of \$2.1 million
 - Higher than budgeted medical expenses of \$3.1 million
 - Higher than budgeted investment income of \$2.0 million
- February 2017 YTD:
 - \$7.1 million surplus
 - \$5.4 million unfavorable to budget
 - Lower than budgeted revenue of \$31.7 million
 - Lower than budgeted medical expenses of \$1.0 million
 - Lower than budgeted administrative expenses of \$19.0 million
 - Higher than budgeted investment income of \$5.9 million

Enrollment Summary: February 2017

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
59,819	55,872	3,947	7.1%	Aged	468,234	442,521	25,713	5.8%
618	679	(61)	(9.0%)	BCCTP	4,975	5,415	(440)	(8.1%)
48,693	47,325	1,368	2.9%	Disabled	388,478	379,454	9,024	2.4%
327,943	343,267	(15,324)	(4.5%)	TANF Child	2,667,305	2,724,654	(57,349)	(2.1%)
98,357	108,884	(10,527)	(9.7%)	TANF Adult	814,218	875,411	(61,193)	(7.0%)
3,257	2,726	531	19.5%	LTC	26,101	21,581	4,520	20.9%
234,719	224,204	10,515	4.7%	MCE	1,859,408	1,783,341	76,067	4.3%
773,406	782,957	(9,551)	(1.2%)	Medi-Cal	6,228,719	6,232,377	(3,658)	(0.1%)
16,222	21,692	(5,470)	(25.2%)	OneCare Connect	138,671	175,779	(37,108)	(21.1%)
194	200	(6)	(3.0%)	PACE	1,459	1,460	(1)	(0.1%)
1,281	1,167	114	9.8%	OneCare	9,835	9,674	161	1.7%
791,103	806,016	(14,913)	(1.9%)	CalOptima Total	6,378,684	6,419,290	(40,606)	(0.6%)

Financial Highlights: February 2017

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
791,103	806,016	(14,913)	(1.9%)	Member Months	6,378,684	6,419,290	(40,606)	(0.6%)
275,065,163	281,859,471	(6,794,308)	(2.4%)	Revenues	2,222,592,702	2,254,327,683	(31,734,981)	(1.4%)
264,197,736	261,080,635	(3,117,101)	(1.2%)	Medical Expenses	2,149,134,529	2,150,139,207	1,004,677	0.0%
9,352,941	11,470,815	2,117,874	18.5%	Administrative Expenses	73,831,259	92,790,136	18,958,877	20.4%
1,514,486	9,308,021	(7,793,535)	(83.7%)	Operating Margin	(373,086)	11,398,341	(11,771,427)	(103.3%)
2,175,714	132,617	2,043,098	1540.6%	Non Operating Income (Loss)	7,490,167	1,124,734	6,365,433	566.0%
3,690,200	9,440,638	(5,750,438)	60.9%	Change in Net Assets	7,117,081	12,523,074	(5,405,994)	(43.2%)
96.0%	92.6%	(3.4%)		Medical Loss Ratio	96.7%	95.4%	(1.3%)	
3.4%	4.1%	0.7%		Administrative Loss Ratio	3.3%	4.1%	0.8%	
<u>0.6%</u>	<u>3.3%</u>	(2.8%)		Operating Margin Ratio	<u>(0.0%)</u>	<u>0.5%</u>	(0.5%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

Consolidated Performance Actual vs. Budget: February 2017 (in millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
3.2	8.8	(5.6)	Medi-Cal	4.3	9.9	(5.6)
(0.1)	0.0	(0.1)	OneCare	(0.3)	0.2	(0.5)
(1.7)	0.6	(2.3)	OCC	(5.2)	3.0	(8.2)
<u>0.0</u>	<u>(0.1)</u>	<u>0.1</u>	PACE	<u>0.7</u>	<u>(1.8)</u>	<u>2.5</u>
1.4	9.3	(7.9)	Operating	(0.5)	11.4	(11.9)
<u>2.3</u>	<u>0.1</u>	<u>2.1</u>	Inv./Rental Inc, MCO tax	<u>7.6</u>	<u>1.1</u>	<u>6.5</u>
2.3	0.1	2.1	Non-Operating	7.6	1.1	6.5
3.7	9.4	(5.8)	TOTAL	7.1	12.5	(5.4)

Consolidated Revenue & Expense:

February 2017 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	538,687	234,719	773,406	1,281	16,222	194	791,103
REVENUES							
Capitation Revenue	\$ 138,281,268	\$ 109,083,952	\$ 247,365,220	\$ 1,325,118	\$ 25,134,734	\$ 1,240,091	\$ 275,065,163
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>138,281,268</u>	<u>109,083,952</u>	<u>247,365,220</u>	<u>1,325,118</u>	<u>25,134,734</u>	<u>1,240,091</u>	<u>275,065,163</u>
MEDICAL EXPENSES							
Provider Capitation	39,473,179	48,806,830	88,280,009	405,341	8,052,308	-	96,737,659
Facilities	23,632,438	23,464,976	47,097,415	298,893	7,197,011	237,676	54,830,996
Ancillary	-	-	-	11,280	831,025	-	842,306
Skilled Nursing	-	-	-	135,811	-	-	135,811
Professional Claims	7,091,859	8,041,046	15,132,904	-	-	226,458	15,359,362
Prescription Drugs	17,368,544	15,889,723	33,258,267	400,003	1,613,064	90,238	35,361,572
Long-term Care Facility Payments	47,474,400	2,341,069	49,815,469	-	6,378,067	7,327	56,200,863
Medical Management	2,603,881	-	2,603,881	60,680	914,846	404,986	3,984,393
Reinsurance & Other	(642,116)	1,150,896	508,780	4,500	89,568	141,928	744,775
Total Medical Expenses	<u>137,002,185</u>	<u>99,694,540</u>	<u>236,696,726</u>	<u>1,316,509</u>	<u>25,075,889</u>	<u>1,108,613</u>	<u>264,197,736</u>
Medical Loss Ratio	99.1%	91.4%	95.7%	99.4%	99.8%	89.4%	96.0%
GROSS MARGIN	1,279,083	9,389,412	10,668,494	8,609	58,845	131,478	10,867,427
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			5,304,162	21,174	855,733	91,332	6,272,401
Professional fees			186,049	13,913	-	19,250	219,212
Purchased services			996,926	23,483	159,300	6,238	1,185,948
Printing and Postage			245,448	9,854	26,171	68	281,541
Depreciation and Amortization			342,720	-	-	2,065	344,785
Other expenses			726,256	0	40,295	6,029	772,580
Indirect cost allocation, Occupancy expense			(403,146)	22,850	654,511	2,260	276,475
Total Administrative Expenses			<u>7,398,414</u>	<u>91,274</u>	<u>1,736,010</u>	<u>127,243</u>	<u>9,352,941</u>
Admin Loss Ratio			3.0%	6.9%	6.9%	10.3%	3.4%
INCOME (LOSS) FROM OPERATIONS			3,270,080	(82,664)	(1,677,164)	4,234	1,514,486
INVESTMENT INCOME			-	-	-	-	2,243,095
NET RENTAL INCOME			-	-	-	-	8,315
NET GRANT INCOME			(75,814)	-	-	-	(75,814)
OTHER INCOME			119	-	-	-	119
CHANGE IN NET ASSETS			<u>\$ 3,194,385</u>	<u>\$ (82,664)</u>	<u>\$ (1,677,164)</u>	<u>\$ 4,234</u>	<u>\$ 3,690,200</u>
BUDGETED CHANGE IN ASSETS			8,793,252	21,100	613,429	(119,759)	9,440,638
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(5,598,868)</u>	<u>(103,764)</u>	<u>(2,290,593)</u>	<u>123,994</u>	<u>(5,750,438)</u>

Consolidated Revenue & Expense:

February 2017 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	4,369,311	1,859,408	6,228,719	9,835	138,671	1,459	6,378,684
REVENUES							
Capitation Revenue	\$ 1,104,769,361	\$ 857,257,146	\$ 1,962,026,508	\$ 10,645,302	\$ 239,820,446	\$ 10,100,447	\$ 2,222,592,702
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,104,769,361</u>	<u>857,257,146</u>	<u>1,962,026,508</u>	<u>10,645,302</u>	<u>239,820,446</u>	<u>10,100,447</u>	<u>2,222,592,702</u>
MEDICAL EXPENSES							
Provider Capitation	265,588,210	344,179,570	609,767,780	3,248,784	58,451,088	-	671,467,652
Facilities	221,087,153	239,503,261	460,590,414	2,561,807	71,367,924	2,049,747	536,569,893
Ancillary	-	-	-	332,542	6,045,806	-	6,378,348
Skilled Nursing	-	-	-	466,932	-	-	466,932
Professional Claims	74,189,149	69,359,217	143,548,366	-	-	1,684,042	145,232,408
Prescription Drugs	144,275,943	132,497,552	276,773,495	3,399,865	39,246,868	675,654	320,095,882
Long-term Care Facility Payments	364,802,673	16,156,082	380,958,754	-	47,339,711	43,380	428,341,845
Medical Management	23,164,940	-	23,164,940	180,543	7,922,288	3,155,993	34,423,764
Reinsurance & Other	(3,688,966)	8,189,275	4,500,309	36,771	734,302	886,424	6,157,805
Total Medical Expenses	<u>1,089,419,101</u>	<u>809,884,957</u>	<u>1,899,304,058</u>	<u>10,227,244</u>	<u>231,107,988</u>	<u>8,495,239</u>	<u>2,149,134,529</u>
Medical Loss Ratio	98.6%	94.5%	96.8%	96.1%	96.4%	84.1%	96.7%
GROSS MARGIN	15,350,261	47,372,189	62,722,450	418,058	8,712,458	1,605,208	73,458,173
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			42,119,125	133,128	6,403,332	736,006	49,391,591
Professional Fees			1,011,226	134,270	316,552	33,805	1,495,853
Purchased services			5,738,413	189,059	1,087,987	34,692	7,050,151
Printing and Postage			1,679,951	69,971	489,813	2,265	2,241,999
Depreciation and Amortization			2,528,986	-	-	16,378	2,545,363
Other expenses			7,929,432	2,071	289,669	56,539	8,277,710
Indirect cost allocation, Occupancy expense			(2,695,720)	185,730	5,320,121	18,459	2,828,591
Total Administrative Expenses			<u>58,311,413</u>	<u>714,229</u>	<u>13,907,474</u>	<u>898,143</u>	<u>73,831,259</u>
Admin Loss Ratio			3.0%	6.7%	5.8%	8.9%	3.3%
INCOME (LOSS) FROM OPERATIONS			4,411,037	(296,171)	(5,195,016)	707,065	(373,086)
INVESTMENT INCOME			-	-	-	-	7,564,063
NET RENTAL INCOME			-	-	-	-	41,970
NET GRANT INCOME			(116,712)	-	-	-	(116,712)
OTHER INCOME			847	-	-	-	847
CHANGE IN NET ASSETS			<u>\$ 4,295,170</u>	<u>\$ (296,171)</u>	<u>\$ (5,195,016)</u>	<u>\$ 707,065</u>	<u>\$ 7,117,081</u>
BUDGETED CHANGE IN ASSETS			9,939,847	199,975	3,018,682	(1,760,164)	12,523,074
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(5,644,677)</u>	<u>(496,147)</u>	<u>(8,213,698)</u>	<u>2,467,228</u>	<u>(5,405,994)</u>

Balance Sheet:

As of February 2017

ASSETS

Current Assets

Operating Cash	\$338,960,313
Catastrophic Reserves	11,371,279
Investments	1,527,088,724
Capitation receivable	317,132,174
Receivables - Other	20,020,278
Prepaid Expenses	12,096,533

Total Current Assets	<u>2,226,669,301</u>
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Capital Assets

Furniture and equipment	33,303,693
Leasehold improvements	8,334,007
505 City Parkway West	49,269,863
	<u>90,907,563</u>
Less: accumulated depreciation	(35,997,907)
Capital assets, net	<u>54,909,656</u>

Other Assets

Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	1,999,127
Long term investments	530,660,511
Total Board-designated Assets	<u>532,659,637</u>

Total Other Assets	<u>532,959,637</u>
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Deferred outflows of Resources - Pension Contributions	3,787,544
Deferred outflows of Resources - Difference in Experience	1,215,473

TOTAL ASSETS & OUTFLOWS	<u>2,819,541,612</u>
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LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	\$29,941,908
Medical claims liability	634,186,444
Accrued payroll liabilities	9,616,865
Deferred revenue	917,826,164
Deferred lease obligations	222,558
Capitation and withholds	517,557,114

Total Current Liabilities	<u>2,109,351,053</u>
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Other employment benefits liability	29,495,473
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Net Pension Liabilities	11,756,286
Long Term Liabilities	100,000

TOTAL LIABILITIES	<u>2,150,702,812</u>
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Deferred inflows of Resources - Excess Earnings	502,900
Deferred inflows of Resources - changes in Assumptions	1,651,640

Tangible net equity (TNE)	94,660,013
Funds in excess of TNE	572,024,247

Net Assets	<u>666,684,260</u>
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TOTAL LIABILITIES, INFLOWS & FUND BALANCES	<u>2,819,541,612</u>
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Board Designated Reserve and TNE Analysis As of February 2017

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	145,602,803				
	Tier 1 - Logan Circle	145,347,467				
	Tier 1 - Wells Capital	145,395,335				
		436,345,605	291,461,558	456,942,231	144,884,047	(20,596,626)
TNE Requirement	Tier 2 - Logan Circle	96,314,032	94,660,013	94,660,013	1,654,020	1,654,020
Consolidated:		532,659,637	386,121,571	551,602,244	146,538,067	(18,942,607)
<i>Current reserve level</i>		<i>1.93</i>	<i>1.40</i>	<i>2.00</i>		



CalOptima
Better. Together.

UNAUDITED FINANCIAL STATEMENTS

February 2017

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**CalOptima - Consolidated
Financial Highlights
For the Eight Months Ended February 28, 2017**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
791,103	806,016	(14,913)	(1.9%)	Member Months	6,378,684	6,419,290	(40,606)	(0.6%)
275,065,163	281,859,471	(6,794,308)	(2.4%)	Revenues	2,222,592,702	2,254,327,683	(31,734,981)	(1.4%)
264,197,736	261,080,635	(3,117,101)	(1.2%)	Medical Expenses	2,149,134,529	2,150,139,207	1,004,677	0.0%
9,352,941	11,470,815	2,117,874	18.5%	Administrative Expenses	73,831,259	92,790,136	18,958,877	20.4%
1,514,486	9,308,021	(7,793,535)	(83.7%)	Operating Margin	(373,086)	11,398,341	(11,771,427)	(103.3%)
2,175,714	132,617	2,043,098	1540.6%	Non Operating Income (Loss)	7,490,167	1,124,734	6,365,433	566.0%
3,690,200	9,440,638	(5,750,438)	60.9%	Change in Net Assets	7,117,081	12,523,074	(5,405,994)	(43.2%)
96.0%	92.6%	(3.4%)		Medical Loss Ratio	96.7%	95.4%	(1.3%)	
3.4%	4.1%	0.7%		Administrative Loss Ratio	3.3%	4.1%	0.8%	
<u>0.6%</u>	<u>3.3%</u>	(2.8%)		Operating Margin Ratio	<u>(0.0%)</u>	<u>0.5%</u>	(0.5%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

CalOptima
Financial Dashboard
For the Eight Months Ended February 28, 2017

MONTH

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	773,406	782,957	↓	(9,551) (1.2%)
OneCare	1,281	1,167	↑	114 9.8%
OneCare Connect	16,222	21,692	↓	(5,470) (25.2%)
PACE	194	200	↓	(6) (3.0%)
Total	791,103	806,016	↓	(14,913) (1.9%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 3,194	\$ 8,793	↓	\$ (5,599) (63.7%)
OneCare	(83)	21	↓	(104) (491.8%)
OneCare Connect	(1,677)	613	↓	(2,291) (373.4%)
PACE	4	(120)	↑	124 103.5%
505 Bldg.	8	(76)	↑	84 111.0%
Investment Income & Other	2,243	208	↑	2,035 976.7%
Total	\$ 3,690	\$ 9,441	↓	\$ (5,750) (60.9%)

MLR	Actual	Budget	% Point Var	
Medi-Cal	95.7%	92.5%	↓	(3.2)
OneCare	99.4%	89.5%	↓	(9.8)
OneCare Connect	99.8%	93.3%	↓	(6.4)

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 7,398	\$ 8,934	↑	\$ 1,535 17.2%
OneCare	91	122	↑	30 24.9%
OneCare Connect	1,736	2,295	↑	559 24.4%
PACE	127	120	↓	(7) (5.9%)
Total	\$ 9,353	\$ 11,471	↑	\$ 2,118 18.5%

Total FTE's Month	Actual	Budget	Fav / (Unfav)	
Medi-Cal	840	886		46
OneCare	4	3		(1)
OneCare Connect	227	239		12
PACE	45	59		14
Total	1,116	1,186		70

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	920	884		37
OneCare	320	389		(69)
OneCare Connect	71	91		(19)
PACE	4	3		1
Total	1,316	1,367		(51)

YEAR - TO - DATE

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	6,228,719	6,232,377	↓	(3,658) (0.1%)
OneCare	9,835	9,674	↑	161 1.7%
OneCare Connect	138,671	175,779	↓	(37,108) (21.1%)
PACE	1,459	1,460	↓	(1) (0.1%)
Total	6,378,684	6,419,290	↓	(40,606) (0.6%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 4,295	\$ 9,940	↓	\$ (5,645) (56.8%)
OneCare	(296)	200	↓	(496) (248.1%)
OneCare Connect	(5,195)	3,019	↓	(8,214) (272.1%)
PACE	707	(1,760)	↑	2,467 140.2%
505 Bldg.	42	(542)	↑	584 107.7%
Investment Income & Other	7,565	1,667	↑	5,898 353.9%
Total	\$ 7,118	\$ 12,523	↓	\$ (5,405) (43.2%)

MLR	Actual	Budget	% Point Var	
Medi-Cal	96.8%	95.6%	↓	(1.2)
OneCare	96.1%	90.8%	↓	(5.3)
OneCare Connect	96.4%	94.0%	↓	(2.4)

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 58,311	\$ 72,263	↑	\$ 13,951 19.3%
OneCare	714	826	↑	112 13.5%
OneCare Connect	13,907	18,754	↑	4,846 25.8%
PACE	898	948	↑	50 5.2%
Total	\$ 73,831	\$ 92,790	↑	\$ 18,959 20.4%

Total FTE's YTD	Actual	Budget	Fav / (Unfav)	
Medi-Cal	6,734	7,087		353
OneCare	29	24		(5)
OneCare Connect	1,802	1,909		106
PACE	328	456		128
Total	8,772	9,476		704

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	925	879		46
OneCare	335	403		(68)
OneCare Connect	77	92		(15)
PACE	4	3		1
Total	1,341	1,378		(36)

**CalOptima - Consolidated
Statement of Revenue and Expenses
For the One Month Ended February 28, 2017**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	791,103		806,016		(14,913)	
Revenues						
Medi-Cal	\$ 247,365,220	\$ 319.84	\$ 235,671,471	\$ 301.00	\$ 11,693,749	\$ 18.84
OneCare	1,325,118	1,034.44	1,359,960	1,165.35	(34,842)	(130.91)
OneCare Connect	25,134,734	1,549.42	43,572,000	2,008.67	(18,437,266)	(459.24)
PACE	1,240,091	6,392.22	1,256,040	6,280.20	(15,950)	112.02
Total Operating Revenue	275,065,163	347.70	281,859,471	349.69	(6,794,308)	(2.00)
Medical Expenses						
Medi-Cal	236,696,726	306.04	217,944,455	278.36	(18,752,271)	(27.68)
OneCare	1,316,509	1,027.72	1,217,355	1,043.15	(99,154)	15.43
OneCare Connect	25,075,889	1,545.80	40,663,219	1,874.57	15,587,330	328.78
PACE	1,108,613	5,714.50	1,255,607	6,278.04	146,994	563.54
Total Medical Expenses	264,197,736	333.96	261,080,635	323.91	(3,117,101)	(10.05)
Gross Margin	10,867,427	13.74	20,778,836	25.78	(9,911,410)	(12.04)
Administrative Expenses						
Salaries and Benefits	6,272,401	7.93	7,585,333	9.41	1,312,932	1.48
Professional fees	219,212	0.28	445,418	0.55	226,206	0.28
Purchased services	1,185,948	1.50	1,051,208	1.30	(134,740)	(0.19)
Printing and Postage	281,541	0.36	475,916	0.59	194,375	0.23
Depreciation and Amortization	344,785	0.44	385,117	0.48	40,333	0.04
Other	772,580	0.98	1,100,518	1.37	327,938	0.39
Indirect cost allocation, Occupancy expense	276,475	0.35	427,305	0.53	150,830	0.18
Total Administrative Expenses	9,352,941	11.82	11,470,815	14.23	2,117,874	2.41
Income (Loss) From Operations	1,514,486	1.91	9,308,021	11.55	(7,793,535)	(9.63)
Investment income						
Interest income	1,834,957	2.32	208,333	0.26	1,626,624	2.06
Realized gain/(loss) on investments	(21,095)	(0.03)	-	-	(21,095)	(0.03)
Unrealized gain/(loss) on investments	429,233	0.54	-	-	429,233	0.54
Total Investment Income	2,243,095	2.84	208,333	0.26	2,034,762	2.58
Net Rental Income	8,315	0.01	(75,717)	(0.09)	84,032	0.10
Total Net Grant Income	(75,814)	(0.10)	-	-	(75,814)	(0)
Other Income	119	0.00	-	-	119	0.00
Change In Net Assets	3,690,201	4.66	9,440,638	11.71	(5,750,438)	(7.05)
Medical Loss Ratio	96.0%		92.6%		(3.4%)	
Administrative Loss Ratio	3.4%		4.1%		0.7%	

* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

** Includes MSSP

**CalOptima - Consolidated - Year to Date
Statement of Revenue and Expenses
For the Eight Months Ended February 28, 2017**

	Actual		Year to Date Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	6,378,684		6,419,290		(40,606)	
Revenues						
Medi-Cal	\$ 1,962,026,508	\$ 315.00	\$ 1,873,906,455	\$ 300.67	\$ 88,120,053	\$ 14.32
OneCare	10,645,302	1,082.39	11,137,106	1,151.24	(491,804)	(68.85)
OneCare Connect	239,820,446	1,729.42	360,069,051	2,048.42	(120,248,605)	(319.00)
PACE	10,100,447	6,922.86	9,215,072	6,311.69	885,375	611.16
Total Operating Revenue	<u>2,222,592,702</u>	<u>348.44</u>	<u>2,254,327,683</u>	<u>351.18</u>	<u>(31,734,981)</u>	<u>(2.74)</u>
Medical Expenses						
Medi-Cal	1,899,304,058	304.93	1,791,703,764	287.48	(107,600,294)	(17.44)
OneCare	10,227,244	1,039.88	10,111,153	1,045.19	(116,092)	5.31
OneCare Connect	231,107,988	1,666.59	338,296,858	1,924.56	107,188,870	257.97
PACE	8,495,239	5,822.64	10,027,432	6,868.10	1,532,193	1,045.46
Total Medical Expenses	<u>2,149,134,529</u>	<u>336.92</u>	<u>2,150,139,207</u>	<u>334.95</u>	<u>1,004,677</u>	<u>(1.97)</u>
Gross Margin	73,458,173	11.52	104,188,477	16.23	(30,730,304)	(4.71)
Administrative Expenses						
Salaries and Benefits	49,391,591	7.74	62,232,913	9.69	12,841,321	1.95
Professional fees	1,495,853	0.23	3,298,850	0.51	1,802,997	0.28
Purchased services	7,050,151	1.11	7,654,679	1.19	604,528	0.09
Printing and Postage	2,241,999	0.35	3,722,111	0.58	1,480,112	0.23
Depreciation and Amortization	2,545,363	0.40	3,080,938	0.48	535,575	0.08
Other	8,277,710	1.30	9,377,358	1.46	1,099,647	0.16
Indirect cost allocation, Occupancy expense	2,828,591	0.44	3,423,288	0.53	594,697	0.09
Total Administrative Expenses	<u>73,831,259</u>	<u>11.57</u>	<u>92,790,136</u>	<u>14.45</u>	<u>18,958,877</u>	<u>2.88</u>
Income (Loss) From Operations	(373,086)	(0.06)	11,398,341	1.78	(11,771,427)	(1.83)
Investment income						
Interest income	11,609,816	1.82	1,666,667	0.26	9,943,149	1.56
Realized gain/(loss) on investments	204,359	0.03	-	-	204,359	0.03
Unrealized gain/(loss) on investments	(4,250,112)	(0.67)	-	-	(4,250,112)	(0.67)
Total Investment Income	<u>7,564,063</u>	<u>1.19</u>	<u>1,666,667</u>	<u>0.26</u>	<u>5,897,396</u>	<u>0.93</u>
Net Rental Income	41,970	0.01	(541,933)	(0.08)	583,904	0.09
Total Net Grant Income	(116,712)	(0)	-	-	(116,712)	(0)
Other Income	847	0.00	-	-	847	0.00
Change In Net Assets	<u>7,117,082</u>	<u>1.12</u>	<u>12,523,074</u>	<u>1.95</u>	<u>(5,405,993)</u>	<u>(0.84)</u>
Medical Loss Ratio	96.7%		95.4%		(1.3%)	
Administrative Loss Ratio	3.3%		4.1%		0.8%	

* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

** Includes MSSP

**CalOptima - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ended February 28, 2017**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare</u>	<u>OneCare Connect</u>	<u>PACE</u>	<u>Consolidated</u>
Member Months	538,687	234,719	773,406	1,281	16,222	194	791,103
REVENUES							
Capitation Revenue	\$ 138,281,268	\$ 109,083,952	\$ 247,365,220	\$ 1,325,118	\$ 25,134,734	\$ 1,240,091	\$ 275,065,163
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>138,281,268</u>	<u>109,083,952</u>	<u>247,365,220</u>	<u>1,325,118</u>	<u>25,134,734</u>	<u>1,240,091</u>	<u>275,065,163</u>
MEDICAL EXPENSES							
Provider Capitation	39,473,179	48,806,830	88,280,009	405,341	8,052,308	-	96,737,659
Facilities	23,632,438	23,464,976	47,097,415	298,893	7,197,011	237,676	54,830,996
Ancillary	-	-	-	11,280	831,025	-	842,306
Skilled Nursing	-	-	-	135,811	-	-	135,811
Professional Claims	7,091,859	8,041,046	15,132,904	-	-	226,458	15,359,362
Prescription Drugs	17,368,544	15,889,723	33,258,267	400,003	1,613,064	90,238	35,361,572
Long-term Care Facility Payments	47,474,400	2,341,069	49,815,469	-	6,378,067	7,327	56,200,863
Medical Management	2,603,881	-	2,603,881	60,680	914,846	404,986	3,984,393
Reinsurance & Other	(642,116)	1,150,896	508,780	4,500	89,568	141,928	744,775
Total Medical Expenses	<u>137,002,185</u>	<u>99,694,540</u>	<u>236,696,726</u>	<u>1,316,509</u>	<u>25,075,889</u>	<u>1,108,613</u>	<u>264,197,736</u>
Medical Loss Ratio	99.1%	91.4%	95.7%	99.4%	99.8%	89.4%	96.0%
GROSS MARGIN	1,279,083	9,389,412	10,668,494	8,609	58,845	131,478	10,867,427
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			5,304,162	21,174	855,733	91,332	6,272,401
Professional fees			186,049	13,913	-	19,250	219,212
Purchased services			996,926	23,483	159,300	6,238	1,185,948
Printing and Postage			245,448	9,854	26,171	68	281,541
Depreciation and Amortization			342,720	-	-	2,065	344,785
Other expenses			726,256	0	40,295	6,029	772,580
Indirect cost allocation, Occupancy expense			(403,146)	22,850	654,511	2,260	276,475
Total Administrative Expenses			<u>7,398,414</u>	<u>91,274</u>	<u>1,736,010</u>	<u>127,243</u>	<u>9,352,941</u>
Admin Loss Ratio			3.0%	6.9%	6.9%	10.3%	3.4%
INCOME (LOSS) FROM OPERATIONS			3,270,080	(82,664)	(1,677,164)	4,234	1,514,486
INVESTMENT INCOME			-	-	-	-	2,243,095
NET RENTAL INCOME			-	-	-	-	8,315
NET GRANT INCOME			(75,814)	-	-	-	(75,814)
OTHER INCOME			119	-	-	-	119
CHANGE IN NET ASSETS			<u>\$ 3,194,385</u>	<u>\$ (82,664)</u>	<u>\$ (1,677,164)</u>	<u>\$ 4,234</u>	<u>\$ 3,690,200</u>
BUDGETED CHANGE IN ASSETS			8,793,252	21,100	613,429	(119,759)	9,440,638
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(5,598,868)</u>	<u>(103,764)</u>	<u>(2,290,593)</u>	<u>123,994</u>	<u>(5,750,438)</u>

CalOptima - Consolidated - Year to Date
Statement of Revenues and Expenses by LOB
For the Eight Months Ended February 28, 2017

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	4,369,311	1,859,408	6,228,719	9,835	138,671	1,459	6,378,684
REVENUES							
Capitation Revenue	\$ 1,104,769,361	\$ 857,257,146	\$ 1,962,026,508	\$ 10,645,302	\$ 239,820,446	\$ 10,100,447	\$ 2,222,592,702
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,104,769,361</u>	<u>857,257,146</u>	<u>1,962,026,508</u>	<u>10,645,302</u>	<u>239,820,446</u>	<u>10,100,447</u>	<u>2,222,592,702</u>
MEDICAL EXPENSES							
Provider Capitation	265,588,210	344,179,570	609,767,780	3,248,784	58,451,088	-	671,467,652
Facilities	221,087,153	239,503,261	460,590,414	2,561,807	71,367,924	2,049,747	536,569,893
Ancillary	-	-	-	332,542	6,045,806	-	6,378,348
Skilled Nursing	-	-	-	466,932	-	-	466,932
Professional Claims	74,189,149	69,359,217	143,548,366	-	-	1,684,042	145,232,408
Prescription Drugs	144,275,943	132,497,552	276,773,495	3,399,865	39,246,868	675,654	320,095,882
Long-term Care Facility Payments	364,802,673	16,156,082	380,958,754	-	47,339,711	43,380	428,341,845
Medical Management	23,164,940	-	23,164,940	180,543	7,922,288	3,155,993	34,423,764
Reinsurance & Other	(3,688,966)	8,189,275	4,500,309	36,771	734,302	886,424	6,157,805
Total Medical Expenses	<u>1,089,419,101</u>	<u>809,884,957</u>	<u>1,899,304,058</u>	<u>10,227,244</u>	<u>231,107,988</u>	<u>8,495,239</u>	<u>2,149,134,529</u>
Medical Loss Ratio	98.6%	94.5%	96.8%	96.1%	96.4%	84.1%	96.7%
GROSS MARGIN	15,350,261	47,372,189	62,722,450	418,058	8,712,458	1,605,208	73,458,173
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			42,119,125	133,128	6,403,332	736,006	49,391,591
Professional Fees			1,011,226	134,270	316,552	33,805	1,495,853
Purchased services			5,738,413	189,059	1,087,987	34,692	7,050,151
Printing and Postage			1,679,951	69,971	489,813	2,265	2,241,999
Depreciation and Amortization			2,528,986			16,378	2,545,363
Other expenses			7,929,432	2,071	289,669	56,539	8,277,710
Indirect cost allocation, Occupancy expense			(2,695,720)	185,730	5,320,121	18,459	2,828,591
Total Administrative Expenses			<u>58,311,413</u>	<u>714,229</u>	<u>13,907,474</u>	<u>898,143</u>	<u>73,831,259</u>
Admin Loss Ratio			3.0%	6.7%	5.8%	8.9%	3.3%
INCOME (LOSS) FROM OPERATIONS			4,411,037	(296,171)	(5,195,016)	707,065	(373,086)
INVESTMENT INCOME			-	-	-	-	7,564,063
NET RENTAL INCOME			-	-	-	-	41,970
NET GRANT INCOME			(116,712)	-	-	-	(116,712)
OTHER INCOME			847	-	-	-	847
CHANGE IN NET ASSETS			<u>\$ 4,295,170</u>	<u>\$ (296,171)</u>	<u>\$ (5,195,016)</u>	<u>\$ 707,065</u>	<u>\$ 7,117,081</u>
BUDGETED CHANGE IN ASSETS			9,939,847	199,975	3,018,682	(1,760,164)	12,523,074
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(5,644,677)</u>	<u>(496,147)</u>	<u>(8,213,698)</u>	<u>2,467,228</u>	<u>(5,405,994)</u>

February 28, 2017 Unaudited Financial Statements

SUMMARY

MONTHLY RESULTS:

- Change in Net Assets is \$3.7 million, \$5.8 million unfavorable to budget
- Operating surplus is \$1.5 million with a surplus in non-operating of \$2.3 million

YEARLY RESULTS:

- Change in Net Assets is \$7.1 million, \$5.4 million unfavorable to budget
- Operating deficit is \$0.4 million with a surplus in non-operating of \$7.6 million

Change in Net Assets by LOB (\$millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
3.2	8.8	(5.6)	Medi-Cal	4.3	9.9	(5.6)
(0.1)	0.0	(0.1)	OneCare	(0.3)	0.2	(0.5)
(1.7)	0.6	(2.3)	OCC	(5.2)	3.0	(8.2)
<u>0.0</u>	<u>(0.1)</u>	<u>0.1</u>	PACE	<u>0.7</u>	<u>(1.8)</u>	<u>2.5</u>
1.4	9.3	(7.9)	Operating	(0.5)	11.4	(11.9)
<u>2.3</u>	<u>0.1</u>	<u>2.1</u>	Inv./Rental Inc, MCO tax	<u>7.6</u>	<u>1.1</u>	<u>6.5</u>
2.3	0.1	2.1	Non-Operating	7.6	1.1	6.5
3.7	9.4	(5.8)	TOTAL	7.1	12.5	(5.4)

CalOptima
Enrollment Summary
For the Eight Months Ended February 28, 2017

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
59,819	55,872	3,947	7.1%	Aged	468,234	442,521	25,713	5.8%
618	679	(61)	(9.0%)	BCCTP	4,975	5,415	(440)	(8.1%)
48,693	47,325	1,368	2.9%	Disabled	388,478	379,454	9,024	2.4%
327,943	343,267	(15,324)	(4.5%)	TANF Child	2,667,305	2,724,654	(57,349)	(2.1%)
98,357	108,884	(10,527)	(9.7%)	TANF Adult	814,218	875,411	(61,193)	(7.0%)
3,257	2,726	531	19.5%	LTC	26,101	21,581	4,520	20.9%
234,719	224,204	10,515	4.7%	MCE	1,859,408	1,783,341	76,067	4.3%
773,406	782,957	(9,551)	(1.2%)	Medi-Cal	6,228,719	6,232,377	(3,658)	(0.1%)
16,222	21,692	(5,470)	(25.2%)	OneCare Connect	138,671	175,779	(37,108)	(21.1%)
194	200	(6)	(3.0%)	PACE	1,459	1,460	(1)	(0.1%)
1,281	1,167	114	9.8%	OneCare	9,835	9,674	161	1.7%
791,103	806,016	(14,913)	(1.9%)	CalOptima Total	6,378,684	6,419,290	(40,606)	(0.6%)

Enrollment (By Network)								
137,671	49,306	88,365	179.2%	HMO	477,759	383,749	94,010	24.5%
223,929	236,106	(12,177)	(5.2%)	PHC	1,835,122	1,878,564	(43,442)	(2.3%)
243,106	339,846	(96,740)	(28.5%)	Shared Risk Group	2,626,724	2,724,621	(97,897)	(3.6%)
168,700	157,699	11,001	7.0%	Fee for Service	1,289,114	1,245,451	43,663	3.5%
773,406	782,957	(9,551)	(1.2%)	Medi-Cal	6,228,719	6,232,377	(3,658)	(0.1%)
16,222	21,692	(5,470)	(25.2%)	OneCare Connect	138,671	175,779	(37,108)	(21.1%)
194	200	(6)	(3.0%)	PACE	1,459	1,460	(1)	(0.1%)
1,281	1,167	114	9.8%	OneCare	9,835	9,674	161	1.7%
791,103	806,016	(14,913)	(1.9%)	CalOptima Total	6,378,684	6,419,290	(40,606)	(0.6%)

CalOptima
Enrollment Trend by Network Type
Fiscal Year 2017

Network Type	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	MMs
HMO													
Aged	351	350	355	368	363	381	379	3,103	-	-	-	-	5,650
BCCTP	1	1	1	(8)	2	1	1	1	-	-	-	-	-
Disabled	1,799	1,797	1,813	1,866	1,853	1,858	1,875	5,780	-	-	-	-	18,641
TANF Child	24,211	24,455	24,733	24,928	24,987	25,083	24,928	53,811	-	-	-	-	227,136
TANF Adult	7,929	7,872	7,914	7,850	8,029	7,967	7,871	25,446	-	-	-	-	80,878
LTC	-	-	-	-	-	-	-	3	-	-	-	-	3
MCE	12,989	13,224	13,464	14,034	13,897	14,116	14,200	49,527	-	-	-	-	145,451
	47,280	47,699	48,280	49,038	49,131	49,406	49,254	137,671	-	-	-	-	477,759
PHC													
Aged	1,495	1,464	1,488	1,458	1,427	1,419	1,408	1,439	-	-	-	-	11,598
BCCTP	-	-	-	1	-	-	-	-	-	-	-	-	1
Disabled	7,903	7,872	7,862	7,865	7,804	7,779	7,783	7,751	-	-	-	-	62,619
TANF Child	169,358	168,529	169,733	169,714	168,615	168,294	165,979	164,330	-	-	-	-	1,344,552
TANF Adult	15,260	14,945	14,649	14,593	14,161	13,880	13,457	13,195	-	-	-	-	114,140
LTC	-	-	-	4	-	-	-	-	-	-	-	-	4
MCE	38,002	38,200	37,601	38,070	37,874	37,886	37,361	37,214	-	-	-	-	302,208
	232,018	231,010	231,333	231,705	229,881	229,258	225,988	223,929	-	-	-	-	1,835,122
Shared Risk Group													
Aged	7,658	7,627	7,635	7,726	7,528	7,546	7,501	4,834	-	-	-	-	58,055
BCCTP	-	-	-	8	1	-	-	-	-	-	-	-	9
Disabled	14,428	14,307	14,189	14,253	14,073	14,084	14,005	10,083	-	-	-	-	109,422
TANF Child	118,748	118,149	118,421	117,922	116,971	116,744	114,746	84,105	-	-	-	-	905,806
TANF Adult	63,849	62,814	62,579	62,266	61,355	60,893	59,355	40,848	-	-	-	-	473,959
LTC	-	-	-	3	3	3	5	3	-	-	-	-	17
MCE	140,640	140,811	137,172	139,776	139,565	140,094	138,165	103,233	-	-	-	-	1,079,456
	345,323	343,708	339,996	341,954	339,496	339,364	333,777	243,106	-	-	-	-	2,626,724
Fee for Service (Dual)													
Aged	43,684	45,173	45,173	45,522	46,007	46,233	46,592	46,682	-	-	-	-	365,066
BCCTP	27	26	24	23	23	23	25	27	-	-	-	-	198
Disabled	19,790	20,086	20,071	20,264	20,375	20,497	20,471	20,510	-	-	-	-	162,064
TANF Child	3	2	2	3	4	3	3	2	-	-	-	-	22
TANF Adult	1,179	1,162	1,184	1,197	1,181	1,216	1,220	1,200	-	-	-	-	9,539
LTC	2,868	2,910	2,941	2,906	2,940	2,914	2,914	2,913	-	-	-	-	23,306
MCE	2,960	2,975	2,721	2,750	2,822	2,893	2,818	2,842	-	-	-	-	22,781
	70,511	72,334	72,116	72,665	73,352	73,779	74,043	74,176	-	-	-	-	582,976
Fee for Service (Non-Dual)													
Aged	3,746	2,850	3,183	3,608	3,450	3,667	3,600	3,761	-	-	-	-	27,865
BCCTP	606	608	598	589	594	595	587	590	-	-	-	-	4,767
Disabled	4,533	4,269	4,390	4,368	4,488	4,548	4,567	4,569	-	-	-	-	35,732
TANF Child	22,710	23,011	22,504	23,069	23,658	23,949	25,193	25,695	-	-	-	-	189,789
TANF Adult	15,792	16,253	16,501	17,109	17,090	17,340	17,949	17,668	-	-	-	-	135,702
LTC	368	370	362	314	334	328	357	338	-	-	-	-	2,771
MCE	35,946	36,543	37,812	36,999	38,607	39,499	42,203	41,903	-	-	-	-	309,512
	83,701	83,904	85,350	86,056	88,221	89,926	94,456	94,524	-	-	-	-	706,138
MEDI-CAL TOTAL													
Aged	56,934	57,464	57,834	58,682	58,775	59,246	59,480	59,819	-	-	-	-	468,234
BCCTP	634	635	623	613	620	619	613	618	-	-	-	-	4,975
Disabled	48,453	48,331	48,325	48,616	48,593	48,766	48,701	48,693	-	-	-	-	388,478
TANF Child	335,030	334,146	335,393	335,636	334,235	334,073	330,849	327,943	-	-	-	-	2,667,305
TANF Adult	104,009	103,046	102,827	103,015	101,816	101,296	99,852	98,357	-	-	-	-	814,218
LTC	3,236	3,280	3,303	3,227	3,277	3,245	3,276	3,257	-	-	-	-	26,101
MCE	230,537	231,753	228,770	231,629	232,765	234,488	234,747	234,719	-	-	-	-	1,859,408
	778,833	778,655	777,075	781,418	780,081	781,733	777,518	773,406	-	-	-	-	6,228,719
PACE	177	179	179	180	183	183	184	194	-	-	-	-	1,459
OneCare	1,171	1,164	1,192	1,220	1,228	1,275	1,304	1,281	-	-	-	-	9,835
OneCare Connect	18,902	18,245	17,727	17,352	17,067	16,810	16,346	16,222	-	-	-	-	138,671
TOTAL	799,083	798,243	796,173	800,170	798,559	800,001	795,352	791,103	-	-	-	-	6,378,684

ENROLLMENT:

Overall MTD enrollment was 791,103

- Unfavorable to budget by 14,913
- Decreased 4,249 or 0.5% from prior month
- Increased 9,150 or 1.21% from prior year (February 2016)

Medi-Cal enrollment was 773,406

- Unfavorable to budget by 9,551
 - Expansion favorable by 10,515
 - SPD favorable by 5,254
 - LTC favorable by 531
 - TANF unfavorable by 25,851
- Decreased 4,112 from prior month

OneCare Connect enrollment was 16,222

- Unfavorable to budget by 5,470
- Decreased 124 from prior month

OneCare enrollment was 1,281

- Favorable to budget by 114
- Decreased 23 from prior month

PACE enrollment at 194

- Unfavorable to budget by 6
- Increased 10 from prior month

**CalOptima - Medi-Cal Total
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017**

Actual	Budget	Month	
		\$	%
		Variance	Variance
773,406	782,957	(9,551)	(1.2%)
247,365,220	235,671,471	11,693,749	5.0%
247,365,220	235,671,471	11,693,749	5.0%
88,280,009	75,405,608	(12,874,402)	(17.1%)
47,097,415	54,072,193	6,974,778	12.9%
15,132,904	16,985,532	1,852,628	10.9%
33,258,267	31,814,728	(1,443,539)	(4.5%)
49,815,469	35,126,865	(14,688,604)	(41.8%)
2,603,881	4,522,862	1,918,981	42.4%
508,780	16,667	(492,113)	(2,952.7%)
236,696,726	217,944,455	(18,752,271)	(8.6%)
10,668,494	17,727,016	(7,058,522)	(39.8%)
5,304,162	6,533,976	1,229,814	18.8%
186,049	329,611	143,562	43.6%
996,926	829,632	(167,295)	(20.2%)
245,448	312,092	66,645	21.4%
342,720	383,061	40,342	10.5%
726,256	1,086,094	359,838	33.1%
(403,146)	(540,702)	(137,556)	(25.4%)
7,398,414	8,933,764	1,535,350	17.2%
10,318,640	8,868,854	(1,449,786)	(16.3%)
10,320,351	0	(10,320,351)	0.0%
(1,711)	8,868,854	8,870,565	100.0%
0	0	0	0.0%
50,000	287,500	(237,500)	(82.6%)
103,063	250,000	146,938	58.8%
22,752	37,500	14,748	39.3%
(75,814)	0	(75,814)	0.0%
119	0	119	0.0%
3,194,386	8,793,252	(5,598,866)	(63.7%)
=====	=====	=====	=====
95.7%	92.5%	(3.2%)	(3.5%)
3.0%	3.8%	0.8%	21.1%

	Year - To - Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	6,228,719	6,232,377	(3,658)	(0.1%)
Revenues				
Capitation revenue	1,962,026,508	1,873,906,455	88,120,053	4.7%
Total Operating Revenues	1,962,026,508	1,873,906,455	88,120,053	4.7%
Medical Expenses				
Provider capitation	609,767,780	600,633,308	(9,134,472)	(1.5%)
Facilities	460,590,414	450,034,071	(10,556,344)	(2.3%)
Professional Claims	143,548,366	137,109,733	(6,438,633)	(4.7%)
Prescription drugs	276,773,495	272,764,322	(4,009,173)	(1.5%)
MLTSS	380,958,754	295,443,168	(85,515,586)	(28.9%)
Medical Management	23,164,940	35,585,828	12,420,889	34.9%
Reinsurance & other	4,500,309	133,333	(4,366,976)	(3,275.2%)
Total Medical Expenses	1,899,304,058	1,791,703,764	(107,600,294)	(6.0%)
Gross Margin	62,722,450	82,202,691	(19,480,241)	(23.7%)
Administrative Expenses				
Salaries, wages & employee benefits	42,119,125	53,739,551	11,620,426	21.6%
Professional fees	1,011,226	2,498,430	1,487,205	59.5%
Purchased services	5,738,413	6,016,844	278,431	4.6%
Printing and postage	1,679,951	2,501,053	821,102	32.8%
Depreciation & amortization	2,528,986	3,064,489	535,503	17.5%
Other operating expenses	7,929,432	8,763,245	833,813	9.5%
Indirect cost allocation	(2,695,720)	(4,320,768)	(1,625,048)	(37.6%)
Total Administrative Expenses	58,311,413	72,262,844	13,951,431	19.3%
Operating Tax				
Tax Revenue	93,981,982	70,654,093	(23,327,889)	(33.0%)
Premium tax expense	81,897,543	0	(81,897,543)	0.0%
Sales tax expense	12,084,439	70,654,093	58,569,653	82.9%
Total Net Operating Tax	0	0	0	0.0%
Grant Income				
Grant Revenue	657,500	2,300,000	(1,642,500)	(71.4%)
Grant expense - Service Partner	619,438	2,000,000	1,380,563	69.0%
Grant expense - Administrative	154,775	300,000	145,225	48.4%
Total Net Grant Income	(116,712)	0	(116,712)	0.0%
Other income	847	0	847	0.0%
Change in Net Assets	4,295,172	9,939,847	(5,644,675)	(56.8%)
	=====	=====	=====	=====
Medical Loss Ratio	96.8%	95.6%	(1.2%)	(1.2%)
Admin Loss Ratio	3.0%	3.9%	0.9%	22.9%

MEDI-CAL INCOME STATEMENT – FEBRUARY MONTH:

REVENUES of \$247.4 million are favorable to budget by \$11.7 million, driven by:

- Price related favorable variance of \$14.6 million due:
 - \$4.8 million of LTC revenue for non-LTC members
 - \$4.2 million for IHSS
 - Remaining from member mix
- Volume related unfavorable variance of: \$2.9 million

MEDICAL EXPENSES: Overall \$236.7 million, unfavorable to budget by \$18.8 million due to:

- **Long term care claim payments (MLTSS)** are unfavorable to budget \$14.7 million due to:
 - LTC unfavorable variance of \$14.7 million driven by:
 - \$6.9 million higher LTC claim expense due to less than anticipated members enrolling in OneCare Connect
 - \$2.0 million variance from FY17 mandated rate increase
 - IHSS related unfavorable variance of approximately \$5.4 million
- **Provider capitation** expenses are unfavorable to budget \$12.9 million due to:
 - Additional HMO network beginning February
- **Facilities** expenses are favorable to budget \$7.0 million due to:
 - Shared risk group network moves to HMO model beginning February

ADMINISTRATIVE EXPENSES are \$7.4 million, favorable to budget \$1.5 million, driven by:

- Salary & Benefits: \$1.2 million favorable to budget
- Non-Salary: \$0.3 million favorable to budget

CHANGE IN NET ASSETS is \$3.2 million for the month, unfavorable to budget by \$5.6 million

CalOptima - OneCare Connect
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
16,222	21,692	(5,470)	(25.2%)	Member Months	138,671	175,779	(37,108)	(21.1%)
				Revenues				
6,326,729	11,499,334	(5,172,605)	(45.0%)	Medi-Cal Capitation revenue	54,977,185	95,406,364	(40,429,179)	(42.4%)
18,808,005	32,072,666	(13,264,661)	(41.4%)	Medicare Capitation revenue	184,843,261	264,662,687	(79,819,426)	(30.2%)
25,134,734	43,572,000	(18,437,266)	(42.3%)	Total Operating Revenue	239,820,446	360,069,051	(120,248,605)	(33.4%)
				Medical Expenses				
8,052,308	9,595,921	1,543,613	16.1%	Provider capitation	58,451,088	79,288,882	20,837,794	26.3%
7,197,011	10,910,702	3,713,691	34.0%	Facilities	71,367,924	91,278,972	19,911,048	21.8%
831,025	678,739	(152,286)	(22.4%)	Ancillary	6,045,806	5,500,077	(545,729)	(9.9%)
6,378,067	10,246,296	3,868,229	37.8%	Long Term Care	47,339,711	83,029,468	35,689,757	43.0%
1,613,064	7,362,071	5,749,008	78.1%	Prescription drugs	39,246,868	64,231,555	24,984,687	38.9%
914,846	1,244,781	329,935	26.5%	Medical management	7,922,288	9,905,672	1,983,383	20.0%
89,568	624,707	535,140	85.7%	Other medical expenses	734,302	5,062,231	4,327,930	85.5%
25,075,889	40,663,219	15,587,330	38.3%	Total Medical Expenses	231,107,988	338,296,858	107,188,870	31.7%
58,845	2,908,781	(2,849,936)	(98.0%)	Gross Margin	8,712,458	21,772,193	(13,059,735)	(60.0%)
				Administrative Expenses				
855,733	938,801	83,069	8.8%	Salaries, wages & employee benefits	6,403,332	7,580,540	1,177,207	15.5%
0	86,521	86,521	100.0%	Professional fees	316,552	612,562	296,010	48.3%
159,300	181,216	21,916	12.1%	Purchased services	1,087,987	1,434,698	346,711	24.2%
26,171	148,414	122,243	82.4%	Printing and postage	489,813	1,103,785	613,973	55.6%
40,295	2,910	(37,385)	(1,284.7%)	Other operating expenses	289,669	522,000	232,332	44.5%
654,511	937,491	282,980	30.2%	Indirect cost allocation, Occupancy Expense	5,320,121	7,499,925	2,179,804	29.1%
1,736,010	2,295,353	559,343	24.4%	Total Administrative Expenses	13,907,474	18,753,511	4,846,037	25.8%
				Operating Tax				
20,800	0	20,800	0.0%	Tax Revenue	(465,034)	0	(465,034)	0.0%
20,800	0	(20,800)	0.0%	Sales tax expense	(465,034)	0	465,034	0.0%
0	0	0	0.0%	Total Net Operating Tax	0	0	0	0.0%
(1,677,164)	613,429	(2,290,593)	(373.4%)	Change in Net Assets	(5,195,016)	3,018,682	(8,213,698)	(272.1%)
99.8%	93.3%	-6.4%	-6.9%	Medical Loss Ratio	96.4%	94.0%	-2.4%	-2.6%
6.9%	5.3%	-1.6%	-31.1%	Admin Loss Ratio	5.8%	5.2%	-0.6%	-11.3%

ONECARE CONNECT INCOME STATEMENT – FEBRUARY MONTH:

REVENUES of \$25.1 million are unfavorable to budget by \$18.4 million driven by:

- Volume related unfavorable variance of \$11.0 million due to lower enrollment
- Price related unfavorable variance of \$7.4 million due:
 - OCC Medicare Part A and B rate decreases due to base rate and RAF score changes
 - OCC Medi-Cal member mix true-up

MEDICAL EXPENSES are favorable to budget \$15.6 million due to:

- Volume related favorable variance of \$10.3 million across most categories related to the provider group moving to HMO in February as well as lower long term care expenses
- Price related favorable variance of \$5.3 million

ADMINISTRATIVE EXPENSES are favorable to budget by \$0.6 million

CHANGE IN NET ASSETS is (\$1.7) million, \$2.3 million unfavorable to budget

CalOptima - OneCare
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,281	1,167	114	9.8%	Member Months	9,835	9,674	161	1.7%
				Revenues				
1,325,118	1,359,960	(34,842)	(2.6%)	Capitation revenue	10,645,302	11,137,106	(491,804)	(4.4%)
1,325,118	1,359,960	(34,842)	(2.6%)	Total Operating Revenue	10,645,302	11,137,106	(491,804)	(4.4%)
				Medical Expenses				
405,341	371,623	(33,718)	(9.1%)	Provider capitation	3,248,784	3,028,236	(220,548)	(7.3%)
298,893	295,218	(3,675)	(1.2%)	Inpatient	2,561,807	2,474,998	(86,809)	(3.5%)
11,280	42,570	31,290	73.5%	Ancillary	332,542	379,681	47,139	12.4%
135,811	20,051	(115,760)	(577.3%)	Skilled nursing facilities	466,932	180,362	(286,570)	(158.9%)
400,003	445,967	45,964	10.3%	Prescription drugs	3,399,865	3,696,445	296,580	8.0%
60,680	50,848	(9,832)	(19.3%)	Medical management	180,543	260,853	80,309	30.8%
4,500	(8,923)	(13,423)	(150.4%)	Other medical expenses	36,771	90,578	53,807	59.4%
1,316,509	1,217,355	(99,154)	(8.1%)	Total Medical Expenses	10,227,244	10,111,153	(116,092)	(1.1%)
8,609	142,605	(133,996)	(94.0%)	Gross Margin	418,058	1,025,953	(607,896)	(59.3%)
				Administrative Expenses				
21,174	21,221	47	0.2%	Salaries, wages & employee benefits	133,128	171,338	38,210	22.3%
13,913	17,619	3,707	21.0%	Professional fees	134,270	119,524	(14,746)	(12.3%)
23,483	39,373	15,889	40.4%	Purchased services	189,059	195,089	6,030	3.1%
9,854	13,710	3,857	28.1%	Printing and postage	69,971	103,370	33,399	32.3%
0	89	89	100.0%	Other operating expenses	2,071	709	(1,362)	(192.2%)
22,850	29,494	6,644	22.5%	Indirect cost allocation, Occupancy Expense	185,730	235,949	50,219	21.3%
91,274	121,505	30,232	24.9%	Total Administrative Expenses	714,229	825,978	111,749	13.5%
(82,664)	21,100	(103,764)	(491.8%)	Change in Net Assets	(296,171)	199,975	(496,147)	(248.1%)
=====	=====	=====	=====		=====	=====	=====	=====
99.4%	89.5%	-9.8%	-11.0%	Medical Loss Ratio	96.1%	90.8%	-5.3%	-5.8%
6.9%	8.9%	2.0%	22.9%	Admin Loss Ratio	6.7%	7.4%	0.7%	9.5%

CalOptima - PACE
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017

Month				Year - To - Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
194	200	(6)	(3.0%)	Member Months	1,459	1,460	(1)	(0.1%)
				Revenues				
951,854	895,572	56,282	6.3%	Medi-Cal capitation revenue	7,621,075	6,533,711	1,087,364	16.6%
288,237	360,469	(72,232)	(20.0%)	Medicare capitation revenue	2,479,372	2,681,361	(201,989)	(7.5%)
1,240,091	1,256,040	(15,950)	(1.3%)	Total Operating Revenues	10,100,447	9,215,072	885,375	9.6%
				Medical Expenses				
304,704	400,506	95,802	23.9%	Clinical salaries & benefits	2,327,017	3,192,077	865,061	27.1%
0	0	0	0.0%	Pace Center Support salaries & benefits	0	0	0	0.0%
237,676	235,175	(2,501)	(1.1%)	Claims payments to hospitals	2,049,747	1,860,402	(189,345)	(10.2%)
226,458	251,665	25,207	10.0%	Professional Claims	1,684,042	1,972,862	288,820	14.6%
90,238	121,406	31,168	25.7%	Prescription drugs	675,654	1,036,104	360,450	34.8%
7,327	24,086	16,759	69.6%	Long-term care facility payments	43,380	190,538	147,158	77.2%
91,112	74,767	(16,345)	(21.9%)	Patient Transportation	630,305	591,458	(38,848)	(6.6%)
49,564	49,349	(215)	(0.4%)	Depreciation & amortization	393,063	394,792	1,729	0.4%
37,655	37,214	(441)	(1.2%)	Occupancy expenses	302,389	297,712	(4,677)	(1.6%)
12,988	13,833	845	6.1%	Utilities & Facilities Expense	132,410	110,664	(21,746)	(19.7%)
75	274	199	72.6%	Purchased Services	1,114	2,167	1,053	48.6%
16,587	24,547	7,960	32.4%	Indirect Allocation	140,642	196,376	55,734	28.4%
34,229	22,785	(11,444)	(50.2%)	Other Expenses	115,477	182,281	66,804	36.6%
1,108,613	1,255,607	146,994	11.7%	Total Medical Expenses	8,495,239	10,027,432	1,532,193	15.3%
131,478	433	131,044	30,234.2%	Gross Margin	1,605,208	(812,361)	2,417,568	297.6%
				Administrative Expenses				
91,332	91,334	2	0.0%	Salaries, wages & employee benefits	736,006	741,484	5,478	0.7%
19,250	11,667	(7,583)	(65.0%)	Professional fees	33,805	68,333	34,528	50.5%
6,238	988	(5,250)	(531.4%)	Purchased services	34,692	8,048	(26,644)	(331.1%)
68	1,700	1,631	96.0%	Printing and postage	2,265	13,903	11,638	83.7%
2,065	2,056	(9)	(0.4%)	Depreciation & amortization	16,378	16,449	72	0.4%
6,029	11,426	5,396	47.2%	Other operating expenses	56,539	91,404	34,865	38.1%
2,260	1,023	(1,237)	(121.0%)	Indirect cost allocation, Occupancy Expense	18,459	8,182	(10,277)	(125.6%)
127,243	120,193	(7,051)	(5.9%)	Total Administrative Expenses	898,143	947,803	49,660	5.2%
4,234	(119,759)	123,994	103.5%	Change in Net Assets	707,065	(1,760,164)	2,467,228	140.2%
89.4%	100.0%	10.6%	10.6%	Medical Loss Ratio	84.1%	108.8%	24.7%	22.7%
10.3%	9.6%	-0.7%	-7.2%	Admin Loss Ratio	8.9%	10.3%	1.4%	13.5%

**CalOptima - Building 505 City Parkway
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017**

Actual	Month		% Variance
	Budget	\$ Variance	
24,955	21,285	3,670	17.2%
24,955	21,285	3,670	17.2%
1,525	2,085	560	26.8%
30,533	22,405	(8,129)	(36.3%)
158,984	210,141	51,157	24.3%
16,000	14,300	(1,700)	(11.9%)
62,137	200,171	138,034	69.0%
33,843	0	(33,843)	0.0%
(286,384)	(352,100)	(65,716)	(18.7%)
16,640	97,002	80,362	82.8%
8,315	(75,717)	84,032	111.0%
=====	=====	=====	=====

Revenues

Rental income

Total Operating Revenue

Administrative Expenses

Professional fees

Purchase services

Depreciation & amortization

Insurance expense

Repair and maintenance

Other Operating Expense

Indirect allocation, Occupancy Expense

Total Administrative Expenses

Change in Net Assets

Actual	Year - To - Date		% Variance
	Budget	\$ Variance	
193,350	170,279	23,071	13.5%
193,350	170,279	23,071	13.5%
11,622	16,680	5,058	30.3%
239,555	179,238	(60,317)	(33.7%)
1,255,974	1,681,126	425,152	25.3%
128,004	114,402	(13,602)	(11.9%)
774,790	1,537,565	762,775	49.6%
346,752	0	(346,752)	0.0%
(2,605,317)	(2,816,799)	(211,482)	(7.5%)
151,380	712,213	560,833	78.7%
41,970	(541,933)	583,904	107.7%
=====	=====	=====	=====

OTHER STATEMENTS – FEBRUARY MONTH:

ONECARE INCOME STATEMENT

REVENUES of \$1.3 million are in line with budget

MEDICAL EXPENSES are \$1.3 million, \$0.1 million unfavorable to budget

CHANGE IN NET ASSETS is (\$82.7) thousand, \$103.8 thousand unfavorable to budget

PACE INCOME STATEMENT

CHANGE IN NET ASSETS for the month is \$4.2 thousand; \$124.0 thousand favorable to budget

505 CITY PARKWAY BUILDING INCOME STATEMENT

CHANGE IN NET ASSETS for the month is \$8.3 thousand; \$84.0 thousand favorable to budget

CalOptima
BALANCE SHEET
February 28, 2017

ASSETS

Current Assets	
Operating Cash	\$338,960,313
Catastrophic Reserves	11,371,279
Investments	1,527,088,724
Capitation receivable	317,132,174
Receivables - Other	20,020,278
Prepaid Expenses	12,096,533
Total Current Assets	<u>2,226,669,301</u>
Capital Assets	
Furniture and equipment	33,303,693
Leasehold improvements	8,334,007
505 City Parkway West	49,269,863
	90,907,563
Less: accumulated depreciation	(35,997,907)
Capital assets, net	<u>54,909,656</u>
Other Assets	
Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	1,999,127
Long term investments	530,660,511
Total Board-designated Assets	532,659,637
Total Other Assets	<u>532,959,637</u>
Deferred outflows of Resources - Pension Contributions	3,787,544
Deferred outflows of Resources - Difference in Experience	1,215,473
TOTAL ASSETS & OUTFLOWS	<u>2,819,541,612</u>

LIABILITIES & FUND BALANCES

Current Liabilities	
Accounts payable	\$29,941,908
Medical claims liability	634,186,444
Accrued payroll liabilities	9,616,865
Deferred revenue	917,826,164
Deferred lease obligations	222,558
Capitation and withholds	517,557,114
Total Current Liabilities	<u>2,109,351,053</u>
Other employment benefits liability	29,495,473
Net Pension Liabilities	11,756,286
Long Term Liabilities	100,000
TOTAL LIABILITIES	<u>2,150,702,812</u>
Deferred inflows of Resources - Excess Earnings	502,900
Deferred inflows of Resources - changes in Assumptions	1,651,640
Tangible net equity (TNE)	94,660,013
Funds in excess of TNE	572,024,247
Net Assets	<u>666,684,260</u>
TOTAL LIABILITIES, INFLOWS & FUND BALANCES	<u>2,819,541,612</u>

CalOptima
Board Designated Reserve and TNE Analysis
as of February 28, 2017

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	145,602,803				
	Tier 1 - Logan Circle	145,347,467				
	Tier 1 - Wells Capital	145,395,335				
		436,345,605	291,461,558	456,942,231	144,884,047	(20,596,626)
TNE Requirement	Tier 2 - Logan Circle	96,314,032	94,660,013	94,660,013	1,654,020	1,654,020
Consolidated:		532,659,637	386,121,571	551,602,244	146,538,067	(18,942,607)
<i>Current reserve level</i>		<i>1.93</i>	<i>1.40</i>	<i>2.00</i>		

CalOptima
Statement of Cash Flows
February 28, 2017

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	3,690,200	7,117,081
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	344,785	2,545,363
Changes in assets and liabilities:		
Prepaid expenses and other	523,845	(5,312,287)
Catastrophic reserves		
Capitation receivable	41,171,161	149,598,556
Medical claims liability	252,586	35,491,586
Deferred revenue	(100,058,807)	327,123,523
Payable to providers	(9,398,294)	115,730,812
Accounts payable	10,570,255	22,311,703
Other accrued liabilities	814,616	6,881,681
Net cash provided by/(used in) operating activities	<u>(52,089,653)</u>	<u>661,488,019</u>
GASB 68 CalPERS Adjustments	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	9,201,863	(507,824,092)
Purchase of property and equipment	(37,446)	(2,459,455)
Change in Board designated reserves	(884,481)	(56,824,272)
Net cash provided by/(used in) investing activities	<u>8,279,936</u>	<u>(567,107,819)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(43,809,717)	94,380,199
CASH AND CASH EQUIVALENTS, beginning of period	<u>\$394,141,309</u>	<u>255,951,393</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 350,331,592</u>	<u>\$ 350,331,592</u>

BALANCE SHEET:

ASSETS decreased \$94.1 million from January

- **Cash and Cash Equivalents** decreased by \$43.5 million due to the timing of state checks received, month-end cut-off and cash funding requirements driven by fewer number of days in month
- **Short-term Investments** decreased \$9.5 million due to payment receipt timing and cash funding requirements
- **Net Capitation Receivables** decreased \$43.2 million based upon payment receipt timing and receivables

LIABILITIES decreased \$94.1 million from January

- **Deferred Revenue** decreased \$100.1 million driven by DHS overpayments
- **Total Capitation Payable** decreased \$9.4 million based upon timing of pool estimates, recalculations and payouts
- **Accrued Expenses** increased \$10.4 million based on the timing of sales tax payments

NET ASSETS are \$666.7 million

**CalOptima Foundation
Balance Sheet
February 28, 2017**

<u>ASSETS</u>		<u>LIABILITIES & NET ASSETS</u>	
Operating cash	2,893,139	Accounts payable-Current	0
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
Total Current Assets	<u>2,893,139</u>	Grants-Foundation	0
		Total Current Liabilities	<u>0</u>
		Total Liabilities	<u>0</u>
		Net Assets	<u>2,893,139</u>
TOTAL ASSETS	<u>2,893,139</u>	TOTAL LIABILITIES & NET ASSETS	<u>2,893,139</u>

CalOptima Foundation
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017
Consolidated

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
				Revenues			
0	2,264	(2,264)	(100.0%)	Income - Grant	27,164	18,115	9,049 50.0%
2,083	0	2,083	0.0%	In Kind Revenue - HITEC Grant	70,329	0	70,329 0.0%
2,083	2,264	(181)	(8.0%)	Total Operating Revenue	97,493	18,115	79,378 438.2%
				Operating Expenditures			
0	6,184	6,184	100.0%	Personnel	27,195	49,474	22,279 45.0%
0	2,985	2,985	100.0%	Taxes and Benefits	26,240	23,878	(2,362) (9.9%)
0	0	0	0.0%	Travel	(3)	0	3 0.0%
0	0	0	0.0%	Supplies	7,009	10,000	2,991 29.9%
0	0	0	0.0%	Contractual	20,388	17,174	(3,214) (18.7%)
2,083	232,065	229,982	99.1%	Other	18,370	1,856,522	1,838,151 99.0%
2,083	241,234	239,151	99.1%	Total Operating Expenditures	99,200	1,957,048	1,857,848 94.9%
0	0	0	0.0%	Investment Income	0	0	0 0.0%
0 (238,970)	(238,970)	(100.0%)		Program Income	(1,706)	(1,938,932)	(1,937,226) (99.9%)
=====	=====	=====	=====	=====	=====	=====	=====

CALOPTIMA FOUNDATION – FEBRUARY MONTH

INCOME STATEMENT:

Revenues

- Revenues from Health Information Technology for Economic and Clinical Health Act (HITECH) and in-kind contributions from CalOptima
- The Foundation recognized \$97,493 FY17 YTD in total operating revenues
 - HITECH Grant revenue totaled \$27,164 YTD which leaves \$0 remaining in HITECH Grant funding as of February 2017
 - CalOptima in-kind contribution totaled \$70,329 YTD
- Revenue budget variances attributed to:
 - YTD CalOptima grant budget is \$0, as the ONC grant funding was to have ended in the previous fiscal year. The grant was extended through September 26, 2016
 - CalOptima in-kind revenue was not included in FY17 budget

Expenses

- Operating expenses were \$99,200 for grant related activities incurred YTD FY17
- Expense categories include staff services, travel and miscellaneous supplies
 - \$1.9 million favorable variance YTD
 - FY17 budget was based on remaining fund balance in Foundation total assets
 - Actual expenses were much lower than anticipated for CalOptima support activities

BALANCE SHEET:

Assets

- Cash of \$2.9 million remains from the FY14 transfer of \$3.0 million from CalOptima for grants and programs in support of providers and the community

Liabilities

- \$0

Budget Allocation Changes
Reporting changes for February 2017

Transfer Month	Line of Business	From	To	Amount	Expense Description
July	OneCare Connect	Office of Compliance - Professional Fees (Consultant for Annual CPE Audit & CMS Mock Audit)	Office of Compliance - Professional Fees - Consultant for DMHC Mock Audit	\$69,000	Re-purpose \$53,631 from Professional Fees (Consultant for Annual CPE Audit) and \$15,369 from Professional Fees (Consultant for CMS Mock Audit) to pay for consultant for DMHC Mock Audit
July	COREC	REC - Other	REC - Comp Supply/Minor Equip	\$10,000	Re-allocate funds to cover costs for computer equipment upgrade which is approved ONC grant managers
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$63,810	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for FY17 Ceridian Software Maintenance
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$15,010	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for FY17 Talentova Learning Management System
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$23,900	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for Silk Road
July	Medi-Cal	Claims Administration - Purchased Services - Integration of Claim Editing Software	Claims Administration - Purchased Services - LTC Rate Adjustments	\$98,000	Re-purpose funds from within Purchased Services (Integration of Claim Editing Software) to pay for LTC Adjustments (TriZetto Robot Process)
July	Medi-Cal	Human Resources - Advertising, Travel, Comp Supply/Minor Equip, Subscriptions, Courier/Delivery	Human Resources - Professional Fees (Salary & Compensation Research), Public Activities, Office Supplies, Food Service Supplies, Professional Dues, Training & Seminars, Cert./Cont. Education	\$84,491	Re-allocate HR FY17 Budget based on HR dept's past spending trends to better meet department's need
July	Medi-Cal	IS-Infrastructure - Telephone - General Telecommunication and Network Connectivity	IS-Infrastructure - Purchased Services - Disaster Recovery Services	\$35,575	Re-allocate funds from Telephone (General Telecommunication and Network Connectivity) to Purchased Services to pay for Disaster Recovery Services
August	Medi-Cal	Other Pay	Quality Analytics - Purchased Services	\$67,000	Re-allocate funds to Quality Analytics Purchased Services for additional funds that is needed for CG-CAHPS survey
August	Medi-Cal	Other Pay	Community Relations - Professional Fees & Printing	\$43,640	Re-allocate funds to Community Relations Professional Fees and Printing budgets for contracts with Tony Lam and Communications Lab and printing costs of Community Option Fair
August	Medi-Cal	IS-Application Management - Purchased Services - Healthcare Productivity Automation	IS-Application Management - Purchased Services - Direct Hire Fees	\$10,957	Re-purpose funds from Purchased Services (Healthcare Productivity Automation) to pay for Direct Hire fees
August	Medi-Cal	Other Pay	IS-Application Development - Comp Supplies/Minor Equipments	\$20,400	Re-allocate funds to cover costs of DocuSign, Box, and Primal Script 2016
August	Medi-Cal	Claims Administration - Purchased Services	Claims Administration - Office Supplies, Training & Seminars, Printing	\$15,000	Re-allocate funds from Purchased Services (Integration of Claim Editing Software & Inventory Management Forecasting) to Office Supplies, Training & Seminars, and Printing to better meet department's needs
September	Medi-Cal	Health Education & Disease Management - Professional Fees	Health Education & Disease Management - Other Operating Expenses	\$30,000	Re-allocate funds from Professional Fees (Childhood Obesity Program Design & Evaluation) to Member & Provider Incentives to support incentives for the Group Needs Assessment (GNA) and other Health Education / Disease Management activities.
October	Capital	Facilities - Relocate Trash Enclosure	Facilities - 505 Sound Recording System	\$50,555	Re-allocate from Relocate Trash Enclosure project for additional funds that are needed for the 505 Sound Recording System project.
October	Medi-Cal	IS-Infrastructure - Professional Fees - Enterprise Identity Access Management	IS-Infrastructure - HW/SW Maintenance - Information Security Data Loss Prevention Solution	\$21,041	Re-allocate from Professional Services for an Enterprise Identity Access Management to HW/SW Maintenance for Information Security Data Loss Prevention Solution Annual Maintenance on additional funds that are needed.
October	Medi-Cal	Facilities - Computer Supply/Minor Equipment - Office Furniture & Equipment	Facilities - Computer Supply/Minor Equipment - Other Articles of Minor Equipment	\$27,000	Repurpose funds in Comp supply/minor equipment for re-upholstering chairs in the member service lobby and other minor equipment expenses to better meet the Department's need.
December	Medi-Cal	Human Resources - Professional Fees - Executive Coaching	Human Resources - Professional Fees - Consultant Fees	\$20,000	Repurpose from Executive Coaching for interim director of HR consultant fees
December	Medi-Cal	Health Education & Disease Management - Medical Management Activities	Health Education & Disease Management - Medical Management Activities	\$75,000	Repurpose funds for the department printing and postage needs
January	Medi-Cal	IS-Application Development - Finance Reporting Tool to Great Plains	IS-Application Development - Great Plains Software Upgrade	\$20,000	Re-allocate funds from Finance Reporting Software for Great Plains budget to Great Plains Software Upgrade budget for additional funds are needed to complete the project.
February	Medi-Cal	IS-Application Management - Purchased Services	IS-Application Development - Purchased Services	\$19,320	Re-allocate funds from IS Application Management Purchased Services budget for direct placement fee needed in the Department.
February	Medi-Cal	IS-Application Management - Comp supply/Minor Equip	IS-Infrastructure - Subscriptions	\$30,000	Re-allocate funds from Computer Supply/Minor Equipment for Gartner Subscription needed in the Department.
February	Medi-Cal	IS-Infrastructure - Training & Seminars	IS-Infrastructure - Subscriptions	\$30,000	Re-allocate funds from Training & Seminars for Gartner Subscription needed in the Department.

Board of Directors Meeting April 6, 2017

Monthly Compliance Report

The purpose of this report is to provide compliance updates to CalOptima's Board of Directors, including but may not be limited to, updates on internal and health network audits conducted by CalOptima's Audit & Oversight department, regulatory audits, privacy updates, fraud, waste, and abuse (FWA) updates, and any notices of non-compliance or enforcement action issued by regulators.

A. Updates on Regulatory Audits

1. OneCare Connect

- **DMHC Audit:** The Department of Managed Health Care (DMHC) audited the provision of Medicaid-based services in OneCare Connect from February 6-10, 2017. The DMHC conducted this audit on behalf of the Department of Health Care Services (DHCS) as part of an inter-agency agreement. The DMHC audit consisted of an evaluation of CalOptima's compliance with its contract and regulations in the areas of utilization management, continuity of care, availability and accessibility of services, member rights, and quality management.
- **CMS Mock Audit of Medication Therapy Management (MTM) Program:**
In preparation for a CMS MTM program pilot audit, CalOptima has engaged a consultant to conduct a mock audit on its MTM program using the 2017 MTM regulatory audit protocols. The scope of the audit includes all OneCare Connect members who were enrolled in the MTM program during the look-back period of January 1, 2016 through December 31, 2017. The mock audit will take place from April through July 2017.
- **Medicare Data Validation Audit (DVA):** On an annual basis, CMS requires all plan sponsors to conduct a validation audit of all Parts C and D data reported via an independent consultant. CalOptima has contracted with a consultant, Advent Advisory Group, to conduct the validation audit for its OneCare Connect program. The validation audit started in March and is expected to end in June 2017.

2. OneCare

- **CMS Timeliness Monitoring of Organization Determinations, Appeals & Grievances (ODAG) and Part D Coverage Determinations, Appeals and Grievances (CDAG):**

On March 6, 2017, CalOptima received an engagement notice from CMS to conduct an assessment of timeliness and compliance in processing ODAG and CDAG requests and

with forwarding cases to the Independent Review Entity (IRE). CMS will conduct the ODAG and CDAG validation review on March 30, 2017.

- Medicare Data Validation Audit (DVA): On an annual basis, CMS requires all plan sponsors to conduct a validation audit of all Parts C and D data reported via an independent consultant. CalOptima has contracted with a consultant, Advent Advisory Group, to conduct the validation audit for its OneCare program. The validation audit started in March and is expected to end in June 2017.

3. Medi-Cal

- 2017 Medi-Cal Audit: The DHCS conducted an onsite audit of CalOptima's Medi-Cal program from February 6-17, 2017. The DHCS Medi-Cal audit consisted of an evaluation of CalOptima's compliance with its contract and regulations in the areas of utilization management, case management and care coordination, access and availability, member rights and responsibilities, quality improvement system, organization and administration of CalOptima, facility site reviews, and medical records review. The DHCS expects to issue the draft report in April followed by an Exit Conference. CalOptima will have fifteen (15) days to respond to the draft report. The final report will be finalized within thirty (30) days of CalOptima's response to the draft report.
- DMHC 1115 Waiver Seniors and Persons with Disabilities (SPDs) Audit: The DMHC conducted an audit of Medi-Cal SPDs from February 6-10, 2017. The DMHC conducted this audit on behalf of the DHCS as part of an inter-agency agreement. The DMHC audit consisted of an evaluation of CalOptima's compliance with its contract and regulations in the areas of utilization management, continuity of care, availability and accessibility of services, member rights, and quality management.

B. Regulatory Compliance Notices

1. CalOptima did not receive any compliance notices from its regulators for the months of February and March 2017.

C. Updates on Internal and Health Network Audits

1. Internal Audits: Medi-Cal

- Medi-Cal Utilization Management (UM): Prior Authorization (PA) Requests

Month	Timeliness for Urgents	Clinical Decision Making (CDM) for Urgents	Letter Score for Urgents	Timeliness for Routine	Timeliness for Denials	CDM for Denials	Letter Score for Denials	Timeliness for Modified	CDM for Modified	Letter Score for Modified	Timeliness for Deferrals	CDM for Deferrals	Letter Score for Deferrals
October 2016	0%	N/A	N/A	0%	70%	67%	97%	83%	67%	85%	17%	89%	95%
November 2016	0%	N/A	N/A	0%	90%	87%	98%	100%	73%	99%	50%	58%	95%
December 2016	100%	93%	91%	20%	50%	83%	96%	71%	100%	98%	N/A	N/A	N/A

- The lower scores for timeliness were due to the following reasons:
 - Failure to meet timeframe for decision (Routine – 5 business days)
 - Failure to meet provider written notification timeframe (2 business days)
 - Failure to meet timeframe for provider initial notification to the requesting provider (24 hours)
- The lower scores for clinical decision making were due to the following reasons:
 - Failure to obtain adequate clinical information
 - Failure to use criteria for decision
- The lower letter scores were due to the following reasons:
 - Failure to provide information on how to file a grievance
 - Failure to describe why the request did not meet criteria in lay language
 - Failure to provide description of services in lay language

- Medi-Cal Claims: Professional and Hospital Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
October 2016	100%	100%	100%	100%
November 2016	100%	100%	100%	100%
December 2016	100%	100%	100%	100%

- The compliance rate for paid claims timeliness, paid claims accuracy, denied claims timeliness and denied claims accuracy has remained stable at 100% from October 2016 through December 2016.

- Medi-Cal Claims: Provider Dispute Resolutions (PDRs)

Month	Letter Accuracy	Determination Timeliness	Acknowledgement Timeliness
October 2016	100%	100%	100%
November 2016	100%	100%	100%
December 2016	100%	95%	100%

- The compliance rate for letter accuracy and acknowledgement timeliness has remained stable at 100% from October 2016 through December 2016.
- The compliance rate for determination timeliness has decreased from 100% in November 2016 to 95% in December 2016 due to failure to process PDRs within 45 business days.

- Medi-Cal Customer Service: Call center activity is reviewed for appropriate classification, routing, and privacy handling.

Month	Medi-Cal Call Center	Member Liaison Call Center
October 2016	99%	100%
November 2016	99%	99%
December 2016	99%	99%

- The compliance rate for both the Medi-Cal and Member Liaison Call Centers has remained stable at or above 99% from October 2016 through December 2016.

2. Internal Audits: OneCare

- OneCare Pharmacy: Formulary Rejected Claims Review

Month	% Claims Rejected in Error (Member Impact)
October 2016	0%
November 2016	0%
December 2016	0%

- No claims were rejected in error due to formulary restrictions from October 2016 through December 2016.

- OneCare Pharmacy: Coverage determination timeliness is reviewed on a daily basis to ensure that they are processed in the appropriate timeframe.

<u>Month</u>	% Compliant with Timeliness
October 2016	100%
November 2016	100%
December 2016	100%

- The compliance rate for coverage determination timeliness remained stable at 100% from October 2016 through December 2016.

- OneCare Pharmacy: Coverage determinations for protected classes of drugs are reviewed weekly to ensure that they are processed in accordance with regulatory requirements.

Month	Protected Drug Cases Reviewed	Protected Drug Cases Failed	Overall Compliance
October 2016	2	0	100%
November 2016	2	0	100%
December 2016	4	0	100%

- The compliance rate for protected classes of drugs has remained stable at 100% from October 2016 through December 2016

- OneCare Pharmacy: Coverage determinations for unprotected classes of drugs are reviewed weekly to ensure that they are processed in accordance with regulatory requirements.

Month	Unprotected Drug Cases Reviewed	Unprotected Drug Cases Failed	Overall Compliance
October 2016	9	0	100%
November 2016	12	0	100%
December 2016	23	0	100%

- The compliance rate for unprotected classes of drugs has remained stable at 100% from October 2016 through December 2016.

- OneCare Utilization Management

Month	Timeliness for Expedited Initial Organization Determination (EIOD)	Clinical Decision Making for EIOD	Letter Score for EIOD	Timeliness for Standard Organization Determination (SOD)	Letter Score for SOD	Timeliness for Denials	Clinical Decision Making for Denials	Letter Score for Denials
October 2016	Nothing to Report	Nothing to Report	Nothing to Report	0%	100%	Nothing to Report	Nothing to Report	Nothing to Report
November 2016	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report
December 2016	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report	Nothing to Report

- Due to the small membership size, there was nothing to report for OneCare Utilization Management for December 2016.

- OneCare Claims: Professional and Hospital Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
October 2016	100%	100%	100%	100%
November 2016	100%	100%	100%	97%
December 2016	90%	90%	100%	90%

- The compliance rate for paid claims timeliness has decreased from 100% in November 2016 to 90% in December 2016 due to failure to pay claims within 30 calendar days.
- The compliance rate for paid claims accuracy has decreased from 100% in November 2016 to 90% in December 2016 due to incorrect interest amounts paid.
- The compliance rate for denied claims timeliness has remained stable at 100% from October 2016 to December 2016.
- The compliance rate for denied claims accuracy decreased from 97% in November 2016 to 90% in December 2016 due to an incorrect reason for the development of claims.

- OneCare Claims: Provider Dispute Resolutions (PDRs)

Month	Determination Timeliness	Payment Accuracy	Letter Accuracy	Check Lag
October 2016	100%	100%	100%	100%
November 2016	75%	100%	100%	100%
December 2016	100%	50%	100%	100%

- The compliance rate for determination timeliness has increased from 75% in November 2016 to 100% in December 2016.
- The compliance rate for letter accuracy and check lag has remained stable at 100% from October 2016 to December 2016.
- The compliance rate for payment accuracy has decreased from 100% in November 2016 to 50% in December 2016 due to inaccurate amounts paid for PDRs.

- OneCare Customer Service: Call center activity is reviewed for appropriate classification, routing, and privacy handling.

Month	OneCare Customer Service
October 2016	100%
November 2016	100%
December 2016	100%

- The compliance rate for the OneCare Customer Service Call Center has remained stable at 100% from October 2016 to December 2016.

3. Internal Audits: OneCare Connect

- OneCare Connect Pharmacy: Formulary Rejected Claims Review

Month	% Claims Rejected in Error (Member Impact)
October 2016	0%
November 2016	0%
December 2016	0%

- No claims were rejected in error due to formulary restrictions from October 2016 to December 2016.

- OneCare Connect Pharmacy: Coverage determination timeliness is reviewed on a daily basis to ensure that they are processed in the appropriate timeframe.

Month	% Compliant with Timeliness
October 2016	99%
November 2016	100%
December 2016	99%

- The compliance rate for coverage determination timeliness remains at or above 99% from October 2016 to December 2016.

- OneCare Connect Pharmacy: Coverage determinations for protected classes of drugs are reviewed weekly to ensure that they are processed in accordance with regulatory requirements.

Month	Protected Drug Cases Reviewed	Protected Drug Cases Failed	Overall Compliance
October 2016	25	0	100%
November 2016	20	0	100%
December 2016	30	0	97%

- The compliance rate for coverage determinations for protected drug cases decreased from 100% in November 2016 to 97 % in December 2016 due to an untimely decision.

- OneCare Connect Pharmacy: Coverage determinations for unprotected classes of drugs are reviewed weekly to ensure that they are processed in accordance with regulatory requirements.

Month	Unprotected Drug Cases Reviewed	Unprotected Drug Cases Failed	Overall Compliance
October 2016	88	0	100%
November 2016	125	1	99%
December 2016	100	1	99%

- The compliance rate for coverage determinations for unprotected classes of drugs remained at or above 99% from October 2016 through December 2016.

- OneCare Connect Utilization Management: Prior Authorization (PA) Requests

Month	Timeliness for Urgents	Clinical Decision Making for Urgents	Letter Score for Urgents	Timeliness For Routine	Letter Score for Routine	Timeliness for Denials	Clinical Decision Making for Denials	Letter Score for Denials	Timeliness for Modified	Clinical Decision Making for Modified	Letter Score for Modified	Timeliness for Deferrals	Clinical Decision Making for Deferrals	Letter Score for Deferrals
October 2016	0%	N/A	75%	10%	75%	N/A	N/A	N/A	83%	67%	85%	17%	89%	95%
November 2016	Nothing to Report	Nothing to Report	Nothing to Report	0%	80%	100%	100%	89%	N/A	N/A	N/A	N/A	N/A	N/A
December 2016	70%	Nothing to Report	95%	40%	30%	83%	78%	83%	N/A	N/A	N/A	N/A	N/A	N/A

- The lower scores for timeliness were due to the following:
 - Failure to meet timeframe for decision (Routine - 5 business days)
 - Failure to meet timeframe for provider initial notification (24 hours)
 - Failure to meet timeframe for member notification (14 calendar days)
 - Failure to meet timeframe for written notification (2 business days)
- The lower scores for clinical decision making were due to failure to use specific criteria for clinical decision making.
- The lower scores for letter review were due to the following:
 - Failure to provide letter in member preferred language
 - Failure to provide letter with description of services in lay language
 - Failure to provide referral back to Primary Care Provider (PCP) on denial letter
 - Failure to provide the reason why request did not meet the criteria in lay language

- OneCare Connect Claims: Professional and Hospital Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
October 2016	100%	100%	100%	100%
November 2016	70%	93%	100%	100%
December 2016	100%	100%	100%	100%

- The compliance rate for paid claims timeliness has increased from 70% in November 2016 to 100% in December 2016.
- The compliance rate for paid claims accuracy has increased from 93% in November 2016 to 100% in December 2016.
- The compliance rate for denied claims timeliness and denied claims accuracy has remained stable at 100% from October 2016 through December 2016.

- OneCare Connect Claims: Provider Dispute Resolutions (PDRs)

Month	Determination Timeliness	Payment Accuracy	Letter Accuracy	Check Lag
October 2016	100%	88%	94%	100%
November 2016	93%	87%	100%	100%
December 2016	100%	94%	100%	100%

- The compliance rate for determination timeliness increased from 93% in November 2016 to 100% in December 2016.
- The compliance rate for payment accuracy increased from 87% in November 2016 to 94% in December 2016.
- The compliance rate for letter accuracy has remained stable at 100% from November 2016 to December 2016.
- The compliance rate for check lag has remained stable at 100% from October 2016 to December 2016.

- OneCare Connect Customer Service: Call center activity is reviewed for appropriate classification, routing, and privacy handling.

Month	OneCare Connect Customer Service
October 2016	99%
November 2016	98%
December 2016	100%

- The compliance rate for the OneCare Connect Customer Service Call Center has remained stable at or above 98% from October 2016 to December 2016.

4. Internal Audits: PACE

- PACE Claims: Professional Claims

Month	Paid Claims Timeliness	Paid Claims Accuracy	Denied Claims Timeliness	Denied Claims Accuracy
October 2016	100%	100%	100%	100%
November 2016	100%	100%	100%	100%
December 2016	100%	100%	100%	100%

- The compliance rate for paid claims timeliness, paid claims accuracy, denied claims timeliness, and denied claims accuracy has remained stable at 100% from October 2016 through December 2016.

- PACE Claims: Provider Dispute Resolutions (PDRs)

Month	Determination Accuracy	Letter Accuracy	Acknowledgement Timeliness	Check LAG
October 2016	83%	100%	100%	100%
November 2016	100%	100%	100%	100%
December 2016	94%	100%	100%	100%

- The compliance rate for determination accuracy has decreased from 100% in November 2016 to 94% in December 2016 due to inaccurate payment.
- The compliance rate for letter accuracy, acknowledgement timeliness, and check lag remained stable at 100% from October 2016 through December 2016.

5. Health Network Audits: Medi-Cal, OneCare, and OneCare Connect

For the month of December 2016, monthly file reviews for health networks were suspended due to preparation for the Joint Medical Audit performed by the Department of Health Care Services (DHCS) and the Department of Managed Health Care (DMHC). Alternatively, CalOptima's Audit & Oversight Department conducted webinar reviews to assess the processing of utilization management files and claims from each health network's systems.

- Utilization Management (UM): Prior Authorization (PA) Requests

For utilization management, the following areas were reviewed --- timeliness, clinical decision making, and letter template. Webinar reviews assessed the processing of the UM files from health networks' medical management systems. Common issues identified across the health networks include:

- Failure to use most current letter template (OneCare and OneCare Connect only)
- Failure to use lay language
- Failure to provide proof of successful fax notification to the requesting provider
- Failure to issue letters in member primary language
- Failure to implement procedures in policies
- Failure to meet decision making timeliness

- Claims: Professional and Hospital Claims

For professional and hospital claims, the following areas were reviewed --- timeliness, accuracy, and misclassifications. Webinar reviews assessed the processing of professional

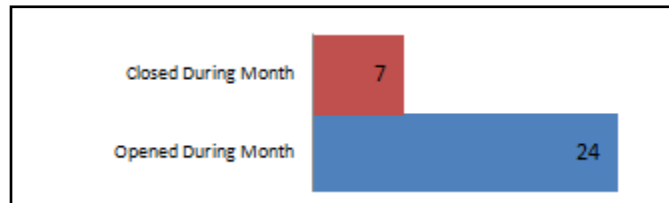
and hospital claims from health networks' claims processing systems. Common issues identified across the health networks include:

- Failure to pay claims timely
- Failure to pay interest on claims
- Inappropriate routing of claims to CalOptima for processing when the claims should have been processed by the health network (Medi-Cal only)
- Inappropriate application of two percent (2%) sequestration on non-contracted provider claims (OneCare and OneCare Connect only)
- Misclassified clean and non-clean claims on the original universe submission (OneCare and OneCare Connect only)

D. Special Investigations Unit (SIU) / Fraud, Waste & Abuse (FWA) Investigations
(February 2017)

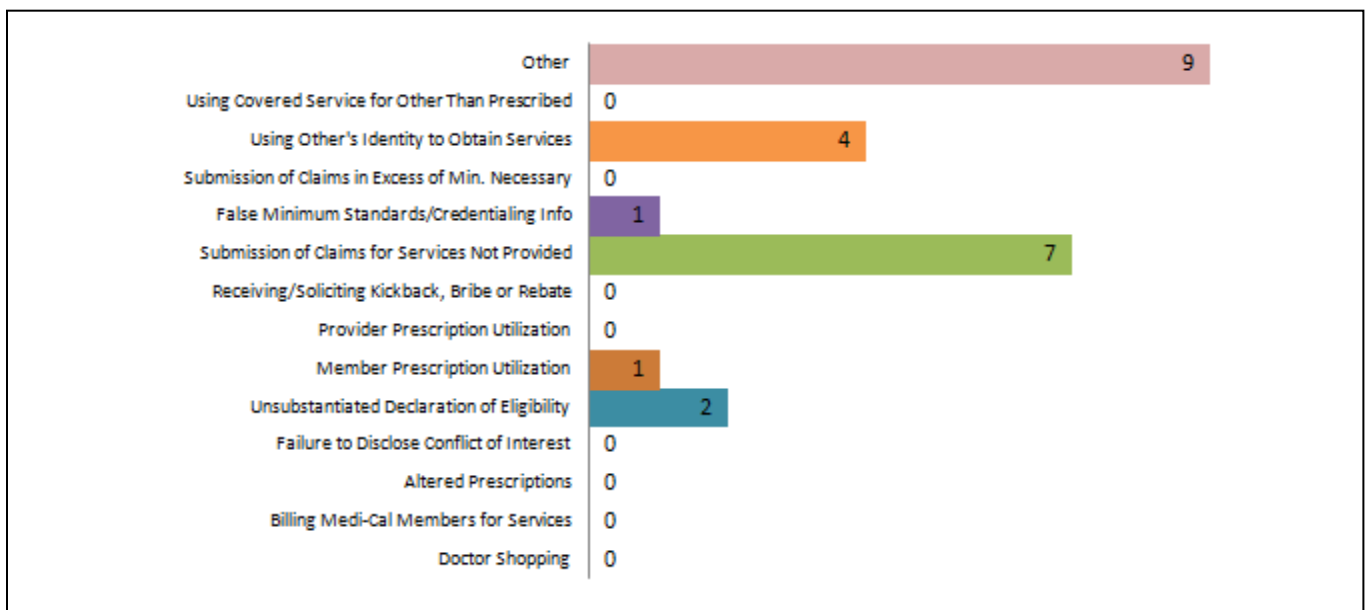
Case Status

Case status at the end of
February 2017

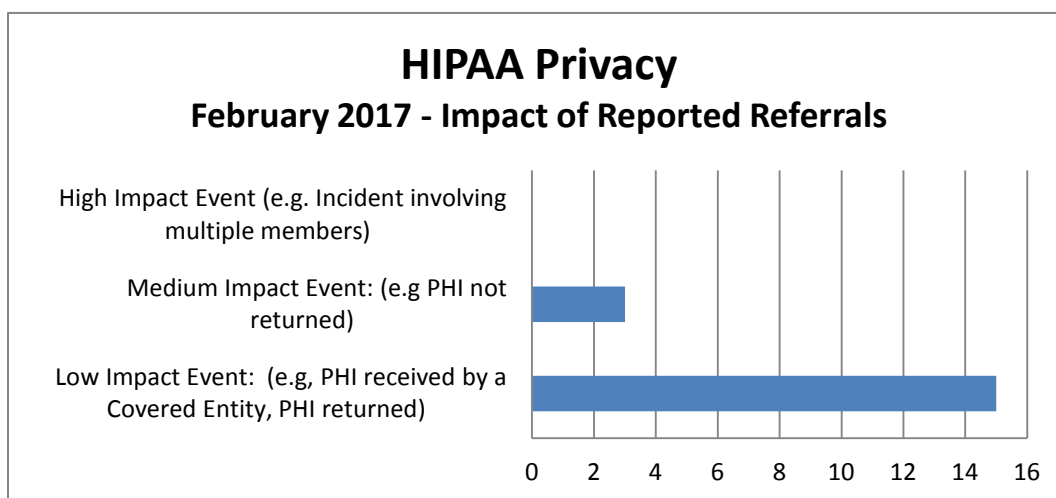
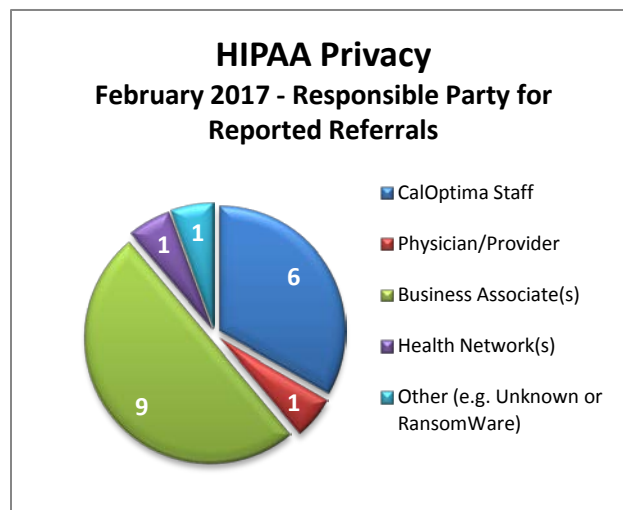
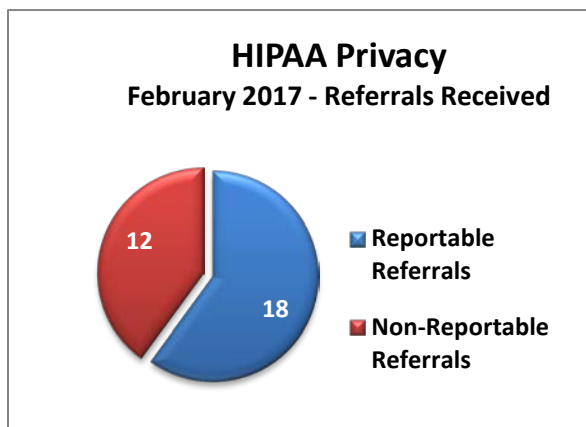


Note: Cases that are referred to DHCS or the MEDIC are not “closed” until CalOptima receives notification of case closure from the applicable government agency.

Types of FWA Cases: (Received in February 2017)



E. Privacy Update (February 2017)



PRIVACY STATISTICS

Total Number of Referrals Reported to DHCS (State)	15
Total Number of Referrals Reported to DHCS and Office for Civil Rights (OCR)	3
Total Number of Referrals Reported	18

Board of Directors Meeting April 6, 2017

CalOptima Community Outreach Summary — March 2017

Background

CalOptima is committed to serving our community by sharing information with current and potential members and strengthening relationships with our community partners. One of the ways CalOptima accomplishes this is through our participation in public events. CalOptima participates in public activities that meet at least one of the following criteria:

- Member interaction/enrollment: The event/activity attracts a significant number of CalOptima members and/or potential members who could enroll in any of CalOptima's programs.
- Branding: The event/activity promotes awareness of CalOptima in the community.
- Partnerships: The event/activity has the potential to create positive visibility for CalOptima and create a long-term collaborative partnership between CalOptima and the requesting entity.

Requests for sponsorship are considered based on several factors including: the number of people the activity/event will reach; the marketing benefits for CalOptima; the strength of the partnership or level of involvement with the requesting entity; past participation; staff availability; and budget availability.

In addition to participating in community events, CalOptima staff actively participates in a number of community meetings including coalitions/collaboratives, committees and advisory groups focused on community health issues. CalOptima strives to address issues related to improving access to health care, reducing health disparities, strengthening the safety net system and promoting a healthier Orange County.

CalOptima Community Events Update

On Wednesday, March 8, Community Relations with the Community Alliances Forum committee hosted a forum with the topic "Understanding Orange County's Funding Landscape: Identifying Funders and How to Align Your Organization with the Right Grants" at the Delhi Center in Santa Ana. More than 150 representatives from a variety of community-based organizations attended to learn about Orange County's funding sources and successful grant processes.

Our Chief Executive Officer, Michael Schrader, opened the forum by providing an update on current discussions of potential changes to the Affordable Care Act. Mr. Schrader also shared CalOptima's efforts at the state and congressional level to ensure understanding of the Affordable Care Act's impact in Orange County and on our members and potential members.

The featured panelists included Todd Hanson, Orange County Community Foundation, Jennifer Vanore, UniHealth Foundation, Eric Altman, The Olin Group and Yolanda Origel, OneOC. After the speakers' presentations, attendees participated in an interactive networking session that included a mock grant application exercise. Attendees worked in groups to create an innovative and creative grant based on an identified community need. The panelists then analyzed one selected mock grant application and provided feedback and suggestions. Ninety-seven percent of the evaluations received indicated that the overall experience of the forum was good or excellent.

For additional information or questions, please contact Tiffany Kaaiakamanu, manager of Community Relations at **657-235-6872** or via email at tkaaiakamanu@caloptima.org.

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Summary of Public Activities

CalOptima participated in 31 community events and coalition and committee meetings:

Date	Events/Meetings	Audience Reached
3/02/17	<ul style="list-style-type: none"> Refugee Forum of Orange County Meeting 	Health and Human Service Providers
3/03/17	<ul style="list-style-type: none"> 16th Annual Health Care Symposium hosted by the Coalition of Orange County Community Health Centers, Community Clinic Association of Los Angeles County and Health Center Partners of Southern California (Sponsorship Fee: \$1,000 included one registration and a business card sized ad in event program) 	Health and Human Service Providers
3/05/17	<ul style="list-style-type: none"> Health Fair hosted by Vietnamese Community Health at UC Los Angeles 	Members/Potential Members
3/06/17	<ul style="list-style-type: none"> Orange County Health Care Agency Mental Health Services Act Steering Committee Meeting 	Health and Human Service Providers
3/07/17	<ul style="list-style-type: none"> Collaborative to Assist Motel Families Meeting 	Health and Human Service Providers
3/08/17	<ul style="list-style-type: none"> Anaheim Homeless Collaborative Meeting 	Health and Human Service Providers
3/10/17	<ul style="list-style-type: none"> Senior Citizens Advisory Council Meeting San Clemente Youth Wellness & Prevention Coalition Meeting South Orange County Senior Day 2017 hosted by the Office of Senator Pat Bates and the Office of Assemblyman Bill Brough (Sponsorship Fee: \$1,000 included one half-page ad in event program booklet and one resource table for outreach during the event) 	Health and Human Service Providers Health and Human Service Providers Members/Potential Members
3/13/17	<ul style="list-style-type: none"> Orange County Veterans and Military Families Collaborative Meeting Fullerton Collaborative Meeting 	Health and Human Service Providers Health and Human Service Providers
3/14/17	<ul style="list-style-type: none"> Buena Clinton Neighborhood Coalition Meeting Susan G. Komen Orange County – Unidos Contra el Cancer del Seno Coalition Meeting 	Health and Human Service Providers Health and Human Service Providers
3/15/17	<ul style="list-style-type: none"> Mini Street Family Resource Center Professional Roundtable Orange County Promotoras The Power of Spirituality Support in Health and Healing Conference hosted by Hoag Memorial Hospital, St. Joseph Health, Caregiver Resource 	Health and Human Service Providers Health and Human Service Providers Health and Human Service Providers

CalOptima organized or convened the following 11 community stakeholder events, meetings and presentations:

Date	Event/Meeting	Audience Reached
03/03/17	<ul style="list-style-type: none"> Community-based organization presentation for Community Garden Tower — Topic: CalOptima Overview (English/Korean) 	Member/Potential Member Providers
3/08/17	<ul style="list-style-type: none"> Community Alliances Forum — Topic: Understanding Orange County's Funding Landscape: Identifying Funders and How to Align Your Organization With the Right Grants 	Health and Human Service Providers
3/09/17	<ul style="list-style-type: none"> Community-based organization presentation for Head Start at Lord Baden Powell School — Topic: CalOptima Overview 	Health and Human Service Providers
3/10/17	<ul style="list-style-type: none"> Senior Citizens Advisory Council Meeting — Topic: OneCare Connect County Community Service Center education seminar — Topic: Enrollment and Eligibility in Medi-Cal 	Health and Human Service Providers Health and Human Service Providers
3/14/17	<ul style="list-style-type: none"> Community-based organization presentation for the Coalition of Orange County Community Health Centers — Topic: CalOptima Overview 	Health and Human Service Providers
3/17/17	<ul style="list-style-type: none"> Community-based organization presentation for UC Irvine Family Health Center, Santa Ana Clinic — Topic: CalOptima Overview 	Health and Human Service Providers
3/17/17	<ul style="list-style-type: none"> County Community Service Center education seminar — Topic: Enrollment and Eligibility in Medi-Cal (Spanish) 	Member/Potential Member Providers
3/21/17	<ul style="list-style-type: none"> Community-based organization presentation for Westminster Family Resource Center — Topic: CalOptima Overview (English/Vietnamese) 	Member/Potential Member Providers
3/23/17	<ul style="list-style-type: none"> Community-based organization presentation for Westminster Family Resource Center — Topic: CalOptima Overview (English/Spanish) 	Member/Potential Member Providers
3/24/17	<ul style="list-style-type: none"> County Community Service Center education seminar — Topic: Enrollment and Eligibility in Medi-Cal (Vietnamese) 	Member/Potential Member Providers

CalOptima endorsed the following four events during this reporting period (e.g., letters of support, program/public activity event with support, or use of name/logo):

1. Letter of Support for Boat People SOS-CA application for Kaiser Permanente Irvine Medical Center Community Benefit Grant.
2. AccessCal's Resource Fair hosted by Access California Services (Listed in Public Activities)
3. South Orange County Senior Day 2017 hosted by the Office of Senator Pat Bates and the Office of Assemblyman Bill Brough (Listed in Public Activities)
4. 16th Annual Health Care Symposium hosted by the Coalition of Orange County Community Health Centers, Community Clinic Association of Los Angeles County and Health Center Partners of Southern California (Listed in Public Activities)

CalOptima Board of Directors Community Activities

For more information on the listed items, contact Tiffany Kaaiakamanu, Manager of Community Relations, at 657-235-6872 or by email at tkaaiakamanu@caloptima.org.

Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
<h1>April</h1>			
Thursday, 4/6 9-11am	++Homeless Provider Forum	Steering Committee Meeting: Open to Collaborative Members	Covenant Presbyterian Church 1855 Orange Olive Rd. Orange
Saturday, 4/8 9am-1pm	+Placentia Library District	Health/Resource Fair Open to the Public	Kramer Park 201 N. Bradford Placentia
Saturday, 4/8 9am-3pm	+City of Westminster Spring Festival	Health/Resource Fair Open to the Public	Westminster Civic Center 8200 Westminster Blvd. Westminster
Saturday, 4/8 1-3pm	+Fullerton Collaborative 15th Annual Faces of Fullerton	Health/Resource Fair Open to the Public	Fullerton Downtown Plaza 301 N. Pomona Ave. Fullerton
Monday, 4/10 1-2:30pm	++OC Veterans and Military Families Collaborative	Steering Committee Meeting: Open to Collaborative Members	Child Guidance Center 525 N. Cabrillo Park Dr. Santa Ana
Monday, 4/10 2:30-3:30pm	++Fullerton Collaborative	Steering Committee Meeting: Open to Collaborative Members	Fullerton Library 353 W. Commonwealth Ave. Fullerton

* CalOptima Hosted

1 – Updated 2017-03-20

+ Exhibitor/Attendee

++ Meeting Attendee

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Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
Monday, 4/10 4-5:30pm	++San Clemente Youth Wellness & Prevention Coalition	Steering Committee Meeting: Open to Collaborative Members	San Clemente High School 700 Avenida Pico San Clemente
Tuesday, 4/11 11:30am-12:30pm	++Buena Clinton Neighborhood Coalition	Steering Committee Meeting: Open to Collaborative Members	Buena Clinton Youth and Family Center 12661 Sunswept Ave. Garden Grove
Wednesday, 4/12 10-11:30am	++Buena Park Collaborative	Steering Committee Meeting: Open to Collaborative Members	Buena Park Library 7150 La Palma Ave. Buena Park
Wednesday, 4/12 12-1:30pm	++Anaheim Homeless Collaborative	Steering Committee Meeting: Open to Collaborative Members	Anaheim Central Library 500 W. Broadway Anaheim
Friday, 4/14 9-10am	*Oral Health and Understanding Your Dental Benefits	Community Presentation Open to the Public	County Community Service Center 15496 Magnolia Ave. Westminster
Saturday, 4/15 8am-12pm	+City of La Habra and La Habra Family Resource Center Annual Spring Family Eggstravaganza	Health/Resource Fair Open to the Public	La Bonita Park 1300 Whittier Blvd. La Habra
Saturday, 4/15 9-11am	+City of Stanton Resource Fair and Easter Egg Hunt Event	Health/Resource Fair Open to the Public	Stanton Central Park 10660 Western Ave. Stanton
Tuesday, 4/18 10-11:30am	++Placentia Community Collaborative	Steering Committee Meeting: Open to Collaborative Members	Placentia Presbyterian Church 849 Bradford Ave. Placentia
Tuesday, 4/18 9-10am and 2-3pm	++Vision Y Compromiso OC Committee Meeting	Steering Committee Meeting: Open to Collaborative Members	Council on Aging 2 Executive Circle Irvine
Wednesday, 4/19 11am-1pm	++Minnie Street Family Resource Center Professional Roundtable	Steering Committee Meeting: Open to Collaborative Members	Minnie Street Family Resource Center 1300 McFadden Ave. Santa Ana

* CalOptima Hosted

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+ Exhibitor/Attendee

++ Meeting Attendee

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Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
Wednesday, 4/19 1-4pm	++Orange County Promotoras	Steering Committee Meeting: Open to Collaborative Members	Location Varies
Thursday, 4/20 8:30-10am	++Orange County Children's Partnership Committee	Steering Committee Meeting: Open to Collaborative Members	OC Hall of Administration 10 Civic Center Plaza Santa Ana
Thursday, 4/20 1-2:30pm	++Surf City Senior Providers Network and Lunch	Steering Committee Meeting: Open to Collaborative Members	Senior Center at Central Park 18041 Goldenwest St. Huntington Beach
Friday, 4/21 9-10am	*Oral Health and Understanding Your Dental Benefits Presentation in Spanish	Community Presentation Open to the Public	County Community Service Center 15496 Magnolia Ave. Westminster
Friday, 4/21 9am-12pm	+OC Aging Services Collaborative 3rd Annual OC Leadership Forum on Aging	Conference: Open to the CBO's, Health Advocates and Services Providers <i>Registration recommended</i>	Garden Grove Community Center 11300 Stanford Ave. Garden Grove
Friday, 4/21 9-10am	++Bimonthly Full Group Implementation Meeting Commission to End Homelessness	Steering Committee Meeting: Open to Collaborative Members	Covenant Presbyterian Church 1855 N. Orange Olive Rd. Orange
Saturday, 4/22 10am-1pm	+CSUF Center for Healthy Neighborhoods My Health My Family My Community Health Fair	Health/Resource Fair Open to the Public	Richman Park 320 W. Elm Ave. Fullerton
Saturday, 4/22 11am-2pm	+City of Anaheim Annual Community Information and Resource Fair	Health/Resource Fair Open to the Public	Downtown Anaheim Community Center 250 E. Center St. Anaheim
Monday, 4/24 12:30-1:30pm	++Stanton Collaborative	Steering Committee Meeting: Open to Collaborative Members	Stanton Civic Center 7800 Katella Ave. Stanton
Tuesday, 4/25 7:30-9am	++OC Senior Roudtable	Steering Committee Meeting: Open to Collaborative Members	Orange Senior Center 170 S. Olive Orange

* CalOptima Hosted

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+ Exhibitor/Attendee

++ Meeting Attendee

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Day/Date/Time	Name of Activity/Event	Type of Activity/Event	Location
Tuesday, 4/25 1-3pm	++OC Transportation Authority Special Needs Advisory Committee	Steering Committee Meeting: Open to Collaborative Members	OCTA 600 S. Main St. Orange
Tuesday, 4/25 3:30-4:30pm	++Santa Ana Building Healthy Communities	Steering Committee Meeting: Open to Collaborative Members	KidWorks 1902 W. Chestnut Ave. Santa Ana
Wednesday, 4/26 11am-2pm	+South OC Wellness Center Mini Health Fair	Health/Resource Fair Open to the Public	South OC Wellness Center 23072 Lake Forest Dr. Lake Forest
Thursday, 4/27 9:30-10:30am	*CalOptima New Member Orientation Presentation in Vietnamese	Community Presentation Open to the Public	County Community Service Center 15496 Magnolia Ave. Westminster
Friday, 4/28 11am-12pm	*Oral Health and Understanding Your Dental Benefits Presentation in Vietnamese	Community Presentation Open to the Public	County Community Service Center 15496 Magnolia Ave. Westminster
Saturday, 4/29 9am-12pm	+City of Lake Forest 2nd Annual Special Needs Resource Fair	Health/Resource Fair Open to the Public	Lake Forest Sport Park and Recreation Center 28000 Rancho Pkwy. Lake Forest
Saturday, 4/29 10am-1pm	+Families Forward and Irvine Valley College Community Resource Fair	Health/Resource Fair Open to the Public	Irvine Valley College 5500 Irvine Ctr. Dr. Irvine

* CalOptima Hosted

+ Exhibitor/Attendee

++ Meeting Attendee

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