

# NOTICE OF A SPECIAL JOINT MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' MEMBER ADVISORY COMMITTEE AND PROVIDER ADVISORY COMMITTEE

THURSDAY, MARCH 10, 2022

8:00 A.M.

CALOPTIMA 505 CITY PARKWAY WEST, SUITE 107 ORANGE, CALIFORNIA 92868

#### **AGENDA**

This agenda contains a brief, general description of each item to be considered. The Committees may take any action on all items listed. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda. To speak on an item during the public comment portion of the agenda, please register using the Webinar link below. Once the meeting begins the Question-and-Answer section of the Webinar will be open for those who wish to make a public comment and registered individuals will be unmuted when their name is called. You must be registered to make a public comment.

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

To ensure public safety and compliance with emergency declarations and orders related to the COVID-19 pandemic, individuals are encouraged <u>not</u> to attend the meeting in person. As an alternative, members of the public may:

- 1) Register to Participate via Zoom at: <a href="https://zoom.us/webinar/register/WN">https://zoom.us/webinar/register/WN</a> 290K9GtTQOaTeue8t 3g3w. Zoom webinar instructions are provided below. Or
- 2) Listen to the Webinar using one of the dial in audio options as follows: +1 (669) 900-9128; +1 (253) 215-8782; +1 (346) 248-7799; +1 (646) 558-8656; +1 (301) 715-8692 or +1 (312) 626-6799

Webinar ID: 967 6873 4722

**Passcode: 753699** 

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#### I. CALL TO ORDER

Pledge of Allegiance

#### II. ESTABLISH QUORUM

#### III. MINUTES

A. Approve Minutes from the February 10, 2022 Special Joint Meeting of the Member Advisory Committee and the Provider Advisory Committee

#### IV. PUBLIC COMMENT

At this time, members of the public may address the Member and Provider Advisory Committees on matters not appearing on the agenda, but within the subject matter jurisdiction of the Member or Provider Advisory Committees. Speakers will be limited to three (3) minutes.

#### V. CEO AND MANAGEMENT REPORTS

- A. Chief Executive Officer Update
- B. Chief Operating Officer Update
- C. Chief Medical Officer Update
- D. Chief Financial Officer Update

#### VI. INFORMATIONAL ITEMS

- A. Strategic Plan Update
- B. School Based Behavioral Health Update
- C. Committee Member Updates

#### VII. ADJOURNMENT

#### **Webinar Information**

Please register for the Special Joint Member Advisory and Provider Advisory Committees Meeting on March 10, 2022 at 8:00 a.m. PST at:

https://zoom.us/webinar/register/WN 29oK9GtTQOaTeue8t 3g3w

(After registering, you will receive a confirmation email containing a link to join the webinar at the specified time and date.)

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Webinar ID: **967 6873 472** 

Passcode: **753699** 

#### **MINUTES**

#### SPECIAL JOINT MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' MEMBER ADVISORY COMMITTEE, AND PROVIDER ADVISORY COMMITTEE

#### February 10, 2022

A Special Joint Meeting of the CalOptima Board of Directors' Member Advisory Committee (MAC), and the Provider Advisory Committee (PAC) was held on Thursday, February 10, 2022 via teleconference (Go-to-Webinar) in light of the COVID-19 public health emergency and of Assembly Bill (AB) 361 (Chaptered September 16, 2021), which allows for temporary relaxation of certain Brown Act requirements related to teleconferenced meetings.

#### **CALL TO ORDER**

PAC Chair Dr. Lazo-Pearson called the meeting to order at 10:02 a.m. and MAC Chair Christine Tolbert led the Pledge of Allegiance.

#### **ESTABLISH QUORUM**

#### **Member Advisory Committee**

Members Present: Christine Tolbert, Chair; Maura Byron, Vice Chair; Sandy Finestone;

Meredith Chillemi; Connie Gonzalez; Hai Hoang; Lee Lombardo; Sally Molnar; Melisa Nicholson; Kate Polezhaev; Steve Thronson; Sr. Mary

Terese Sweeney;

Members Absent: Linda Adair; Jacqueline Gonzalez

#### **Provider Advisory Committee**

Members Present: Junie Lazo-Pearson, Ph.D., Chair; John Nishimoto, O.D., Vice Chair;

Alpesh Amin, M.D.; Anjan Batra, M.D.; Jennifer Birdsall, Ph.D; Tina Bloomer, WHNP; Donald Bruhns; Gio Corzo; Andrew Inglis, M.D.; Jena Jensen; Alex Rossel; Loc Tran, Pharm.D.; Jacob Sweidan, M.D.; Christy

Ward

Members Absent:

Others Present: Michael Hunn, Interim Chief Executive Officer; Yunkyung Kim, Chief

Operating Officer; Richard Pitts, D.O., Chief Medical Officer; Wael Younan, Chief Information Officer; Veronica Carpenter, Chief of Staff;

Ladan Khamseh, Executive Director, Operations; Rachel Selleck, Executive Director, Public Affairs; Kelly Giardini, Executive Director, Clinical Operations; Thanh-Tam Nguyen, M.D., Medical Director, Medical Management; Albert Cardenas, Director, Customer Service; Kristen Gericke, Pharm.D., Director, Clinical Operations; Cheryl Simmons, Staff to the Advisory Committees; Jorge Dominguez, Customer Service; Tami Long, Executive Assistant, Operations; Troy

Szabo, Consultant;

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#### **PUBLIC COMMENT**

There were no requests for public comment.

#### **MINUTES**

## <u>Approve the Minutes of the November 10, 2021 Regular Meeting of the CalOptima Board</u> of Directors' Member Advisory Committee

Action: On motion of MAC Member Sally Molnar, seconded and carried, the

Committee approved the minutes of the November 10, 2021 regular meeting. (Motion carried 12-0-0; Members Adair and J. Gonzalez

Absent)

## <u>Approve the Minutes of the November 10, 2021 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee</u>

Action: On motion of PAC Member Dr. Tran, seconded and carried, the

Committee approved the minutes of the October 14, 2021 regular

meeting. (Motion carried 14-0-0)

## <u>Approve the Minutes of the December 9, 2021 Special Joint Meeting of the CalOptima</u> Board of Directors' Member Advisory Committee and the Provider Advisory Committee

MAC Action: On motion of Member Sally Molnar, seconded and carried, the

Committee approved the minutes of the December 9, 2021 regular meeting. (Motion carried 12-0-0; Members Adar and J. Gonzalez

Absent)

PAC Action: On motion of Member Dr. Sweidan, seconded and carried, the Provider

Advisory Committee approved the minutes of the December 9, 2021

regular meeting. (Motion carried 14-0-0)

#### **CEO AND MANAGEMENT REPORTS**

#### **Chief Executive Officer Report**

Michael Hunn, Interim Chief Executive Officer (CEO), thanked the MAC and the PAC members for their service to the CalOptima members and reiterated CalOptima's motto of Better Together with the assistance of the Board Advisory Committees. Mr. Hunn also introduced Richard Pitts, D.O. as CalOptima's new Chief Medical Officer and provided an update of items of mutual interest to the committees. Mr. Hunn also discussed the upcoming vaccination site dates, the mobile mammography machines, and asked the committees to please spread the word among those they serve.

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#### **Chief Operating Officer Report**

Yunkyung Kim, Chief Operating Officer (COO), notified the committees that CalOptima would be transitioning the provider newsletters and other items from fax to email and that staff was looking at ways to help transition all of CalOptima's communications to a more streamlined process. Ms. Kim also provided a public affairs update and noted that there were handouts in their meeting materials such as the Federal and State Legislative matrix and information on the California state budget.

#### **Chief Medical Officer Report**

Richard Pitts, D.O., Chief Medical Officer (CMO), introduced himself and provided an overview of his background. Dr. Pitts expressed his appreciation for the MAC and PAC and noted that he is looking forward to providing in-depth updates at future meetings.

#### **INFORMATION ITEMS**

#### Medi-Cal Rx Update

Kristin Gericke, Director, Clinical Pharmacy, provided an update on the transition of Medi-Cal Rx to Magellan and several members of the committees shared their experiences during this transition. Dr. Gericke noted that CalOptima was tracking all of the phone calls being received with regards to members having difficulties getting prescriptions or having difficulties finding a place to get them filled and that the data gathered will be shared with the Department of Health Care Services (DHCS). Michael Hunn, Interim CEO also noted during Dr. Gericke's update that he had begun to reach out to the CEO's of hospitals in Orange County and asked them to provide reports to CalOptima on members they may treat in their emergency rooms if they could not get needed medications so that CalOptima may assist the members regardless of their health network in getting them their medications.

#### California Advancing and Innovating Medi-Cal (CalAIM)

Yunkyung Kim, COO provided the committees with an update on CalAIM program roll-out. Ms. Kim noted that CalAIM had gone live on January 1, 2022 for a very specific population of CalOptima members. This population included members experiencing homelessness, those with severe mental illness or substance abuse disorder, members who were transitioning from the justice system and members who were considered high utilizers. She noted that the goal was to identify more members who qualify and help them receive services they may need.

## <u>Summary of Draft Department of Health Care Services 2022 Comprehensive Quality Strategy</u>

Marie Jeannis, Executive Director, Quality and Population Health Management provided a verbal report on DHCS' 2022 comprehensive quality strategy and noted that on December 28, 2021, DHCS had released a draft of the 2022 Comprehensive Quality Strategy and that health plans had until January 27, 2022 to provide feedback. The Draft Strategy provides an overview of all DHCS health care services programs and includes quality a quality and health equity goal.

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This strategy is actually DHCS' 10 year quality vision to improve the quality of life and eliminate health disparities in the Medi-Cal populations.

#### **Committee Member Updates**

MAC Chair Christine Tolbert reminded the MAC members that March 1, 2022 would begin recruitment for MAC seats whose terms would end on June 30, 2022. She reminded the members that they must reapply for their seat if their term was expiring by March 31, 2022. Chair Tolbert also reminded the committee that the next MAC meeting was scheduled for March 10, 2022 at 3:00 PM.

PAC Chair Dr. Junie Lazo-Pearson announced that the next PAC meeting was scheduled for March 10, 2022 at 8:00 AM. She also notified the PAC that the annual recruitment for those terms expiring on June 30, 2022 would begin on March 1, 2022. She also reminded those members whose term were expiring that they must reapply for their seat by March 31, 2022.

#### **ADJOURNMENT**

There being no further business before the Committees, MAC Chair Christine Tolbert adjourned the meeting at 11:35 a.m.

/s/ Cheryl Simmons
Cheryl Simmons
Staff to the Advisory Committees

Approved: March 10, 2022



#### MEMORANDUM

DATE: February 24, 2022

TO: CalOptima Board of Directors

FROM: Michael Hunn, Chief Executive Officer (Interim)

SUBJECT: CEO Report — March 3, 2022, Board of Directors Meeting

COPY: Sharon Dwiers, Clerk of the Board; Member Advisory Committee; Provider

Advisory Committee; OneCare Connect Member Advisory Committee; and

Whole-Child Model Family Advisory Committee

#### a. Department of Health Care Services (DHCS) Annual Medi-Cal Audit Concludes

The DHCS annual routine medical audit of CalOptima's Medi-Cal plan concluded on February 4<sup>th</sup>, 2022. I would like to acknowledge the entire team and the Office of Compliance for their leadership. DHCS auditors provided positive feedback and were complimentary, noting that CalOptima was well-organized. We have begun to proactively address areas of opportunity found both before and during the audit. DHCS acknowledged the active remediation efforts, and while they do not absolve CalOptima of 'potential' findings, they do indicate to DHCS that the issues are being addressed. A formal exit conference will be held during the second week in April. DHCS noted preliminary areas for improvement, including:

- Prior authorization, appeals, post-stabilization authorization, quality of care grievances, non-emergency medical transportation approvals, and call inquiry documentation.
- Delegation oversight of Kaiser (prior authorizations and appeals), and Kaiser's call inquiry documentation and quality of service grievance timeliness.
- Need for better reporting/escalating issues that potentially impact quality of care.

#### b. Enrollment of Eligible Members in CalFresh

CalOptima is collaborating with the County of Orange Social Services Agency (SSA) to raise awareness about CalFresh as part of our effort to address social determinants of health. SSA reports that there are approximately 344,000 CalOptima members (approximately 259,000 households) who are potentially eligible to enroll and benefit from this program. Staff is bringing a funding request to the March Board meeting that will support a targeted outreach campaign that includes a variety of tactics, including direct member communications, a toolkit for providers and community-based organizations, community events, media outreach and advertising. The goal is increase CalFresh enrollment among CalOptima members.

#### c. Orange County Point-in-Time Count Helps Determine Services for Homelessness

The Point-in-Time Count is a biennial count and survey of people experiencing homelessness. The dates this year were Monday, February 21, through Thursday, February 24. The count provides vital information that helps the County of Orange and the Orange County Continuum of Care better understand homelessness in the community and guides the response to homelessness in Orange County. I am proud to say that several teams of CalOptima employees participated in the Point in Time count, including myself, the CMO, COO, CFO and COS. Once the count is finalized by the County, we will share the results with the Board and make recommendations on

how CalOptima can serve this vulnerable population. A preliminary review of data of CalOptima members estimates that there may be up to 10,756 individuals who are potentially experiencing homelessness based on claim codes or addresses that indicate they have no permanent shelter. We will share more information on this issue with the Board in future reports.

#### d. Medi-Cal Rx Implementation Continued Issues for Providers

In February, DHCS hosted a Medi-Cal Rx webinar with managed care plans to discuss implementation issues. CalOptima's Customer Service department has received 1,790 member and provider inquiries since January 3 - February 18. Magellan is holding virtual office hours daily at noon on Zoom, where providers can report issues with the Medi-Cal Rx through a Secured Provider Portal. Magellan and DHCS are continuing to address issues as they arise and triage the requests, noting that most calls are related to prior authorizations. Although most pharmacy benefits are now carved out of CalOptima, we are committed to supporting our Medi-Cal members as much as possible through what has become a challenging implementation by the State.

#### e. Proposed Legislation - Impacts to CalOptima

January 31, 2022, was the deadline for state legislation introduced in 2021 to pass their house of origin. Ahead of this date, there were developments on two bills with potentially significant impacts to CalOptima:

AB 1355: Medi-Cal Independent Medical Review (IMR) System passed the Assembly floor and was referred to the Senate.

- <u>Summary</u>: Effective January 1, 2023, the bill would require DHCS to establish an IMR system for Medi-Cal plans without a Knox-Keene license (KKL). The new IMR process would closely mirror the Department of Managed Health Care IMR process for health plans with a KKL.
- <u>Potential Impact</u>: CalOptima Medi-Cal members would have access to an additional appeal process administered by DHCS. Staff would need to incorporate a new IMR process into GARS workflows.

#### Kaiser Permanente's Direct Contract with the State of California

Trailer bill legislation has been introduced to authorize DHCS to contract with an "Alternative Health Care Service Plan (AHCSP)," of which Kaiser is the only one in the State. Kaiser currently cares for 54,000 members in a fully delegated contract with CalOptima. Per the trailer bill, AHCSP is a nonprofit health care service plan with at least four million enrollees statewide, owns or operates pharmacies, and provides professional medical services to enrollees in specific geographic regions through an exclusive contract with a single medical group in each specific geographic region in which it is licensed.

#### CalOptima's position is as follows:

While we respect our Kaiser colleagues and caregivers and recognize the quality care they provide, CalOptima is disappointed in the state's proposal to directly contract with Kaiser Permanente through a no-bid process lacking transparency. Of particular concern:

• The direct contract with the state creates a two-tiered public health system. Tier 1 is run by a private 'exclusive' plan that "cherry picks" the members they enroll, opening and closing enrollment based on business goals. Tier 2 is the public and community

- health system through CalOptima that accepts all eligible members at any time without barriers.
- Our doctors, hospitals, community clinics, and other provider partners serve ALL
  Medi-Cal members in Orange County, including the most underserved and underresourced members, by addressing medical and social determinants of health.
  Kaiser's exclusive enrollment policy that allows them to serve healthier members
  should not be rewarded with equal reimbursement. The high-risk members will need
  to be cared for by the community and safety net physicians, thereby destabilizing
  these providers. Kaiser's ability to cherry pick puts our safety net providers at risk
  and is detrimental to the public's health.
- CalOptima members have broad choice of providers across the entire County and can find access in every zip code. Kaiser's delivery system limits choice by both location and by number of providers in Orange County.

#### f. CalOptima Joins State Budget Request for Data Sharing and Infrastructure

With a coalition of Medi-Cal plans, provider associations, and Orange County community clinics and health information exchanges, CalOptima has signed onto a letter requesting the addition of \$100 million in the Fiscal Year 2022–23 state budget to accelerate Medi-Cal provider data sharing and infrastructure development. In alignment with CalOptima's Legislative Platform, this funding would help support the agency's successful implementation of California Advancing and Innovating Medi-Cal (CalAIM). Specifically, the funds could be used for performance payments for Medi-Cal providers to join and share data with health information organizations (HIOs), and for HIOs to build and maintain clinical data infrastructure.

#### g. Medi-Cal to Cover At-Home COVID-19 Tests Obtained at Pharmacies

On February 1, Medi-Cal started covering at-home COVID-19 tests obtained at pharmacies enrolled as Medi-Cal providers. The tests will be billed and reimbursed as a pharmacy-billed medical supply benefit through Medi-Cal Rx. At-home COVID-19 tests dispensed from a pharmacy and covered by Medi-Cal Rx will require a prescription, which can be provided by a pharmacist at the time the tests are dispensed. To match the federal requirement for private health plans to cover at-home COVID-19 tests, DHCS has proposed a limit of eight tests per beneficiary per month.

#### h. COVID-19 Clinics Continue as Percentage of Vaccinated Members Climbs

As of February 21, CalOptima reached a key milestone as 60% of all members ages 5 and up are now vaccinated. At six upcoming vaccine clinics in March and April, CalOptima staff will continue to distribute \$25 Member Health Rewards to eligible members and SSA representatives will be facilitating enrollment in CalFresh for those who qualify. Future clinics are March 12, March 19, March 26, April 9, April 16 and April 23.

#### i. Monthly CalTeam Meetings Encourage Dialogue Between Staff and Leaders

Beginning in January, CalOptima launched a new monthly virtual meeting format for all staff called CalTeam. These meetings provide an opportunity for staff to hear from leaders about important topics and engage with them in a virtual dialogue through a live Q&A. More than 900 staff participated in the recent February 16 meeting. Recorded broadcasts are accessible after the meeting as are answers to live questions not addressed during the one-hour meeting.

#### j. CalOptima Gains Media Coverage

- On February 7, <u>Orange County Breeze</u> ran an article about CalOptima's \$1 million grant to Be Well OC for improved intake and admissions coordination services.
- On February 16, <u>Spectrum News</u> aired a news segment highlighting CalOptima's mobile mammography clinics, which are based on a Population Needs Assessment that identified a low incidence of breast cancer screenings in among Korean and Chinese members.
- On February 19, the <u>KABC</u> 5 p.m. newscast ran a brief story about CalOptima's vaccine clinic at Second Baptist Church in Santa Ana that same day. In total, 225 people got a vaccine at the event. (Story starts at 5:11:30 at the link.)

## 2021–22 Legislative Tracking Matrix

#### **COVID-19 (CORONAVIRUS)**

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 4735 Axne (IA) S. 2493 Bennet (CO)	Provider Relief Fund Deadline Extension Act: Would delay the deadline by which providers must spend any funds received from the Provider Relief Fund — created in response to the COVID-19 pandemic — until the end of 2021 or the end of the COVID-19 public health emergency, whichever occurs later. Funds that are unspent by any deadline must be repaid to the U.S. Department of Health and Human Services (HHS).	07/28/2021 Introduced; referred to committees	CalOptima: Watch
	Potential CalOptima Impact: Increased financial stability for CalOptima's contracted providers.		

#### **BEHAVIORAL HEALTH**

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 1914 DeFazio (OR) S. 764 Wyden (OR)	Crisis Assistance Helping Out On The Streets (CAHOOTS) Act: Would allow State Medicaid programs to provide 24/7 community-based mobile crisis intervention services — under a State Plan Amendment or waiver — for those experiencing a mental health or substance use disorder crisis. Would provide states a 95% Federal Medical Assistance Percentage (FMAP) to cover such services for three years as well as a total of \$25 million in planning grants.  Potential CalOptima Impact: Subject to further action by the	03/16/2021 Introduced; referred to committees	08/05/2021 CalOptima: Support
	California Department of Health Care Services (DHCS), increased behavioral health and substance use disorder services to CalOptima Medi-Cal members.		
AB 552 Quirk-Silva	Integrated School-Based Behavioral Health Partnership Program: Would establish the Integrated School-Based Behavioral Health Partnership Program to expand prevention and early intervention behavioral health services for students. This would allow a county mental health agency and local education agency to develop a formal partnership whereby county mental health professionals would deliver brief school-based services to any student who has, or is at risk of developing, a behavioral health condition or substance use disorder.  Potential CalOptima Impact: Increased coordination with the Orange County Health Care Agency and school districts to ensure non-duplication of other school-based behavioral health services and initiatives.	01/31/2022 Passed Assembly floor; referred to Senate	CalOptima: Watch





#### **COVERED BENEFITS**

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 56 Biggs (AZ)	Patient Access to Medical Foods Act: Would expand the federal definition of medical foods to include food prescribed as a therapeutic option when traditional therapies have been exhausted or may cause adverse outcomes. Effective January 1, 2022, medical foods, as defined, would be covered by private health insurance providers and federal public health programs, including Medicare, TRICARE, Children's Health Insurance Program (CHIP) and Medicaid, as a mandatory benefit.  Potential CalOptima Impact: New covered benefit for CalOptima's lines of business.	01/04/2021 Introduced; referred to committees	CalOptima: Watch
H.R. 1118 Dingell (MI)	Medicare Hearing Aid Coverage Act of 2021: Effective January 1, 2022, would require Medicare Part B coverage of hearing aids and related examinations.  Potential CalOptima Impact: New covered benefit for CalOptima OneCare, OneCare Connect and Program of All-Inclusive Care for the Elderly (PACE).	02/18/2021 Introduced; referred to committees	CalOptima: Watch
H.R. 4187 Schrier (WA)	Medicare Vision Act of 2021: Effective January 1, 2024, would require Medicare Part B coverage of vision services, including eyeglasses, contact lenses, routine eye examinations and fittings.  Potential CalOptima Impact: New covered benefits for CalOptima OneCare and Program of All-Inclusive Care for the Elderly (PACE).	06/25/2021 Introduced; referred to committees	CalOptima: Watch
H.R. 4311 Doggett (TX) S. 2618 Casey (PA)	<ul> <li>Medicare Dental, Vision, and Hearing Benefit Act of 2021: Effective no sooner than January 1, 2022, would require Medicare Part B coverage of the following benefits:         <ul> <li>Dental: Routine dental cleanings and examinations, basic and major dental services, emergency dental care, and dentures</li> <li>Vision: Routine eye examinations, eyeglasses, contact lenses and low vision devices</li> <li>Hearing: Routine hearing examinations, hearing aids and related examinations</li> </ul> </li> <li>The Senate version would also increase the Medicaid FMAP for hearing, vision and dental services to 90%.</li> <li>Potential CalOptima Impact: New covered benefits for CalOptima OneCare, OneCare Connect and Program of All-Inclusive Care for the Elderly (PACE); higher federal funding rate for current Medi-Cal benefits.</li> </ul>	07/01/2021 Introduced; referred to committees	CalOptima: Watch
H.R. 4650 Kelly (IL)	Medicare Dental Coverage Act of 2021: Effective January 1, 2025, would require Medicare Part B coverage of dental and oral health services, including routine dental cleanings and examinations, basic and major dental treatments, and dentures.  Potential CalOptima Impact: New covered benefits for CalOptima OneCare and Program of All-Inclusive Care for the Elderly (PACE).	07/22/2021 Introduced; referred to committees	CalOptima: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
SB 245 Gonzalez	Abortion Services: Would prohibit a health plan from imposing Medi-Cal cost-sharing on all abortion services, including any pre-abortion or follow-up care, no sooner than January 1, 2022. Likewise, a health plan may not require a prior authorization or impose an annual or lifetime limit on such coverage.  Potential CalOptima Impact: Modified Utilization Management (UM) procedures for a covered Medi-Cal benefit.	O1/20/2022 Passed Assembly Appropriations Committee; referred to Assembly floor  O6/01/2021 Passed Senate floor	CalOptima: Watch CAHP: Oppose
SB 912 Limón	Biomarker Testing: No later than July 1, 2023, would add biomarker testing, including whole genome sequencing, as a Medi-Cal covered benefit to diagnose, treat or monitor a disease.  Potential CalOptima Impact: New Medi-Cal covered benefit.	<b>02/02/2022</b> Introduced	CalOptima: Watch

#### MEDI-CAL OPERATIONS AND ADMINISTRATION

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 1738 Dingell (MI) S. 646	Stabilize Medicaid and CHIP Coverage Act of 2021: Would provide 12 months of continuous eligibility and coverage for any Medicaid or CHIP beneficiary.	03/10/2021 Introduced; referred to committees	CalOptima: Watch ACAP: Support
Brown (OH)	<b>Potential CalOptima Impact:</b> Increased number of CalOptima Medi-Cal members.		
H.R. 5610 Bera (CA) S. 3001 Van Hollen (MD)	Easy Enrollment in Health Care Act: To streamline and increase enrollment into public health insurance programs, would allow taxpayers to request their federal income tax returns include a determination of eligibility for Medicaid, CHIP or advance premium tax credits to purchase insurance through a health plan exchange. Taxpayers could also consent to be automatically enrolled into any such program or plan if they would be subject to a zero net premium.  Potential CalOptima Impact: Increased number of CalOptima Medi-Cal members.	10/19/2021 Introduced; referred to committees	CalOptima: Watch ACAP: Support
AB 1355 Levine	Medi-Cal Independent Medical Review (IMR) System: Would require DHCS to establish an IMR system for Medi-Cal managed care plans (MCPs), effective January 1, 2023. The bill would also provide every Medi-Cal beneficiary filing a grievance with access to an IMR.  Potential CalOptima Impact: Implementation of an additional Grievance and Appeals process for CalOptima Medi-Cal members.	01/27/2022 Passed Assembly floor; referred to Senate	CalOptima: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
AB 1400 Kalra, Lee, Santiago	California Guaranteed Health Care for All: Would create the California Guaranteed Health Care for All program (CalCare) to provide a comprehensive universal single-payer health care benefit for all California residents. Would require CalCare cover a wide range of medical benefits and other services and would incorporate the health care benefits and standards of CHIP, Medi-Cal, Medicare, the Knox-Keene Act, and ancillary health care or social services covered by regional centers for people with developmental disabilities.  Potential CalOptima Impact: Unknown but potentially significant impacts to the Medi-Cal delivery system and MCPs, including changes to administration, covered benefits, eligibility, enrollment, financing and organization.	01/31/2022 Died on Assembly floor	CalOptima: Watch CAHP: Oppose
SB 853 Wiener	Medication Access Act: Effective January 1, 2023, would require a health plan to cover a prescribed medication for the duration of utilization review and any appeals. Would prohibit a plan from seeking reimbursement from a beneficiary if a denial is sustained.  Potential CalOptima Impact: Modified UM and Grievance and Appeals requirements for prescribed drugs covered by CalOptima; increased CalOptima costs for drug coverage.	<b>01/19/2022</b> Introduced	CalOptima: Watch
SB 858 Wiener	Health Plan Civil Penalties: Would increase the civil penalty amount that the California Department of Managed Health Care (DMHC) could levy on a health plan from no more than \$2,500 per violation to no less than \$25,000 per violation per impacted beneficiary per day. The penalty amount would be adjusted annually, beginning January 1, 2024.  Potential CalOptima Impact: Increased civil penalties for any violations of managed health care laws and regulations under the jurisdiction of DMHC.	<b>01/19/2022</b> Introduced	CalOptima: Watch
SB 923 Wiener	TGI Inclusive Care Act: Would require health plan staff and contracted providers to complete cultural humility training to help provide inclusive health care services for individuals who identify as transgender, gender nonconforming or intersex (TGI). In addition, no later than July 31, 2023, would require a health plan to include in its provider directory any in-network providers who offer gender-affirming services.  Potential CalOptima Impact: Additional training requirement for CalOptima employees and contracted providers; additional requirement for provider directory publication.	<b>02/03/2022</b> Introduced	CalOptima: Watch

#### **OLDER ADULT SERVICES**

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 4131 Dingell (MI) S. 2210 Casey (PA)	Better Jobs Better Care Act: Would make permanent the enhanced 10% FMAP for Medicaid home- and community-based services (HCBS) enacted by the American Rescue Plan Act of 2021. Would also provide states with \$100 million in planning grants to develop HCBS infrastructure and workforces. Additionally, would make permanent spousal impoverishment protections for those receiving HCBS.  Potential CalOptima Impact: Continuation of current federal funding rate for HCBS; expansion of HCBS opportunities.	06/24/2021 Introduced; referred to committees	CalOptima: Watch NPA: Support
H.R. 4941 Blumenauer (OR)	PACE Part D Choice Act of 2021: Would allow a Medicare-only PACE participant to opt out of drug coverage provided by the PACE program and instead enroll in a standalone Medicare Part D prescription drug plan that results in equal or lesser out-of-pocket costs. PACE programs would be required to educate their participants about this option.  Potential CalOptima Impact: Increased enrollment into CalOptima PACE by Medicare-only beneficiaries due to decreased out-of-pocket costs.	08/06/2021 Introduced; referred to committees	CalOptima: Watch NPA: Support
S. 1162 Casey (PA)	PACE Plus Act: Would increase the number of PACE programs nationally by making it easier for states to adopt PACE as a model of care and providing grants to organizations to start PACE centers or expand existing PACE centers.  Would incentivize states to expand the number of seniors and people with disabilities eligible to receive PACE services beyond those deemed to require a nursing home level of care. Would provide states a 90% FMAP to cover the expanded eligibility.  Potential CalOptima Impact: Subject to further DHCS authorization, expanded eligibility for CalOptima PACE; additional federal funding to expand the service area of a current PACE center or to establish a new PACE center(s).	04/15/2021 Introduced; referred to committee	CalOptima: Watch CalPACE: Support NPA: Support

#### **SOCIAL DETERMINANTS OF HEALTH**

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 379 Barragan (CA) S. 104 Smith (MN)	Improving Social Determinants of Health Act of 2021: Would require the Centers for Disease Control and Prevention (CDC) to establish a social determinants of health (SDOH) program to coordinate activities to improve health outcomes and reduce health inequities. CDC would be required to consider SDOH in all relevant grant awards and other activities as well as issue new grants of up to \$50 million to health agencies, nonprofit organizations and/or institutions of higher education to address or study SDOH.  Potential CalOptima Impact: Increased availability of federal grants to address SDOH.	01/21/2021 Introduced; referred to committees	CalOptima: Watch

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 943 McBath (GA) S. 851 Blumenthal (CT)	Social Determinants for Moms Act: Would require HHS to convene a task force to coordinate federal efforts on social determinants of maternal health as well as award grants to address SDOH, eliminate disparities in maternal health and expand access to free childcare during pregnancy-related appointments. Would also extend postpartum eligibility for the Special Supplemental Nutrition Program for Women, Infants, and Children from six months postpartum to two years postpartum.  Potential CalOptima Impact: Additional federal guidance or requirements as well as increased availability of federal grants to address social factors affecting maternal health.	02/08/2021 Introduced; referred to committees	CalOptima: Watch
H.R. 2503 Bustos (IL)	Social Determinants Accelerator Act of 2021: Would establish the Social Determinants Accelerator Interagency Council to award state and local health agencies up to 25 competitive grants totaling no more than \$25 million as well as provide technical assistance to improve coordination of medical and non-medical services to a targeted population of high-need Medicaid beneficiaries.  Potential CalOptima Impact: Increased availability of federal grants to address the SDOH of members with complex needs.	07/15/2021 Passed House Energy and Commerce Committee's Subcommittee on Health; referred to full Committee	CalOptima: Watch
H.R. 3894 Blunt Rochester (DE)	Collecting and Analyzing Resources Integral and Necessary for Guidance (CARING) for Social Determinants Act of 2021: Would require the Centers for Medicare & Medicaid Services (CMS) to update guidance at least once every three years to help states address SDOH in Medicaid and CHIP programs.  Potential CalOptima Impact: Increased opportunities for CalOptima to address SDOH.	12/08/2021 Passed House floor; referred to Senate Committee on Finance	CalOptima: Watch
H.R. 4026 Burgess (TX)	Social Determinants of Health Data Analysis Act of 2021: Would require the Comptroller General of the United States to submit a report to Congress outlining the actions taken by HHS to address SDOH. The report would include an analysis of interagency efforts, barriers and potential duplication of efforts as well as recommendations on how to foster private-public partnerships to address SDOH.  Potential CalOptima Impact: Increased opportunities for CalOptima to address SDOH.	11/30/2021 Passed House floor; referred to Senate Committee on Health, Education, Labor, and Pensions	CalOptima: Watch

#### **TELEHEALTH**

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 366 Thompson (CA)	Protecting Access to Post-COVID-19 Telehealth Act of 2021: Would allow HHS to waive or modify any telehealth service requirements in the Medicare program during a national disaster or public health emergency and for 90 days after one is terminated. Would also permit Medicare reimbursement for telehealth services provided by a Federally Qualified Health Center (FQHC) or Rural Health Center (RHC) as well as allow patients to receive telehealth services in the home without restrictions.  Potential CalOptima Impact: Continuation and expansion of	01/19/2021 Introduced; referred to committees	CalOptima: Watch
	certain telehealth flexibilities allowed during the COVID-19 pandemic for CalOptima OneCare, OneCare Connect and PACE.		

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 2166 Sewell (AL)	Ensuring Parity in MA and PACE for Audio-Only Telehealth Act of 2021: Would require CMS to include audio-only telehealth diagnoses in the determination of risk adjustment payments for Medicare Advantage (MA) and PACE plans during the COVID-19 public health emergency.  Potential CalOptima Impact: For CalOptima OneCare, OneCare Connect and PACE, members' risk scores and risk adjustment payments would accurately reflect diagnoses.	03/23/2021 Introduced; referred to committees	08/05/2021 CalOptima: Support ACAP: Support NPA: Support
H.R. 2903 Thompson (CA) S. 1512 Schatz (HI)	Creating Opportunities Now for Necessary and Effective Care Technologies (CONNECT) for Health Act of 2021: Would expand telehealth services for those receiving Medicare benefits and remove restrictions in the Medicare program that prevent physicians from using telehealth technology. Specifically, would:  Remove all geographic restrictions for telehealth services Allow beneficiaries to receive telehealth in their own homes, in addition to other locations determined by HHS Remove restrictions on the use of telehealth in emergency medical care Allow FQHCs and RHCs to provide telehealth services  Potential CalOptima Impact: Continuation and expansion of telehealth flexibilities for CalOptima OneCare, OneCare Connect and PACE.	04/28/2021 Introduced; referred to committees	CalOptima: Watch
H.R. 3447 Smith (MO)	Permanency for Audio-Only Telehealth Act: Would permanently extend the following current flexibilities, which have been temporarily authorized by CMS during the COVID-19 public health emergency:  ■ Medicare providers may be reimbursed for providing certain services via audio-only telehealth, including evaluation and management, behavioral health and substance use disorder services, or any other service specified by HHS.  ■ Medicare beneficiaries may receive telehealth services at any location, including their homes.  Potential CalOptima Impact: Permanent continuation of certain telehealth flexibilities for CalOptima OneCare, OneCare Connect and PACE.	05/20/2021 Introduced; referred to committees	CalOptima: Watch
H.R. 4058 Matsui (CA) S. 2061 Cassidy (LA)	Telemental Health Care Access Act of 2021: Would remove the requirement that Medicare beneficiaries be seen in-person within six months of being treated for behavioral health services via telehealth.  Potential CalOptima Impact: For CalOptima OneCare and OneCare Connect, decreased in-person behavioral health encounters and increased telehealth behavioral health encounters.	06/22/2021 Introduced; referred to committees	CalOptima: Watch
S. 150 Cortez Masto (NV)	Ensuring Parity in MA for Audio-Only Telehealth Act of 2021: Would require CMS to include audio-only telehealth diagnoses in the determination of risk adjustment payments for MA plans during the COVID-19 public health emergency.  Potential CalOptima Impact: For CalOptima OneCare and OneCare Connect, members' risk scores and risk adjustment payments would accurately reflect diagnoses.	02/02/2021 Introduced; referred to committee	CalOptima: Watch ACAP: Support NPA: Support

#### **YOUTH SERVICES**

Bill Number Author	Bill Summary	Bill Status	Position/Notes
H.R. 66 Buchanan (FL)	Comprehensive Access to Robust Insurance Now Guaranteed (CARING) for Kids Act: Would permanently extend authorization and funding of CHIP and associated programs, including the Medicaid and CHIP express lane eligibility option, which enables states to expedite eligibility determinations by referencing enrollment in other public programs.  Potential CalOptima Impact: Continuation of current federal funding and eligibility requirements for CalOptima Medi-Cal members eligible under CHIP.	01/04/2021 Introduced; referred to committee	CalOptima: Watch
H.R. 1390 Wild (PA) S. 453 Casey (PA)	Children's Health Insurance Program Pandemic Enhancement and Relief (CHIPPER) Act: Would retroactively extend CHIP's temporary 11.5% FMAP increase, enacted by the HEALTHY KIDS Act (2018), from September 30, 2020, until September 30, 2022, to meet increased health care needs during the COVID-19 public health emergency.  Potential CalOptima Impact: Increased federal funds for CalOptima Medi-Cal members eligible under CHIP.	02/25/2021 Introduced; referred to committees	CalOptima: Watch

#### **Two-Year Bills**

The following bills did not meet the deadline to be passed by both houses of the State Legislature in 2021 but are still eligible for reconsideration in 2022:

<ul> <li>AB 4 (Arambula)</li> <li>AB 32 (Aguiar-Curry)</li> <li>AB 114 (Maienschein)</li> <li>AB 470 (Carrillo)</li> <li>AB 540 (Petrie-Norris)</li> </ul>	<ul> <li>AB 563 (Berman)</li> <li>AB 586 (O'Donnell)</li> <li>AB 1132 (Wood)</li> <li>SB 17 (Pan)</li> <li>SB 56 (Pan)</li> </ul>	<ul> <li>SB 250 (Pan)</li> <li>SB 256 (Pan)</li> <li>SB 293 (Limón)</li> <li>SB 316 (Eggman)</li> <li>SB 371 (Caballero)</li> </ul>	<ul><li>SB 523 (Leyva)</li><li>SB 562 (Portantino)</li><li>SB 773 (Roth)</li></ul>
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#### **Signed Bills**

<ul> <li>H.R. 1868 (Yarmuth [KY])</li> <li>AB 128 (Ting)</li> <li>AB 133 (Committee on Budget)</li> </ul>	<ul><li>AB 164 (Ting)</li><li>AB 361 (Rivas)</li><li>AB 1082 (Waldron)</li><li>SB 48 (Limón)</li></ul>	<ul> <li>SB 65 (Skinner)</li> <li>SB 129 (Skinner)</li> <li>SB 171 (Committee on Budget and Fiscal Review)</li> </ul>	<ul><li>SB 221 (Wiener)</li><li>SB 306 (Pan)</li><li>SB 510 (Pan)</li></ul>
■ AB 161 (Ting)			

#### **Vetoed Bills**

■ AB 369 (Kamlager) ■ SB 365 (Caballero) ■ AB 523 (Nazarian) ■ SB 682 (Rubio)

Information in this document is subject to change as bills proceed through the legislative process.

ACAP: Association for Community Affiliated Plans CAHP: California Association of Health Plans CalPACE: California PACE Association LHPC: Local Health Plans of California

NPA: National PACE Association

Last Updated: February 9, 2022

#### 2022 Federal Legislative Dates

January 3	117th Congress, Second Session convenes
April 11–22	Spring recess
August 1–12	Summer recess for House
August 8-September 5	Summer recess for Senate
December 10	Second Session adjourns

#### 2022 State Legislative Dates

January 3	Legislature reconvenes
January 14	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2021
January 21	Last day for any committee to hear and report to the floor any bill introduced in that house in 2021
January 31	Last day for each house to pass bills introduced in that house in 2021
February 18	Last day for legislation to be introduced
April 7–18	Spring recess
April 29	Last day for policy committees to hear and report to fiscal committees any fiscal bills introduced in that house in 2022
May 6	Last day for policy committees to hear and report to the floor any non-fiscal bills introduced in that house in 2022
May 20	Last day for fiscal committees to hear and report to the floor any bills introduced in that house in 2022
May 23–27	Floor session only
May 27	Last day for each house to pass bills introduced in that house in 2022
June 15	Budget bill must be passed by midnight
July 1	Last day for policy committees to hear and report bills in their second house to fiscal committees or the floor
July 1–August 1	Summer recess
August 12	Last day for fiscal committees to report bills in their second house to the floor
August 15–31	Floor session only
August 25	Last day to amend bills on the floor
August 31	Last day for each house to pass bills; final recess begins upon adjournment
September 30	Last day for Governor to sign or veto bills passed by the Legislature

Sources: 2022 State Legislative Deadlines, California State Assembly: http://assembly.ca.gov/legislativedeadlines



## Finance Update

Special Joint Meeting Member Advisory Committee Provider Advisory Committee

March 10, 2022

Nancy Huang, Chief Financial Officer

## Overview

- Fiscal Year (FY) 2022-23 State Budget Outlook
- CalOptima Medi-Cal Enrollment: Trend Analysis and Forecast
- FY 2022-23 CalOptima Budget Planning



## FY 2022-23 State Budget Outlook



## FY 2022-23 State Budget Outlook

- Public Health Emergency (PHE) Status
  - 1/14/22: HHS Secretary extended the PHE another 90 days
  - Federal flexibilities will continue the duration of the PHE
  - Annual Medi-Cal redeterminations will resume within 12 months after the end of the PHE
- Medi-Cal Enrollment Forecast
  - Average month caseload: 14.6M in FY 2021-22 and 14.2M in FY 2022-23
  - Budget forecasts peak at 15.2M in July 2022



## FY 2022-23 State Budget Outlook (cont.)

## Other Budget Proposals

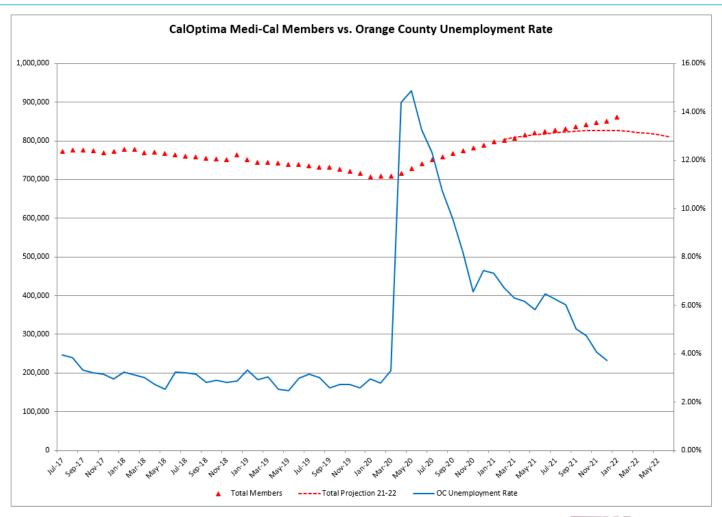
- Expand full-scope Medi-Cal to all income-eligible adults (26-49) regardless of immigration status (no sooner than 1/1/24)
- Continue CalAIM funding
- Prop 56 provider payments: Use General Fund to support declining tobacco tax revenues
- Eliminate AB 97 (2011) reductions for certain provider groups
- New Medi-Cal community-based mobile crisis services benefit (no sooner than 1/1/23)
- Reform Medi-Cal payments to public hospitals
- Reform skilled nursing facilities financing framework to incentivize value and quality
- Reduce Medi-Cal premiums for share-of-cost members
- Reduce cost of insulin through direct contract



## Medi-Cal Enrollment: Trend Analysis and Forecast

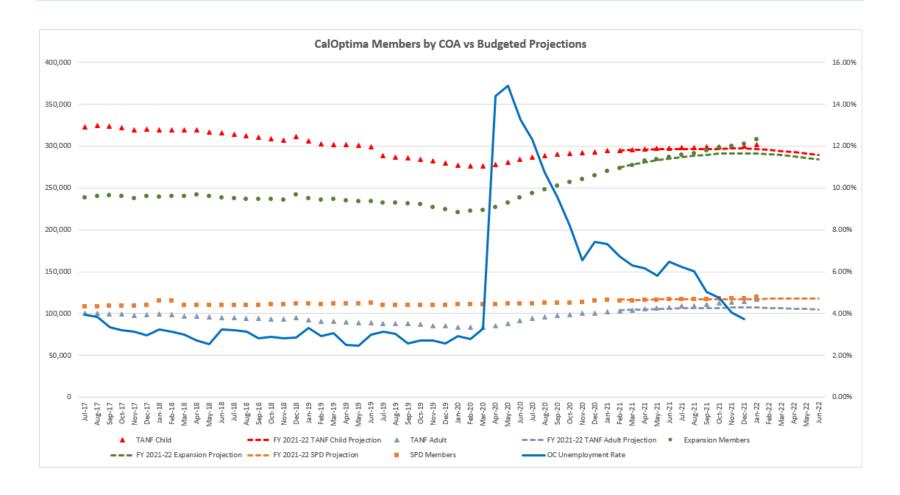


## Medi-Cal Enrollment: Trend Analysis





## Medi-Cal Enrollment: Trend by COA



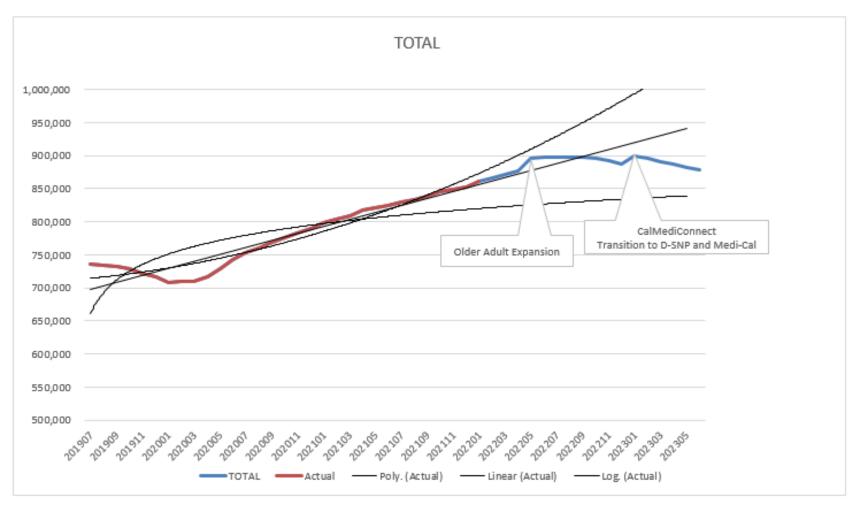


## Medi-Cal Enrollment: Preliminary Forecast

- Enrollment Projection Uncertainties and Challenges
  - Public Health Emergency (PHE)
    - Extended through April 2022
    - State budget assumes PHE will expire June 2022
    - DHCS rate setting assumes PHE will expire in Dec 2022
    - State will resume Medi-Cal eligibility redetermination when PHE expires
  - CalOptima is assuming increased enrollment until June 2022, remain steady through August 2022, and then a descent through the remainder of the fiscal year. The descent rate is assumed to mirror the growth rate.
    - Project the largest fluctuation in enrollment in Adult TANF and Medi-Cal Expansion aid categories



# Medi-Cal Enrollment: Preliminary Forecast (cont.)





## FY 2022-23 CalOptima Budget Planning



## CalOptima Medi-Cal Budget Outlook

## Budget Objectives

- Break-even operating budget
- Building infrastructure and capacity
- Improving quality and efficiency

## Capitation Rates

- Medi-Cal Classic: Ensure overall funding is adequate, including appropriate COVID-19 related expenses
- Medi-Cal Expansion: At this time, "pause" the downward glidepath to align MCE rates with the Adult TANF population for the coming fiscal year
- Next Medi-Cal rebasing anticipated for the start of the FY 2023-24 Operating Budget
  - Will incorporate all categories of aid



## Our Mission

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

