



A Public Agency

CalOptima

Better. Together.



HANDS ON

CALOPTIMA ANNUAL REPORT TO THE COMMUNITY 2011

CalOptima's mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner.

2011 Report to the Community

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Amin James Parandi, a 10-year-old Healthy Families Program member, climbs the rock wall at our 2011 Member Celebration.

Making It Personal

CalOptima understands the very personal nature of providing access to health care for Orange County's low-income families, children, seniors and people with disabilities. We embrace our role of connecting members to our agency, health care providers and the community resources they need.

We don't do this alone. CalOptima relies on our providers and community-based partners to deliver health care to members. Our collaboration touches the lives of more than 421,000 people, CalOptima's largest membership in 16 years of operation.

Significant change and challenge lie ahead in the health care environment. CalOptima believes our collaboration with stakeholders will enable us to continue doing what matters most — serving Orange County's vulnerable residents. Furthermore, CalOptima spends about 95 cents of every dollar directly on health care. This commitment to make every dollar count really matters in these difficult financial times.

On behalf of CalOptima, I invite you to meet some of our members and learn more about our interaction with stakeholders. Our hands-on approach is how we deliver value and realize our motto of Better. Together.

Richard Chambers

Richard Chambers
Chief Executive Officer



CalOptima serves 1 in 7 Orange County residents,
1 in 5 seniors and 1 in 3 children.

TOUCH POINTS TODAY

SERVING THOSE IN NEED — SICK AND WELL, YOUNG AND OLD

CalOptima reaches out to all members with a singular commitment, driven by our mission to provide access to quality health care services delivered in a cost-effective and compassionate manner.

This Report to the Community highlights our touch points with members, providers and the community. It expresses how CalOptima serves members by engaging with them individually and partnering with others on their behalf. It reveals the principles and priorities we uphold.

Our reach has expanded this year. With more than 421,000 members, CalOptima now insures 1 in 7 Orange County residents, according to new census data. It's hands-on work at CalOptima, as our dedicated employees wisely use financial resources to support health gains for the at-risk among us. We connect with members through four programs.

Medi-Cal: The number of low-income families, children, seniors and people with disabilities in CalOptima's Medi-Cal program continued to grow in 2011, as Orange County faced another year of economic struggle. Even while the need for Medi-Cal coverage increased, California passed legislation making deep cuts and significant program changes. Federal regulators have approved some changes and are still deciding about others. Implementation will be challenging.

Healthy Families Program: CalOptima's Healthy Families Program experienced consistent performance in 2011. The low-cost health plan for children was recognized again as a top plan in California for quality health care services. Our program also enjoyed its 14th consecutive designation as the Community Provider Plan in Orange County for having the most traditional and safety net providers in its network.

OneCare (HMO SNP): A Medicare Advantage Special Needs Plan, OneCare broke the 12,000-member mark this year, making it California's second largest dual eligible SNP. Plus, OneCare raised its overall plan Medicare Star Quality Rating to 4 stars for 2012, and its pharmacy program earned national recognition for 5-star ratings in blood pressure treatment and medication safety.

Multipurpose Senior Services Program: Reductions in funding meant slightly fewer members could take advantage of CalOptima's Multipurpose Senior Services Program this year, but our members who did benefited from careful and compassionate health care management services designed to keep them independent and living at home.

OUR MEMBERSHIP

Program	Dec. 31, 2010	Sept. 30, 2011	Difference
Medi-Cal	371,968	384,380	+3.3 percent
Healthy Families Program	37,936	37,225	-1.9 percent
OneCare*	11,412	12,881	+12.9 percent
Multipurpose Senior Services Program*	518	474	-8.5 percent
CalOptima Total	409,904	421,605	+2.9 percent

*Membership already accounted for in total Medi-Cal membership

HANDS ON: MEMBERS

MAKING PERSONAL CONNECTIONS COUNT

About 60 percent of CalOptima members are children 18 years or younger. Senior members 65 years and older represent 15 percent of membership. Adults ages 19 to 64 are one quarter of our members. More than half of our members speak a language other than English. Amid this diversity, there are unifying factors: All members appreciate our personal attention, sincere service and focus on individual health outcomes.

PROVIDING PERSONAL INTERACTIONS

It's part of our mission to deliver access to care in a compassionate manner, and CalOptima has more than 500 like-minded employees dedicated to making that happen every day.

Warm Welcomes: There's no better way to start relationships than with an open approach to educating new members who may not have had health insurance in a managed system before. Each month, CalOptima hosts New Member Orientations for Medi-Cal members in four languages and for OneCare members in three. New members give these popular sessions high marks for being valuable and easy to understand. The orientations often end with one-on-one chats so staff can address a member's unique needs.

Compassionate Response: The phones ring in CalOptima's Customer Service department about 1,100 times a day, but the only way to answer the calls is one at a time. Our staff members treat

every call as though it's the only call they will answer that day, offering personal service with every interaction. Our staff is trained to deliver necessary information effectively, but also has something we can't teach — a caring nature that comes from understanding the needs of the members we serve. Thank you notes from members pinned on the walls of Customer Service cubicles prove how genuinely we care.

Busy Lobby: Not many health insurers are prepared to greet members at their locations. But our doors are open weekdays from 8 a.m. to 5 p.m., and each week, more than 100 CalOptima members come to our office in person. These office visits are welcomed, and our staff is always available to answer members' questions or help with CalOptima paperwork.

Special Assistance: CalOptima operates two distinct Customer Service programs that deliver increased personal attention to certain groups. The Member Liaison Program serves Medi-Cal members most in need — seniors, those with disabilities or chronic conditions, and those without housing. Member Liaisons work closely to guide them through the health care system. OneCare Partners are trained to handle the complex needs of members in OneCare, a plan for those with both Medicare and Medi-Cal. They assist OneCare members in obtaining access to health care, community and other services, and maintain a continuous outreach effort.

Multilingual Agency: CalOptima removes language barriers to good health with a "we speak your language" philosophy. Our robust Cultural and Linguistic Services department provides effective interpreter services in any language and translations of member materials in our Medi-Cal threshold languages of Spanish, Vietnamese and Farsi. This year, we boosted the language accessibility of our website with full translations of member pages in Spanish, Vietnamese and Farsi.



MEMBER PROFILE

Charles "Charlie" Chapman
OneCare Member Since 2009

Charles "Charlie" Chapman, 74, is an active man with diverse interests. He is passionate about dancing to tunes from the '60s, watching horse races and recounting his days as an amateur bodybuilder. But there's one thing that makes him instantly recognizable among our OneCare members: his voice.

Since Chapman joined OneCare in November 2009, he has won the hearts of many in our Customer Service department by singing to them over the phone. It's his way of showing appreciation for their outstanding work.

"The OneCare Customer Service team keeps everything organized for my health," Chapman says. "They find the right doctors for me and manage my medications very well. When I have trouble getting my prescriptions, I call the Customer Service team, and they call the pharmacy right away to help me get my medicine. I am very grateful for that. They don't wait; they do things right away."

Chapman sings the praises of OneCare's benefits, too. "OneCare's vision and dental plans have helped me tremendously. Without my glasses, I would have more difficulty seeing than I already do." Chapman is legally blind. Dental treatments have improved his outlook as well. "I'm glad that I receive dental services because I have so many reasons to smile."



*Isaias and Hector
Perez at the Healthy
Families Program
Member Celebration*

DELIVERING HEALTH EDUCATION

CalOptima invests in helping members understand how they can take charge of their health and make improvements. Whether delivered at events or by our caring case managers, our message to members is the same: We take your health personally; you should, too.

BROAD REPRESENTATION

CalOptima doesn't just give our members an insurance card. We give our members a voice. The Member Advisory Committee exists so it can address key issues affecting our diverse member population.

Happy Occasions: At our Member Celebrations, Healthy Families Program members get together with staff from their health networks and CalOptima. The fun, family-friendly events provide parents with health education information and answers to program questions — and foster physical activity in the kids. Since the events began in 2007, more than 6,000 have attended. No doubt the celebrations contribute to member satisfaction, which may be why our Healthy Families Program enjoys a member retention rate of more than 99 percent and Orange County market share of almost 50 percent.

Learning Opportunities: CalOptima's health educators are ready on the phone and in the field to help all members get the information they need to understand or improve their health conditions. In 2011, CalOptima provided more than 30 health education classes to adults about diabetes and weight management. Our health educators are even more active helping obese children with a special, six-week preventive health program that is showing positive results. More than 1,700 children were involved this year, losing weight and learning healthier lifestyles.

Disease Management: Having a chronic condition is tough, so CalOptima reaches out to thousands of our members who have chronic conditions to give them extra guidance, including clinical support services, education and health management tools. We assist those with diabetes, heart disease and childhood asthma, aiming to improve their quality of life and health outcomes.

PURSuing QUALITY OUTCOMES

An important word in CalOptima's mission is "quality," and that's why we focus on measuring members' health care against the leading industry benchmark, HEDIS®, which stands for Healthcare Effectiveness Data and Information Set. HEDIS tracks important information, such as whether members receive recommended medical screenings and appropriate treatments.

Higher HEDIS: In 2011, CalOptima continued our strong performance in key quality areas and made significant gains in HEDIS measures for each program, compared with 2010. Our Medi-Cal program achieved increases in 30 of the 43 HEDIS measures. OneCare made quality gains in 36 of the 48 measures this year. In our Healthy Families Program, 22 of the 26 measures went up. In May, state regulators honored our Healthy Families Program for outstanding HEDIS performance, ranking it in the top six among all Healthy Families Programs in California.

Phenomenal Pharmacy: OneCare's pharmacy program received two 5-star ratings in the Medicare Star Quality Rating System for quality blood pressure treatment and medication safety for seniors. Only two other pharmacy programs in the country scored as well. The highest-possible ratings earned OneCare national recognition from the Pharmacy Quality Alliance, an industry group advocating for improved medication use. The success garnered invitations to speak at conferences, putting CalOptima in a leadership role by sharing our strategies for medication management with other health plans.



TOUCH POINT: Developmental Screenings

- 1 Nearly 300 children attend CalOptima's many Developmental Screenings each year. Nurses and therapists measure development of our Healthy Families Program members ages 0 to 5.
- 2 Occupational therapist Silvana Caivano-Alejo runs a station to test fine motor skills. Other stations gauge speech and language, hearing, eyesight, health status, gross motor skills, and social development.
- 3 Four-year-old Ricardo Bahena focuses on building a block tower to the excitement of his family. Mom Nidia Loeza, dad Martin Bahena and big brother Martin Jr. smile at his progress.
- 4 Children who attend the Developmental Screenings are instructed on the activities in their own language via translators. Screenings are conducted in English, Spanish and Vietnamese.

HANDS ON: PROVIDERS

COLLABORATING FOR QUALITY MEDICAL CARE

CalOptima works closely with the provider community to ensure that vulnerable Orange County residents can get the health care services they need. About 95 cents of every dollar CalOptima receives pays for health care. Still, new laws passed this year will make our shared responsibility more difficult. Our commitment to providers will expand as we explore the best ways to handle change.

BUILDING COLLABORATION

Collaboration delivers better results, so CalOptima takes that approach to bettering partnerships with the diverse providers who serve our members. We are making strides by placing a high priority on frequent interaction and even more transparency.

Essential Input: A key decision by the CalOptima Provider Advisory Committee this year speaks volumes. In May, the 14-member committee voted to increase the frequency of its meetings to monthly for the 2011–12 fiscal year. That highlights the importance of the issues at hand and emphasizes the value of collaboration. The committee comprises allied health services providers, community clinics, health networks, hospitals, long-term care providers, nurses, physicians, non-physician medical practitioners, pharmacists, safety net providers and the Orange County Health Care Agency.

Money Matters: To give providers additional reimbursement, CalOptima’s Board of Directors

approved in March the distribution of \$17.3 million in new Medi-Cal revenue for provider payment adjustments and access-to-care improvements by health networks. Of note, CalOptima required that health networks increase primary care physician payments by \$1 per member, per month. Such positive outcomes were not achieved alone. To develop a thoughtful and fair distribution process, CalOptima worked with the health networks, the Hospital Association of Southern California and the Orange County Medical Association.

Medi-Cal Changes: As we prepared this report, some changes to the Medi-Cal program had received federal approval, including provider payment reductions. Approval remains uncertain for other changes, such as cost sharing. Until we can gauge the full impact of all these changes, CalOptima has delayed their implementation, offering providers some relief in the near term. In the meantime, CalOptima has imposed cuts to our own administrative budget and spent considerable time with the provider community to ensure our ongoing collaboration.

STRENGTHENING OUR HEALTH SYSTEM

CalOptima works with our partners so we have the right providers at the right time doing the right things to deliver quality health care.

Health Networks: Maintaining a provider network in the current Medi-Cal climate can be tough, so CalOptima’s determination to keep providers connected to our agency is strong. Approximately 1,700 primary care providers in Orange County are contracted with CalOptima through health networks and the CalOptima Care Network. To further strengthen access to primary care, we contract with 28 community health centers. Our primary care base is more than matched by our network of contracted specialists, numbering about 4,100, and our contracted hospital network of nearly 30 facilities. Beyond our contracted partners, CalOptima also works



PROVIDER PROFILE
Hitesh C. Patel, MD, FAAFP
 Family Practitioner, Westminster

Hitesh C. Patel, MD, FAAFP, has been treating CalOptima members since the agency’s formation 16 years ago. His experience enables him to see advantages in CalOptima’s managed system of care and areas for improvement.

“Prior to CalOptima, there was just straight Medi-Cal,” Dr. Patel remembers. “If a patient needed specialist work, it was practically impossible to get. But with CalOptima, patients have access to some of the best specialists in the country, which is incredible for a Medi-Cal plan.” That raises Dr. Patel’s game as a primary care provider, too. “As a patient’s care gets complicated and I need the help of colleagues, I have access. I learn through interaction with specialists. It broadens my field.”

In 2010, Dr. Patel helped form an Orange County Medical Association committee to increase interaction between physicians and CalOptima. “Doctors felt that we should be liaising with CalOptima directly. There are many topics of discussion. It has been going fairly well.” This year, the committee had input about distributing Medi-Cal revenue and shared ideas about handling future reimbursement cuts.

Like CalOptima, Dr. Patel is dedicated to a hands-on approach. “I live and work in this community. CalOptima patients feel good about having a local doctor take care of them.”



Circle of Care Award winners
 Robert Gonzales, OD, and
 Mark Rettenmaier, MD

with thousands more providers in Orange County and beyond who take care of our members. Cultivating relationships with the provider community is a top priority now and in the future.

Quality Incentives: CalOptima rewards providers for the pursuit of quality with a robust incentive program. Such pay-for-performance efforts keep us in step with industry best practices and emphasize our quality priorities. For the 2011–12 fiscal year, CalOptima plans to spend \$6.6 million on incentives for Medi-Cal providers and \$1.6 million for Healthy Families Program providers. In 2012, OneCare incentives will total \$2.3 million. The additional reimbursement is for work in key quality areas, including completing well-care visits, managing chronic diseases and boosting member satisfaction.

PRIORITY PARTNERSHIPS

CalOptima's provider partnerships are essential. We connect frequently through meetings and activities — more than 600 this past year. Even stronger teamwork is on the horizon as we face change together.

CCN Debut: To improve care coordination for our members and to offer providers a new option for participation with us, the CalOptima Care Network launched in January 2011. CCN preserves continuity of care for members whose providers are not affiliated with CalOptima's health networks and serves members who have complex medical conditions. The number of providers in CCN grew 44 percent in the first nine months of operation.

FOCUSING ON OPERATIONAL SUCCESS

CalOptima is Orange County's second largest health plan, serving more than 421,000 members. But our focus will only ever be on Orange County. So we have a unique opportunity to work alongside providers to ensure mutual success.

Information Sharing: In an age of webinars and podcasts, CalOptima still believes in the value of in-person meetings. We connect regularly with health networks, providers and staff. For example, we meet network administrators in monthly Health Network Forums to discuss the finer points about working together now and to solicit input on future CalOptima Board actions. Every other month, CCN hosts Lunch and Learn sessions on popular topics, such as claims and quality.

Field Work: Provider partners come to our location for meetings, and we spend time going to theirs. Provider Relations representatives travel countywide to deliver personalized assistance and loads of information about policies, contracts, claims and more. We meet monthly, too, at a local hospital with our hospital partners and the Hospital Association of Southern California. We visit each health network three times a year in Joint Operations Meetings, to share data, perform clinical reviews and smooth operations challenges.

Technology Investment: Operating since April under a \$5.8 million federal grant, the CalOptima Regional Extension Center (COREC) helps primary care providers move toward meaningful use of electronic health record systems. More than 850 providers are now registered for support. As a nonprofit venture of the CalOptima Foundation, COREC aims to serve at least 1,000 providers.

RECOGNIZING OUTSTANDING WORK

CalOptima is a publicly funded Medicaid plan. Adequate revenue for providers will always be hard to come by. However, gratitude for provider efforts is not hard to express. For the past 12 years, CalOptima Circle of Care Awards have recognized almost 200 health care professionals for exemplary service to vulnerable Orange County residents. The crystal award is a token of appreciation that cannot contain the value of the winners' contributions. We know, too, that Circle of Care-worthy service happens hundreds of times daily among our many providers, so for those efforts we say thank you.



TOUCH POINT: Circle of Care Award Recipient Camino Health Center

1 Providers at Camino Health Center in San Juan Capistrano treat about 45 CalOptima members each week. For the center's efforts, Camino won a 2011 Circle of Care Award.

2 Nurse practitioner Velva Berger checks the chart of a patient she is about to meet. The busy health center provides primary medical and dental care with 7 clinical staff and 17 support and office staff.

3 Heidi Marin, a patient services representative, schedules a follow-up appointment with a patient. CalOptima members represent about 10 percent of Camino's patient population.

4 Violeta Vera is a medical assistant at Camino Health Center, which is affiliated with Mission Hospital. She greets patients, gets them settled in exam rooms and takes vital signs.

HANDS ON: COMMUNITY

BUILDING A HEALTHIER ORANGE COUNTY

CalOptima has a true sense of place. We were built from the ground up in Orange County by many knowing hands who understood just what was needed here. And here we continue to serve the community with commitment and pride. CalOptima may be a singular agency, but we multiply our impact by focusing on partnerships with other community-based organizations.

REACHING OUT TO SERVE

There are no shortcuts in the effort to elevate the health status of Orange County, and there is no substitute for actually being present. That's why we work beyond our walls in neighborhood centers, schools and health care facilities, connecting with individuals and teaming up with groups, to improve access to care and realize how we are Better. Together.

Regular Presence: Chances are that if it's a community health fair in Orange County, CalOptima is there. In the past year, CalOptima representatives have set up their canopies and tables at hundreds of events, answering questions and distributing health resource material. We have reached more Orange County residents than we can count, and Orange County can count on us.

Brenda Premo, an advocate for people with disabilities, at the Community Alliances Conference

Speakers Bureau: Expert presentations by CalOptima representatives on subjects ranging from health care reform to resources for seniors and people with disabilities are valuable — and available at no cost to the community. In 2011, more than 5,000 individuals attended more than 90 presentations featuring CalOptima speakers. Engaging the community through education enriches us and the audience.

Strong Alliances: CalOptima elevates networking to an art with quarterly Community Alliances Forums and the annual Community Alliances Conference. The events are built on the notion that people working at health care and social services organizations need to connect to get more done on behalf of Orange County residents in need. Each forum covers a current topic with broad appeal, such as April 2011's emergency preparedness theme, and features a networking activity to start conversations.

The Fifth Annual Community Alliances Conference in July drew the largest audience ever, at more than 350. The group listened to keynote speakers on health care expansion in 2014 and learned from breakout sessions on social media, wellness and advocacy. With events this big, CalOptima can't work alone. We team up with a planning committee and volunteers from 30 other organizations to ensure the Community Alliances Conference delivers the unique opportunity of countywide collaboration.



COMMUNITY PROFILE

Gloria O. Reyes

President and CEO, Abrazar Inc.

Abrazar Inc. is a Westminster-based community center that helps low-income people access health and dental care; nutrition, education and housing programs; and translation and transportation services, says Gloria O. Reyes, president and CEO. A partner in this work is CalOptima, she says, and it's a reciprocal relationship based on a shared mission to serve.

“Working with CalOptima allows us to provide resources for vulnerable members that California cannot,” Reyes says. “For example, we provide a continuum of care for CalOptima members who need transportation services. Abrazar has extended our services for a great majority.” Not only does Abrazar help CalOptima members, CalOptima also helps Abrazar. In 2009, the organization received a Safety Net Award, worth \$25,000. The money honors previous achievements and anticipates future ones.

“With the award, we were able to enhance our on-site dental clinic with advanced equipment,” Reyes says. “We also got the seed money we needed to begin the process of becoming a fully equipped community clinic. Now we can extend our services to local residents and CalOptima members by having primary care physicians, mental health staff and dentists within reach. The services we can provide collaboratively are endless, and we couldn't be happier.”

Active Assistance: About 60 percent of CalOptima members are children. So to reach the youngest among us, we go where they are to facilitate access to health and social services. Each week, CalOptima's outreach specialists provide face-to-face service to help parents at more than 20 locations, including public schools, clinics and family resource centers. One-e-App, a web-based enrollment system, simplifies the process and was expanded this year to include new programs to ease assistance for both children and families.

NATIONAL LEADERSHIP

CalOptima CEO Richard Chambers was named to the Congressional Budget Office Panel of Health Advisers, giving Orange County a representative at the highest levels of government.

Resource Central: Led by CalOptima, the Orange County Office on Aging and the Dayle McIntosh Center, the Aging & Disability Resource Connection of Orange County is a trusted source of information for seniors and people of all ages with disabilities. Professional resource specialists provide individualized assistance to any caller, listening closely to offer useful tips and targeted referrals to community resources. ADRC services aren't all telephonic. This year, the ADRC improved its web-based resource directory and launched a series of educational classes so professionals could gain knowledge of long-term care services to better inform consumers. More than 300 have attended.

Advocacy Efforts: Our role is to serve Orange County, but often that means we work in Sacramento and Washington, D.C. CalOptima's leaders play an active government relations role, traveling regularly for personal meetings with

legislative and regulatory officials. California's budget, with cuts and changes to Medi-Cal and the Healthy Families Program, quickened our pace this year. In 2011, we had more than 50 visits with local, state and federal elected officials, carrying our members' and providers' messages about the impact of their policy decisions.

New Home: CalOptima is almost ready to put out the welcome mat at our new home, located at 505 City Parkway West in Orange. Owning a building that we can grow in makes sense as we prepare to insure thousands more based on health care reform. The building also features more space to invite participation from CalOptima members, stakeholders and community partners, with larger conference rooms for meetings.

HONORING AND BEING HONORED

Perhaps the best reflection of CalOptima's imprint on the community is the Safety Net Awards. The 8-year-old program distributes a total of \$100,000 annually to outstanding organizations that support vulnerable populations and strengthen the health care safety net.

In 2011, the Council on Aging Orange County, Illumination Foundation, Korean Community Services, and Providence Speech and Hearing Center each received \$25,000 to further their efforts. Giving Safety Net Awards is a proud occasion each year for CalOptima, as we honor partners who share our focus on access to health care in Orange County.

We felt similar pride this year when CalOptima received the Community Partner of the Year Award from the Alzheimer's Association Orange County Chapter. In June, we were recognized for our commitment to serving people with Alzheimer's disease and their caregivers. Such acknowledgement shows the strong partnerships we aim to build. And there is more to do as we strive to connect with other groups to benefit Orange County's many people in need.



TOUCH POINT: Community Alliances Conference

- 1 More than 350 professionals at the Community Alliances Conference participate in HealthRHYTHMS, a research-based therapeutic drumming protocol designed to boost unity and energy.
- 2 Leila Esfandiari, program coordinator for underage drinking prevention at the Community Alliance Network, leads a line of community advocates through the room while playing the djembe.
- 3 Trudy Wilson contributes to the rhythm in the room with her bell and to the community at large via her work as program manager at Community Action Partnership of Orange County.
- 4 Ambrocia Lopez, community outreach and education specialist from the Orange County Affiliate of Susan G. Komen for the Cure, volunteers for the group activity and on the event planning committee.

IMPRINTING TOMORROW

PLANNING FOR CHANGE AND GROWTH BY SEEKING CONTINUED EFFICIENCY

CalOptima's mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner. Continued change in the health care environment means we will have to work harder to fulfill our mission — both for current and future members. Health care reform is expected to expand CalOptima's membership in 2014, adding thousands of previously uninsured Orange County residents. To address the challenges of change and expansion, CalOptima plans to further strengthen our focus on efficiency and collaboration, and to explore new ways to care for our members.

Efficiency Goals: Applying technology and enhancing partnerships are key ways to promote efficiency. Fortunately, we have begun such efforts.

CalOptima serves as the Administrative Services Organization for the Orange County Mental Health Plan. This partnership with the Orange County Health Care Agency is one example of the work being done to better coordinate mental and physical health care services. Treating the whole person improves care and reduces costs.

This year, OneCare launched a telemedicine pilot project. Telemedicine devices send information daily to disease managers who can better monitor members with chronic heart conditions. Combining technology and caring medical staff delivers healthier outcomes.

PACE Plan: CalOptima's most notable future endeavor is our anticipated Program of All-Inclusive Care for the Elderly. PACE integrates acute, chronic and long-term care for seniors in a

comprehensive care model. An interdisciplinary team addresses all of a member's medical and social services needs, so he or she can continue to live in the community. CalOptima is currently in the application process and hopes to open our PACE center in 2012. We are excited to work with members and providers in a new way.

Despite the complexities of the health care system, health is personal. Our purpose — even amid change — is to make Orange County's health care system better for our members by working together with our partners. Better. Together.

FY 2012 BUDGET

Program	Annual Revenue	% of Total Revenue	Total Annual Revenue \$1.5 Billion \$152.5 million in reserves (as of September 30, 2011)
Medi-Cal *	\$1,240,404,744	85.2%	
OneCare	\$171,169,369	11.8%	
Healthy Families Program	\$37,806,966	2.6%	
Behavioral Health ASO	\$4,860,845	.3%	
MSSP	\$1,948,775	.1%	
PACE	\$195,438	0%	
Total	\$1,456,386,137		

*FY 2011 budget information

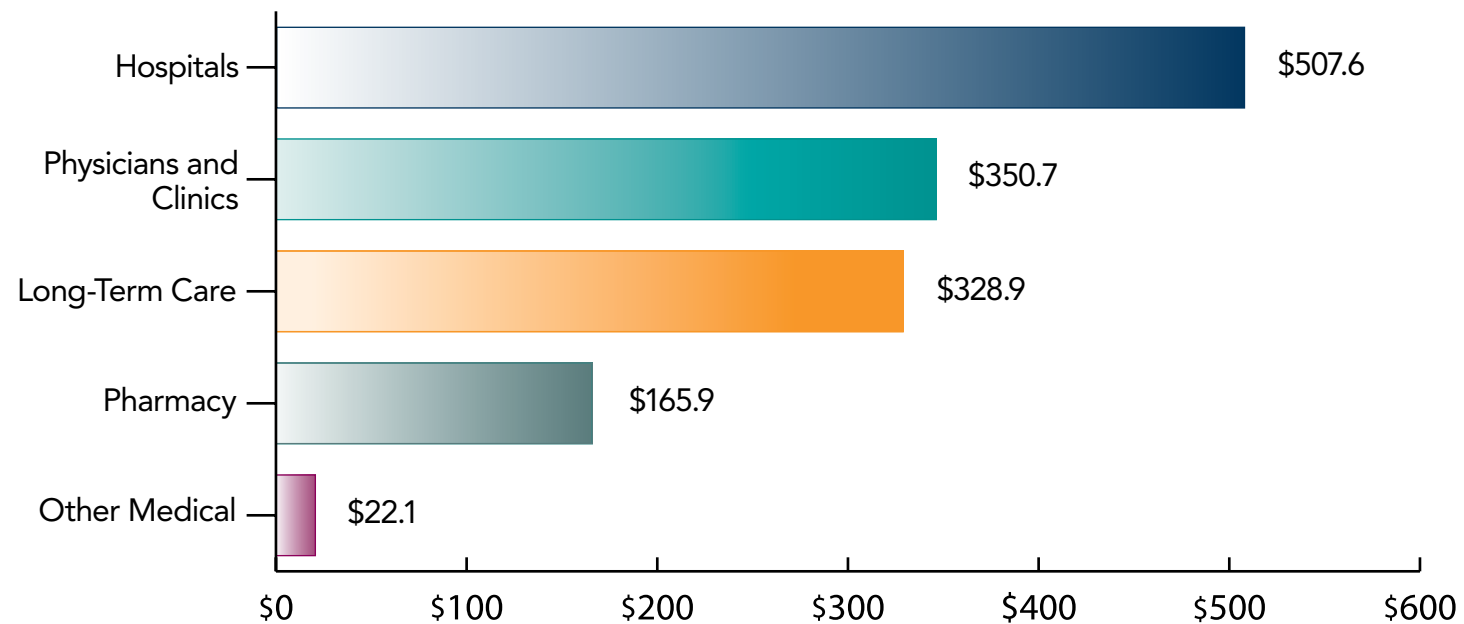
FINANCIAL SUMMARY

As stewards of public funds, CalOptima's Board of Directors and executive team provide careful management of resources to ensure the agency meets current and future financial needs. As always, we put members' health first, so we maximize money for health care services by operating as efficiently as possible. Our administrative expense ratios over the past two years are among the lowest in California. Still, the stagnant economy and shrinking state budget present ongoing financial challenges for everyone, but CalOptima's dedication to operating prudently on behalf of our members, providers and community partners is stronger than ever.

FINANCIAL SUMMARY FOR FY 2010 AND FY 2011 (YEARS ENDED JUNE 30)

	FY 2010	FY 2011
Operational Revenues	\$ 1,187,820,405	\$ 1,438,674,986
Medical Expenses	1,121,326,174	1,375,159,011
Administrative Expenses	53,715,736	62,197,296
Net Premium Tax	46,203	253,772
Operating Gain	12,824,698	1,572,451
Investment Income	4,874,096	2,490,306
Net Rental Income	—	207,690
Increase in Net Assets	\$17,698,794	\$4,270,447
Medical Expenses %	94.4%	95.6%
Administrative Expenses %	4.5%	4.3%

CALOPTIMA MEDICAL EXPENSES FOR FY 2011 BY PROVIDER CATEGORY (IN MILLIONS)



GOVERNANCE AND LEADERSHIP

Created by our community, governed by our community and accountable to our community, CalOptima is a public agency. As such, we remain steadfast in our commitment to operating in a fair and open manner under the leadership of a volunteer Board of Directors. The Board as well receives advice from the Member Advisory Committee, Provider Advisory Committee and Investment Advisory Committee, so that decisions are made through a collaborative, inclusive process. Because of our Board and Committee structure, CalOptima gains timely and valuable information to maintain strong relationships with stakeholders and address changing needs in a challenging environment.

BOARD OF DIRECTORS

CalOptima is governed by a nine-member Board of Directors, appointed by the Orange County Board of Supervisors. CalOptima's Board of Directors includes representatives from the Board of Supervisors and the Orange County Health Care Agency as well as physician and hospital partners, consumer advocates, and business leaders. The Board of Directors reflects the diverse backgrounds, interests and demographics of Orange County residents, and ensures that CalOptima remains transparent and responsive in our mission to serve vulnerable populations. The Board members listed are current as of November 8, 2011.

COUNTY REPRESENTATIVES

Janet Nguyen
Orange County Board of Supervisors,
First District
Board of Supervisors Representative

David L. Riley
Director, Orange County
Health Care Agency
Health Care Agency Representative

John M. W. Moorlach, CPA, CFP (Alternate)
Orange County Board of Supervisors,
Second District
Board of Supervisors Alternate

PROVIDER REPRESENTATIVES

Chung The Bui, MD
Family Practitioner
Physician/Health Care Provider Representative

Lee Penrose
President and CEO,
St. Jude Medical Center
Health Care Provider Representative

Margarita Pereyda, MD
Medical Director, Share Our Selves
Free Medical and Dental Clinic
Health Care Provider Representative

CONSUMER REPRESENTATIVES

Jim McAleer (Vice Chair)
President and CEO, Alzheimer's
Association Orange County Chapter
Consumer Representative

Mary Anne Foo
Executive Director, Orange County Asian
and Pacific Islander Community Alliance
Consumer Representative

Adriana A. Moreno
Program Director, Children's Health
Initiative of Orange County
Consumer Representative

BUSINESS REPRESENTATIVE

Edward B. Kacic (Chair)
President,
Irvine Health Foundation
Business Representative

ADVISORY COMMITTEES

Every meeting of CalOptima’s Board of Directors has the imprint of the insights offered by three standing advisory committees. The Member and Provider Advisory Committees are key conduits of information, ensuring that member and provider interests are central in the development and execution of CalOptima’s policies and programs. The Investment Advisory Committee works to safeguard CalOptima’s financial resources and strengthen reserves, always mindful of our responsibilities as stewards of public funds. All committee members listed are current as of November 1, 2011.

Member Advisory Committee

Roseanne Kotzer, MSW, ASW (Chair)
Kotzer Health Consulting
Long-Term Care Representative

Ellen Ahn
Executive Director,
Korean Community Services
Healthy Families Program Representative

Lucy Brimbuela
Administrator, Palm Village
Adult Residential Facility
Persons with Mental Illness Representative

Suzanne Butler
Insurance and Benefits Specialist,
Regional Center of Orange County
Persons with Disabilities Representative

Dorothy Hendrickson
Administrative Manager,
Hospital Preparedness Program/
Health Disaster Management,
Orange County Health Care Agency
Health Care Agency Representative

Maria Hernandez
Medi-Cal Program Manager,
Orange County Social Services Agency
Social Services Agency Representative

Gregory Mathes
Director, Special Projects and Program
Development, Goodwill of Orange County
Persons with Special Needs Representative

Sally Molnar
Public Policy Chair,
Susan G. Komen for the Cure
Medically Indigent Persons Representative

Rizalina Querubin, RN, PHN
School Nurse,
Santa Ana Unified School District
Children Representative

Irene A. Ramirez
Subcontract Manager,
Arbor/Rescare Workforce Services
Recipients of CalWORKs Representative

Gloria O. Reyes
President and CEO, Abrazar Inc.
Medi-Cal Beneficiaries Representative

Linda Smith
Director, Family Support Network
Foster Children Representative

Ret Wixed
Project Manager,
OC Adult Day Services Coalition
Adult Beneficiaries Representative

Provider Advisory Committee

Karen Brandenburg, RN (Chair)
Vice President,
Medical Management,
Arta Western Health Network
Health Network Representative

Joseph Brugman, MD, FACR
Diagnostic and Interventional Radiology
Physician Representative

Theodore Caliendo, MD
Pediatrics and Neonatology
Physician Representative

Alan Edwards, MD
Medical Director,
Health Care Agency/Behavioral Health
Health Care Agency Representative

Janet Hildebrand, CFNP
Family Nurse Practitioner,
St. Joseph Hospital Puente a la Salud
Non-Physician Medical Practitioner Representative

Donald Lorack
CEO, Anaheim Regional Medical Center
Traditional/Safety Net Representative

Avery Malate, BSN, RN, MSN, RAC-CT
Director of RAI and PPS,
Country Villa Health Services
Long-Term Care Services Representative

William Manalo
President, ShuttleMed Inc.
Allied Health Services Representative

Craig G. Myers
CEO, Coastal Communities Hospital
Hospital Representative

Provider Advisory Committee (continued)

Pamela Pimentel, RN
CEO, MOMS Orange County
Nurse Representative

Barry Ross, RN, MPH, MBA
Vice President, St. Jude Medical Center,
Healthy Communities
Community Clinic Representative

Jack Silberstein, RPh
Owner, Grove Harbor
Medical Center Pharmacy
Pharmacy Representative

Jacob Sweidan, MD, FAAP
Pediatrics and Neonatology
Physician Representative

Michael A. Uranga
President, Pacific Haven
Long-Term Care Services Representative

Investment Advisory Committee

Michael Engelhard (Interim Chair)
Chief Financial Officer/Treasurer,
CalOptima

Peggy Eckroth
Executive Vice President (Retired),
Autumn Capital Investment Services

Caroline Harkins
Executive Vice President and Orange
County Regional President,
Beach Business Bank

Patrick Moore
Attorney at Law,
Patrick Moore Law Corp.

David Young
Adjunct Professor, Paul Merage School of
Business, UC Irvine
Founder and Chief Investment Officer,
Anfield Capital Management

EXECUTIVE MANAGEMENT TEAM

Our executive management team comprises seasoned professionals with the experience and knowledge to operate CalOptima effectively amid the demanding conditions of financial pressure and industry change. By focusing on CalOptima’s member-oriented mission, the team has shown its dedication to ensuring access to health care services for vulnerable Orange County residents, while at the same time advancing the strategic direction of the agency in preparation for serving more members under health care reform.

Richard Chambers
Chief Executive Officer

Gregory Buchert, MD, MPH
Chief Operating Officer

Gertrude “Trudi” Carter, MD
Chief Medical Officer

Gary Crockett, Esq.
Chief Counsel

Michael Engelhard
Chief Financial Officer

Ray Jankowski
Executive Director, Medi-Cal

Deborah Miller
Executive Director,
Programs for Seniors and Persons With Disabilities

Eileen Moscaritolo
Executive Director, Information Services

Javier Sanchez
Executive Director, CalOptima Care Network

Margaret Tatar
Executive Director, Public Affairs

Ruth Watson
Executive Director, Operations

Member Tisha Huynh, age 2, visits the CalOptima offices with her mother Ha Huynh.



Better.
Together.

CalOptima is the largest county organized health system in California, with more than 421,000 members.



CalOptima
Better. Together.

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