

**NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS'
PROVIDER ADVISORY COMMITTEE**

**THURSDAY, FEBRUARY 9, 2012
8:00 A.M.**

**CALOPTIMA
1120 W. LA VETA AVENUE, SUITE 228/229
ORANGE, CALIFORNIA 92868**

AGENDA

This agenda contains a brief, general description of each item to be considered. Information related to this agenda may be obtained by contacting the CalOptima Clerk of the Board at 714.246.8400. The Committee 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.

I. CALL TO ORDER

II. ESTABLISH QUORUM

III. APPROVE MINUTES

*A. Approve Minutes of the January 12, 2012 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC)

IV. PUBLIC COMMENT

At this time, members of the public may address the Committee on general topics. Public Comment on posted item(s) will follow staff presentation of the item(s) to the Provider Advisory Committee.

V. REPORTS

None

VI. CEO AND MANAGEMENT REPORTS

VII. INFORMATION ITEMS

- A. State Budget Update
- B. Medi-Cal Budget Update
- C. CalOptima MSI Transition 12-month Plan Summary
- D. CalOptima Care Network (CCN): Improving Access for Members
- E. California's Dual Eligible Demonstration Project
- F. PAC Member Updates

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT

* Indicates anticipated action. Action is not limited to those indicated items.

MINUTES

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

January 12, 2012

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, January 12, 2012, at the CalOptima offices located at 1120 West La Veta Avenue, Orange, California.

CALL TO ORDER

Karen Brandenburg, Chair called the meeting to order at 8:10 AM.

ESTABLISH QUORUM

Members Present: Karen Brandenburg, RN; Joseph Brugman, MD, FACR; Theodore Caliendo, MD; Alan Edwards, MD; Donald Lorack; William Manalo; Craig G. Myers; Pamela Pimentel, RN; Jack Silberstein, RPh; Jacob Sweidan, M.D.; Michael Uranga

Members Absent: Barry Ross, RN, MPH, MBA; Janet Hildebrand, CFNP; Avery Malate, BSN, RN, MSN, RAC-CT

Others Present: Edward Kacic, Chair, CalOptima Board of Directors; Richard Chambers, Chief Executive Officer; Gregory Buchert, M.D., Chief Operating Officer; Michael Engelhard, Chief Financial Officer; Ray Jankowski, Executive Director; Deborah Miller, Executive Director; Javier Sanchez, Executive Director; Maria Wahab, Project Manager

Approve Minutes of the December 8, 2011 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

Action: On motion of Donald Lorack seconded and carried, the Committee approved the minutes of the December 8, 2011 meeting as presented. (Motion carried 11-0; Members Ross, Hildebrand and Malate absent)

REPORTS

Approve PAC Position Descriptions

The PAC Position Descriptions for the fourteen (14) seats and Chair position were presented for approval. The positions descriptions were approved with correction to add the word "communicate" on the second bullet of each description to read as follows:

- Ability to communicate, reach out, seek input and represent ancillary providers working with CalOptima

Action: *On motion of Dr. Jacob Sweidan, seconded and carried, the Committee approved the Provider Advisory Committee Position Descriptions as revised. (Motion carried 11-0; Members Ross, Hildebrand and Malate absent)*

MANAGEMENT REPORTS

CEO Report

Richard Chambers, Chief Executive Officer, informed PAC members that Dr. Greg Buchert, Chief Operating Officer, and Margaret Tatar, Executive Director of Public Affairs, are both leaving CalOptima in January 2012. After 15 years with CalOptima, Dr. Buchert accepted a position as Principal Consultant at Health Management Associates, one of the nation's premier Medicaid consulting firms. Margaret Tatar has been selected by Governor Brown to be the Chief of the Medi-Cal Managed Care Division of the Department of Health Care Services (DHCS).

CMO Report

Dr. Trudi Carter, Chief Medical Officer, informed the PAC of the Pharmacy Benefit Manager (PBM) transition from Express Scripts, Inc (ESI) to PerformRx effective January 1, 2012. Dr. Carter reported on the progress of NCQA Certification. Staff is preparing for a brief mock-audit in February 2012 in preparation for the August 2012 audit. HEDIS data collection period will begin with the hope that scores are going to be as good as or better than what we had last year. On January 18, 2012, CalOptima's Healthy Families program (HFP) will be among three health plans to be recognized at the state level for superior performance three years in a row. Dr. Carter added that 2011 was a banner year for CalOptima, with OneCare being rated a 4-star plan overall in the Medicare Star Quality Rating System, and the Medi-Cal Program is ranked in the top five. Dr. Carter reported that CalOptima Medical Management will work with the health networks on issues such as the state's efficiency adjusters and the process by which CalOptima will improve medical management for the top 3% of CalOptima members, which accounts for approximately 45% to 50% of our medical costs.

CFO Report

Michael Engelhard provided an update on enrollment and year-to-date financial results, and an overview of the State Budget Planning activities. It was reported that the CalOptima Board of Directors voted not to implement the ten (10) percent cut to provider rates. In the event that the Centers for Medicare & Medicaid Services approve member co-payments and benefit limits for Fiscal Year 2011-2012, CalOptima will not implement the co-payments and benefit limits for this fiscal year.

In addition, CalOptima will not pass down the state-approved Long-Term Care (LTC) payment cuts to LTC facilities contracted with CalOptima, as the state has indicated that such cuts would be restored retroactively in Fiscal Year 2012-13. CalOptima is working with the California Association of Health Facilities and the individual facilities to amend the LTC

facility contract agreements to authorize CalOptima to offset against future payments in the event the state fails to restore the rate cuts in FY 2012-13. Members Uranga and Dr. Sweidan shared that the cuts have been implemented in LA County.

COO Report

Dr. Greg Buchert, Chief Operating Officer, provided an update on the Managed System of Care (MSC). The MSC has been working on addressing the health care needs of Orange County's low income uninsured residents. Dr. Buchert reported that MSC is submitting a proposal to the Office of Innovation in order to receive funding to advance their goals of increasing access to quality health care, reduce emergency room usage, and improve health outcomes for our medically vulnerable population. MSC began discussions with CalOptima Board of Directors regarding the potential use of IGT funds to advance these initiatives.

Dr. Buchert provided an update on the CalOptima Regional Extension Center (COREC) which received a federal grant to provide technical assistance to help physicians select electronic health records (EHRs) and to meet meaningful use and receive financial incentives. COREC works with service partners who deliver on-site support and assistance to Orange County physicians and providers interested in taking advantage of this federally-funded opportunity. COREC is very close to meeting their goal of assisting 1,000 physicians in adopting EHRs.

INFORMATION ITEMS

PAC Provider Survey Update

PAC Member Craig Myers reported that surveys are slated to be released on January 31, 2012 to Ancillary, Community Clinic, Health Network, Hospital, Long Term Care, Pharmacy and Physician providers. Once completed, PAC will review and evaluate the findings, and present survey results and recommendations to the Board on appropriate targets for improvement.

PAC Update to February 2, 2012 CalOptima Board Meeting

PAC members agreed to report to the Board regarding their appreciation on the Board's decision to not implement the provider cuts this fiscal year, the importance of the Provider Satisfaction Survey and current activities, and once again ask for direction from the Board as to what PAC should work on.

State Budget Planning

Yunkyung Kim, Director of Government and Regulatory Affairs, presented an update on the Governor's FY 2012 – 13 Budget Proposal released on January 5, 2012, including impacts to Medi-Cal Program, Medi-Cal Managed Care rates, expansion of managed care, provider fees, value-based purchasing, AB 97 trigger cuts, the Healthy Families Program, Dual Eligibles Demonstration Project, and other changes. Ms. Kim indicated that this first budget proposal hinges on the approval of the Governor's tax plan in November. CalOptima staff will work closely with the State as more information becomes available in the coming weeks, and will provide regular updates as the Legislature releases its budget hearing schedule and begins its review of the Governor's proposal this month.

CHOC CCS/ACO Pilot

Maria Castañeda Calleros, New Business Development Manager, presented the DHCS Notice of Intent to award California Children's Services (CCS) Demonstration Contracts to five organizations. In Orange County, this Notice of Intent is directed to Children's Hospital of Orange County (CHOC). CHOC's CCS Pilot, a provider-based Accountable Care Organization (ACO) model, is a partnership between CHOC, CHOC Physician Network and CHOC-based Specialty Care Centers leveraging CHOC Health Alliance's managed care infrastructure. CHOC is awaiting guidance from the state. The timeframe of the pilot is a three year contract with an option for two (2) one-year extensions. Member Dr. Sweidan expressed his concern regarding continuity of care for CCS patients taken from physicians into this pilot.

California's Dual Eligible Demonstration Project

Deborah Miller, Executive Director of Seniors and Persons with Disabilities, presented on CalOptima's interest in responding to the DHCS Request for Solutions (RFS) to develop demonstration projects to serve dual-eligibles (Medi-Medi) members. Due to time limitations, a follow up will be presented at the February PAC meeting.

CalOptima Care Network (CCN): Improving Access for Members

This presentation was deferred until the next PAC meeting on February 9, 2012.

ADJOURNMENT

There being no further business before the Committee, the meeting was adjourned at 10:11a.m.

Maria Wahab, Staff to the PAC