

# Board of Directors Meeting Highlights

April 5, 2018

## CalOptima Shares Progress Made in the First Year of Three-Year Strategic Plan

CalOptima Chief Executive Officer Michael Schrader presented an update regarding progress during the first year of the 2017–2019 Strategic Plan. In 2017, CalOptima made many notable accomplishments in the three strategic areas of Innovation, Value, and Partnerships and Engagement, but Mr. Schrader had time to highlight just a few. For example, CalOptima has pursued innovations advancing its Program of All-Inclusive Care for the Elderly (PACE) so more low-income seniors have access to the program. PACE was approved for service area expansion to South Orange County, is implementing satellite sites using Community-Based Adult Services centers and is allowing nurse practitioners and community-based physicians to care for participants. In the area of value, Mr. Schrader pointed to CalOptima's strong advocacy effort supporting reauthorization of Cal MediConnect (OneCare Connect in Orange County) based on program trends showing lower costs and higher quality. As a public plan, CalOptima is committed to Partnerships and Engagement. One key area of engagement in 2017 was focused on combatting the opioid epidemic. CalOptima established new programs and processes so prescribers and pharmacies do more to ensure appropriate authorization for and use of opioids among our members. Mr. Schrader thanked the Board for the guidance contained in the Strategic Plan, and the staff and community partners for their work to fulfill the important priorities of the plan.

## Advisory Committees Consider Community Challenges at Joint Meeting

During their reports to the Board, leaders of CalOptima's three advisory committees — the Provider Advisory Committee, the Member Advisory Committee, and the OneCare Connect Member Advisory Committee — expressed universal appreciation for the Special Joint Meeting held March 8. The topics discussed were Orange County's opioid epidemic, the Coalition for Behavioral Health, CalOptima's quality data and performance, and access to providers. The meeting brought the committees together to consider trends and community issues, paving the way for unified feedback and guidance to the Board.

## Board Prepping for FY 2018–19 Budget

To prepare CalOptima's Board for the adoption in June of the FY 2018–19 operating and capital budgets, Chief Financial Officer Greg Hamblin presented an introduction to highlight important upcoming program changes. The state has announced that the rates for Medi-Cal Expansion members will be decreased again, moving them closer to what is paid for Medi-Cal Classic members. Draft rates are expected in late April. Also, CalOptima is budgeting for a new program coming in January 2019 — the Whole-Child Model, which is the redesigned California Children's Services program that is moving to managed Medi-Cal. Despite these changes, CalOptima plans a steady course for administrative costs, maintaining a low administrative loss ratio of 4.5 percent, with 95.5 percent of all revenue going to pay medical expenses to providers.

## ABOUT CALOPTIMA

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

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