

**NOTICE OF A  
SPECIAL MEETING OF THE  
CALOPTIMA BOARD OF DIRECTORS'  
MEMBER ADVISORY COMMITTEE**

**THURSDAY, JUNE 13, 2019  
2:30 P.M.**

**CALOPTIMA  
505 CITY PARKWAY WEST, SUITE 109-N  
ORANGE, CALIFORNIA 92868**

**AGENDA**

This agenda contains a brief, general description of each item to be considered. 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.

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 [www.caloptima.org](http://www.caloptima.org). 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.

**I. CALL TO ORDER**

*Pledge of Allegiance*

**II. ESTABLISH QUORUM**

**III. APPROVE MINUTES**

A. [Approve Minutes of the March 14, 2019 Regular Meeting of the CalOptima Board of Directors' Member Advisory Committee](#)

**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 Committee. If you wish to speak on an item contained in the agenda, please complete a Public Comment Request Form(s) identifying the item(s) and submit the form to the assistant to the Member Advisory Committee. When addressing the Committee, it is requested that you state your name for the record. Please address the Committee as a whole through the Chair. Comments to individual Committee members or staff are not permitted. Speakers will be limited to three (3) minutes.*

**V. REPORTS**

A. [Consider Approval of FY 2019-2020 Member Advisory Committee Meeting Schedule](#)

B. [Consider Approval of FY 2018-19 MAC Accomplishments](#)

C. Consider Recommendation of Member Advisory Committee Slate of Candidates

**VI. MANAGEMENT REPORTS**

- A. [Chief Operating Officer \(COO\) Update](#)
- B. Chief Medical Officer (CMO) Update

**VII. INFORMATION ITEMS**

- A. Whole-Child Model Update
- B. [Case Management Presentation](#)
- C. Member Portal Demonstration
- D. [Federal and State Legislative Update](#)
- E. Member Advisory Committee Member Updates

**VIII. COMMITTEE MEMBER COMMENTS**

**IX. ADJOURNMENT**

# MINUTES

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

March 14, 2019

A Regular Meeting of the CalOptima Board of Directors' Member Advisory Committee (MAC) was held on March 14, 2019, at CalOptima, 505 City Parkway West, Orange, California.

### **CALL TO ORDER**

Chair Molnar called the meeting to order at 2:35 p.m. and led the Pledge of Allegiance.

### **ESTABLISH QUORUM**

Members Present: Sally Molnar, Chair; Patty Mouton, Vice Chair; Sandra Finestone; Diana Cruz-Toro; Connie Gonzalez; Jaime Munoz; Ilia Rolon; Sr. Mary Therese Sweeney; Christine Tolbert

Members Absent: Mallory Vega; Jacquelyn Ruddy;

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Dr. David Ramirez, Chief Medical Officer; Candice Gomez, Executive Director, Program Implementation; Sesha Mudunuri, Executive Director, Operations; Betsy Ha, Executive Director, Quality Analytics, Tracy Hitzeman, Executive Director Clinical Operations; Dr. Donald Sharps, Medical Director, Behavioral Health; Belinda Abeyta, Director, Customer Service; Mauricio Flores, Manager Customer Service; Cheryl Simmons, Staff to the Advisory Committees, Customer Service; Samantha Fontenot, Program Specialist, Customer Service

### **MINUTES**

#### **Approve the Minutes of the January 10, 2019 Regular Meeting of the CalOptima Board of Directors' Member Advisory Committee**

*Action: On motion of Member Sandra Finestone, seconded and carried, the MAC approved the minutes as submitted. (9-0-0, Ruddy and Vega absent)*

### **PUBLIC COMMENT**

Brenda Deeley, In Representation of a Family Member, Oral re: Behavioral Health

### **REPORTS**

#### **Consider Recommendation of Member Advisory Candidate for Children Representative and Long-Term Services and Supports Representative**

At the January 10, 2019 meeting, Chair Molnar formed a Nominations Ad Hoc Committee (Ad Hoc) comprised of herself and Members Finestone and Tolbert to review applicants for the Children Representative and the Long-Term Services and Supports (LTSS) open seats. On February 20,

2019, the Ad Hoc committee met via conference call to review and score the applicants. On behalf of the Ad Hoc, Chair Molnar reviewed the open seats and noted that the Children Representative had received two applicants and the LTSS Representative had one applicant. The Ad Hoc was unanimous in their recommendation of Pamela Pimentel to fulfill the term remaining through June 30, 2020 upon Board approval. The Ad Hoc also recommended that the MAC continue the recruiting efforts for the LTSS Representative.

***Action: On motion of Member Sr. Mary Therese Sweeney, seconded and carried, the MAC approved the Recommendation of Pamela Pimentel for the Children Representative seat. Recommendation will be forwarded to the CalOptima Board of Directors for consideration at the May 2, 2019 meeting. (9-0-0, Ruddy and Vega absent)***

Chair Molnar having been advised that the Provider Advisory Committee (PAC) would be forming an Ad Hoc Committee to review the candidate application process prior to the next annual recruitment in 2020 suggest that MAC would also be interested in joining the PAC in this endeavor.

## **CEO AND MANAGEMENT REPORTS**

### **Chief Operating Officer (COO) Update**

Ladan Khamseh, Chief Operating Officer (COO), provided a verbal update to the committee on the open nomination process for MAC and PAC and requested that the MAC members assist with recruitment for the open positions in both advisory committees. In addition, Ms. Khamseh provided an update on the Qualified Medical Beneficiaries (QMB) annual project. She also noted that the Health Homes launch was deferred from July 1, 2019 to January 1, 2020 at the request of CalOptima.

### **Chief Medical Officer (CMO) Update**

Dr. David Ramirez, CMO, provided a verbal update on access to care and obtaining necessary care. He noted CalOptima is changing the member survey methodology and what the solutions are that are being implemented.

## **INFORMATION ITEMS**

*Chair Molnar rearranged the agenda to hear VII.B before continuing with the agenda*

### **Healthy Smiles for Kids of Orange County Presentation**

Harvey Lee, DDS, Chief Dental Officer and Ligia Hallstrom, Vice President of Field Operations provided a comprehensive presentation on Healthy Smiles for Kids of Orange County. Dr. Lee and Ms. Hallstrom noted that one in three children suffer from tooth decay in Orange County. They explained their mission was to improve the oral health of children in Orange County through collaborative programs directed at prevention, outreach and education, access to treatment and advocacy. They also estimated that over 100,000 children and parents are treated each year and that their goal is to have treated one million children by the year 2020.

### **MAC Member Updates**

Chair Molnar noted the following seats expire on June 30, 2019: Medi-Cal Beneficiaries Representative, Adult Beneficiaries Representative, Family Support Representative, Persons with Disabilities, Recipients of CalWORKs Representative, and Seniors Representative. Members must reapply for their seat to be considered for reappointment. The Chair and Vice Chair positions are also up for nominations. In response to the annual recruitment, Chair Molnar formed a Nominations Ad Hoc Committee to meet before May 9, 2019 to evaluate and score applications. Members Gonzalez and Tolbert agreed to participate on the Ad Hoc.

### **Homeless Health Update**

Michael Schrader, Chief Executive Officer, provided a verbal report on the Homeless Health Initiative by providing a summary of the issues that have currently been identified and the steps that are being developed to address them. He noted that CalOptima is working closely with five to six Federally Qualified Health Centers (FQHCs) to support clinical field teams. CalOptima is also seeking legal opinions on the use of Intergovernmental Transfer (IGT) Funds for non-Medi-Cal services. He also mentioned there are two paths to support housing initiatives: 1) build housing and rent assistance. CalOptima is waiting for guidance from the DHCS on this initiative and 2) offer case management to help coordinate and refer homeless people to housing services.

### **Opioid Crisis Presentation**

Dr. Ramirez, CMO, presented an update on the opioid crisis in Orange County. He noted that CalOptima had instituted formulary restriction that required prior authorization for drugs with the highest risk of overdose such as, Methadone and extended-release high-dose morphine as well as require a prior authorization for short-acting opioid analgesic combinations exceeding formulary quantity limits. Dr. Ramirez noted that CalOptima's pharmacy management team currently works with members who have been prescribed opioids and the physicians who are prescribing them by providing member and physician education.

### **Behavioral Health Presentation**

Donald Sharps, M.D., Medical Director, Behavioral Health, presented a Behavioral Health update on the 2018 transition of the Medi-Cal behavioral health management from Magellan to CalOptima. He noted that Magellan continues to manage OneCare and OneCare Connect (OC/OCC) mental health.

### **State Budget Presentation**

Arif Shaikh, Director, Government Affairs, provided an update on newly elected Governor Newsom's budget proposals. He noted that the proposed budget would carve-out pharmacy services and return it to fee-for-service no sooner than July 1, 2021, in an effort to control drug costs. Mr. Shaikh also discussed the Managed Care Organization (MCO) Tax, which is due to end on June 30, 2019. He noted that there is interest in extending the MCO tax, which brings in approximately \$1B per year for Medi-Cal. Mr. Shaikh also discussed the State's intent to expand full scope Medi-Cal to undocumented individuals up to age 25.

**Dental Initiatives Presentation**

Mr. Shaikh, Director, Government Affairs, presented an update on the Denti-Cal Initiative. Mr. Shaikh noted that at the November 1, 2018 Board of Directors meeting, the Board authorized CalOptima to explore policy opportunities to carve-in dental benefits for Orange County Medi-Cal members. He noted that CalOptima will start to engage local stakeholders, regulators and statewide advocacy organizations, including DHCS and the California Dental Association, to determine their level of support. CalOptima is seeking letters of support from organizations that share CalOptima's interest in the integration of the dental program into Medi-Cal.

**ADJOURNMENT**

Chair Molnar announced that the next MAC meeting is scheduled for Thursday, May 9, 2019 at 2:30 p.m.

Hearing no further business, Chair Molnar adjourned the meeting at 5:00 p.m.

/s/ Cheryl Simmons

Cheryl Simmons

Staff to the Advisory Committees

*Approved: June 13, 2019*

## **Member Advisory Committee**

### **FY 2019-2020 Meeting Schedule**

#### **August**

Thursday, August 8, 2019

#### **October**

Thursday, October 10, 2019

#### **December**

Thursday, December 12, 2019

#### **February**

Thursday, February 13, 2020

#### **April**

Thursday, April 9, 2020

#### **June**

Thursday, June 11, 2020

### **Regular Meeting Location and Time**

CalOptima  
[www.caloptima.org](http://www.caloptima.org)  
505 City Parkway West, 1<sup>st</sup> Floor  
Orange, CA 92868  
Conference Room 109-N  
2:30 p.m. – 5:00 p.m.

All meetings are open to the public. Interested parties are encouraged to attend.

## **Member Advisory Committee FY 2018-2019 Accomplishments**

During FY 2018-19, the Member Advisory Committee (MAC) of the CalOptima Board of Directors provided input on member issues to ensure that CalOptima members receive high quality health care services. The following list highlights the accomplishments:

- § MAC members wrote letters of support to for the Denti-Cal Initiative to the Department of Health Care Services
- § MAC members reviewed the intergovernmental transfer (IGT) projects and supported the funding of the proposed programs, as well as the proposed recommendations for the use of the remaining IGT funds.
- § MAC Members at the request of the Board gave input into the Delivery System and the Auto Assignment. MAC came together with the Provider Advisory Committee (PAC) to review the items and listen to public comment before providing the Board with the requested recommendation.
- § MAC participated in two joint advisory committee meetings during FY 2018-19. The first joint meeting was a Special MAC/ Provider Advisory Committee (PAC) on October 11, 2018 and the second was a MAC/OneCare Connect MAC (OCC MAC)/PAC and Whole-Child Model Family Advisory Committee (WCM FAC) on November 8, 2019. MAC hopes to continue to participate in joint advisory committee meetings on a yearly basis.
- § MAC's Seniors' representative continues to participate on the PACE Advisory Committee to provide input and reports to the Quality Assurance Committee of the Board regarding the PACE Center.
- § MAC held a special recruitment to identify candidates for several vacant positions. The MAC convened a special ad hoc committee to review the candidates for the vacant positions and submitted their recommendation at the May 2019 Board meeting.
- § A MAC Nomination Ad Hoc Subcommittee convened to select the proposed slate of candidates, Chair and Vice Chair for the positions due to expire on June 30, 2019. The MAC reviewed the proposed candidates at its special June 13, 2019 meeting and forwarded their recommendations to the Board for consideration and approval at its August 1, 2019 meeting.



- § MAC members and individuals from the community gave informative presentations at MAC meetings to help MAC stay connected to those they represent. Topics included: Healthy Smiles, Early Identification and Intervention within Pediatric Primary Care and Optometry's Role in Patient Care.
- § Several MAC members attended CalOptima sponsored community education events, such as Community Alliance Forums and Awareness and Education Seminars.
- § Several MAC members attend the Whole-Child Model Family Advisory Committee in support of CalOptima's newest advisory committee.
- § All MAC members completed the annual Compliance Training.
- § MAC Chair or Vice Chair presented a bi-monthly MAC Report at CalOptima Board of Directors' meetings to provide the Board with input and updates on the MAC's activities.
- § MAC members contributed at least 216 "official" hours to CalOptima during FY 2018-19, including MAC meetings, ad hoc meetings, and Board meetings which is equivalent to 27 days per year. These hours do not account for the innumerable hours that MAC members dedicate to members on a day-to-day basis.
- § MAC members shared the news with their constituencies and professional organizations regarding CalOptima's ranking as California's top-ranked Medi-Cal health plan, according to the National Committee for Quality Assurance's (NCQA's) Medicaid Health Insurance Plan Rankings for 2018–19.

The MAC thanks the CalOptima Board for the opportunity to provide updates on the MAC's activities. The MAC welcomes direction or assignment from the Board on any issues or items requiring study, research, and input.

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## MEMORANDUM

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**DATE:** June 6, 2019

**TO:** CalOptima Board of Directors

**FROM:** Michael Schrader, CEO

**SUBJECT:** CEO Report

**COPY:** Suzanne Turf, Clerk of the Board; Member Advisory Committee; Provider Advisory Committee; OneCare Connect Member Advisory Committee; and Whole-Child Model Family Advisory Committee

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### **Homeless Health Initiatives on Track; Clinical Field Teams Available Six Days a Week**

CalOptima's \$100 million commitment to homeless health was solidified in the past month, as clinical field teams expanded their availability and additional stakeholders provided feedback. Guided by your Board's ad hoc committee, which is meeting regularly to spearhead the effort, selected activities are summarized below.

- Clinical Field Team Coverage: In the time since launching on April 10, CalOptima's clinical field teams have ramped up their coverage quickly, now available for eight hours a day, six days a week. Coverage for South Orange County was also formalized with our newly contracted partner, Families Together of Orange County, which will launch a team in June.
- Clinical Field Team Learning Collaborative: On May 17, CalOptima staff gathered with clinical field team providers, community health center representatives and Orange County Health Care Agency Outreach and Engagement leaders for an interactive session focused on information sharing and clinical updates. The discussion among the group of more than 30 people touched on appropriate clinical services to be delivered in the field, recuperative care, medications, privacy and more. The collaboration among the attendees was valuable, and additional meetings will be planned.
- Stakeholder Input: The Board ad hoc committee has engaged with a number of stakeholders in the past month. The committee met with well-known advocates for the homeless: Mike Robbins, David Duran, Joshua Collins and Rebecca Kovacs-Stein. The advocates discussed their activities in support of Orange County's homeless community and shared insights about how CalOptima can build trust with members so as to have more impact. The committee also spoke with United Way's Sue Parks, Kaiser Foundation's Mark Costa and Heather Stratman, an independent consultant for city administration. Additional stakeholder meetings are in the planning stages with Whole-Person Care (WPC) representatives from Orange and San Bernardino Counties.
- Sacramento Meetings: Two members of the ad hoc, Paul Yost, M.D., and Ron DiLuigi, and I had productive meetings in Sacramento on May 21 with the following legislators: John Moorlach, Cottie Petrie-Norris, Tom Daly and Sharon Quirk-Silva. We also met with Tom Umburg's staff. All were informed about our efforts in the area of homeless health, and they asked to be kept apprised of our future work.
- Community Alliances Forum: On June 18, our Community Alliances Forum will focus on homelessness and the 2019 Orange County Point in Time Count. Our guest speakers are from the county — Susan Price, who will cover the results of the count, and Melissa Tober, who will discuss the WPC program. CalOptima staff will also provide an update regarding our

homeless initiatives. Given the considerable interest in Orange County's homeless crisis, the program is expected to attract a large number of attendees.

### **State Budget Revised Upward; Money Earmarked for Homeless Interventions**

Gov. Gavin Newsom released on May 9 a revised \$213.5 billion budget for FY 2019–20, known as the May Revise. This represents an increase of \$4.4 billion from his January budget proposal. He indicated that the state's revenue forecast continues to be positive and that California should enjoy a large surplus in the coming fiscal year. The governor proposes to spend some of that surplus on the state's response to the homeless crisis. The May Revise includes dedicating \$1 billion to homelessness prevention and response efforts, such as local government support for homeless emergency aid (\$650 million), expanded WPC programs (\$120 million) and mental health system improvements (\$150 million). In line with these efforts, the governor is proposing to direct the state Department of General Services to identify buildings on the Fairview Developmental Center site in Costa Mesa that could be used for homeless supportive housing for up to 200 individuals. The May Revise also contains other proposed changes that impact Medi-Cal, including additional funding for Proposition 56 provider incentive payments (\$70 million) and a lower estimated cost associated with the governor's proposed expansion of full-scope Medi-Cal to undocumented individuals up to age 26 (\$98 million for FY 2019–20). The Department of Health Care Services (DHCS) issued a budget summary [here](#). A final state budget will be enacted this month.

### **CalOptima Operating Budget Contains Both Rate Increases, Decreases**

DHCS released CalOptima's draft Medi-Cal rates for FY 2019–20 on May 16. In general, we received good news, with an unexpected modest rate increase for Medi-Cal Classic and Whole-Child Model and a rate decrease for Medi-Cal Expansion (MCE), as has been the experience for the past few years. The CalOptima Finance and Audit Committee approved an approach to pass along the reductions similar to the one taken two years ago when we reduced MCE rates only for the highest outlying professional and hospital capitation rates. Our June Board meeting focuses your full Board's review of the FY 2019–20 operating budget, which includes these new Medi-Cal rates and proposes an administrative budget trimmed to 4.4 percent.

### **Health Network CEOs Gather for Quarterly Meeting**

This past month, CalOptima held our quarterly health network CEO meeting to discuss three key topics: the Department of Managed Health Care's Knox-Keene regulations, the proposed rate changes in our FY 2019–20 budget and DHCS' new quality requirements stemming in part from an audit that showed deficiencies in Medi-Cal services for children. Of these issues, the first two are familiar to the networks, but more work is ahead for both CalOptima and the networks to grapple with the new quality standards. DHCS has increased the number of measures, raised the bar and made the standards effective for this calendar year, which prevents planning and may lead to sanctions if performance is inadequate. Currently and thankfully, CalOptima and our health networks largely meet the new standards, but we are working with the regulators through our associations on a smoother path to implementation and possible incentives for quality instead of penalties.

### **Intergovernmental Transfer (IGT) Ad Hoc Considers Grants Totaling \$17.7 Million**

CalOptima is moving toward awarding community grants using \$17.7 million in funds received from IGT 6/7. An ad hoc committee, which includes Supervisor Andrew Do and Ron DiLuigi,

met to consider staff's recommended eight recipients from among a total of 54 responses received. The priority areas are Children's Mental Health, Opioid and Other Substance Overuse, and Other Needs Identified by the Member Health Needs Assessment. As a next step, the ad hoc advised staff to engage county for additional feedback to ensure that the grants will go to unduplicated services not already being funded by the county and to explore opportunities to coordinate with other county programs. The ad hoc is targeting final selections for August.

### **Health Plan Associations Take Action Against Governor's Pharmacy Carve-Out Plan**

A coalition of associations, including Local Health Plans of California (LHPC), California Association of Health Plans, California Association of Public Hospitals, California Hospital Association and California Primary Care Association, proposed trailer bill language that puts parameters around the governor's Medi-Cal pharmacy benefit carve-out, including requirements that DHCS develop a detailed fiscal impact estimate and convene an advisory group to discuss all aspects of the change. Further, LHPC took the lead in commissioning a recent report by the Menges Group that resulted in three key findings: 1) a Medi-Cal pharmacy carve-out is likely to increase net pharmacy expenditures, 2) pharmacy benefit carve-in states outperform carve-out states, and 3) a Medi-Cal pharmacy carve-out would be detrimental to clinical integration and health outcomes. Associations and health plans, including CalOptima, are continuing to work with DHCS, the governor's office and the legislature to find an alternate way to achieve the desired pharmacy cost savings without negatively impacting care coordination and quality for millions of Medi-Cal members across the state.

### **Exploration of Dental Carve-In Continues; Dental Society Meeting Planned for July**

This past fall, your Board authorized staff to explore policy opportunities to carve in dental benefits for CalOptima's Medi-Cal members in Orange County. CalOptima staff have made significant progress in conducting outreach to local stakeholder groups to gauge their support for this potential change. More than 40 letters of support from stakeholders have been received, including from Congressman Lou Correa and State Sen. Pat Bates as well as the Orange County Health Care Agency. Staff has also been engaged in an ongoing dialogue with the Orange County Dental Society (OCDS). Although OCDS leadership is interested in the concept of dental integration, they had many follow-up questions about how such an effort would be implemented. Their primary issue relates to understanding the dental integration model being rolled out in San Mateo County by Health Plan of San Mateo compared with the Dental Managed Care program implemented in Los Angeles and Sacramento. Staff is working to clarify these approaches so as to address OCDS' concerns while also keeping CalOptima's policy options open with respect to delivery system design and implementation. Staff will make a presentation at the July OCDS Board meeting in support of the dental carve-in initiative.

### **CalOptima Employees Gather for All Hands Meeting to Recognize Accomplishments**

On May 22, employees attended our quarterly All Hands meeting. It is an important tool in solidifying our culture and demonstrating commitment to our mission. I spoke about our transformative work in children's health with the Whole-Child Model, mental health with Be Well OC and homeless health as described above. Other executive leaders gave updates about their departments as well. In one of the most inspiring segments of the meeting, we celebrated employment anniversaries, including one individual for 20 years and two for 15 years.



**CalOptima**  
Better. Together.

# Homeless Health Initiatives: Clinical Field Teams

**Provider Advisory Committee / Member Advisory Committee**  
**June 13, 2019**

**Tracy Hitzeman, RN, CCM**  
**Executive Director, Clinical Operations**  
**Sloane Petrillo, RN, BSN, PHN, CCM**  
**Director, Case Management**

# Clinical Field Team Pilot Program

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- On February 22, 2019, the CalOptima Board:
  - Ø Authorized funding to support “on the street” and shelter care for CalOptima members experiencing homelessness
- On April 4, 2019, the CalOptima Board:
  - Ø Ratified the implementation plan
  - Ø Authorized pilot to include members assigned to health networks
- On April 10, 2019, the Homeless Response Team launched

# Clinical Field Team Structure

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- Team Components

- Ø FQHC clinical and support staff

- Ø Vehicle for transportation of staff and equipment

- Clinical Services

- Ø Urgent care, wound care, vaccinations, health screening and point-of-care labs

- Ø Prescriptions and immediate dispensing of commonly used medications

- Ø Referrals and follow up

# Clinical Field Team Structure (cont.)

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- Referrals and Coordination
  - Ø Medical services
  - Ø Recuperative care
- Availability and Coverage
  - Ø 8:30 a.m.–5 p.m. Monday through Saturday
  - Ø Regular hours at shelters/hot spots
  - Ø Goal is to support extended hours and days



# Clinical Field Team Partnerships

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- Five current FQHCs
  - Ø Central City Community Health Center
  - Ø Hurtt Family Health Clinic
  - Ø Korean Community Services
  - Ø Serve the People
  - Ø Families Together

# CalOptima Homeless Response Team

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- Dispatch phone line and daily hours established
  - Ø Receive calls from County Outreach and Engagement staff and CHAT-H nurses
- Coordinate and dispatch Clinical Field Team
- Share information with health networks to facilitate follow-up care
- Provide additional support with visits to
  - Ø Shelters
  - Ø Hot spots
  - Ø Recuperative care facilities

# Member Experience

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- Dispatch for 'abscess'
- Wounds — failed skin graft x 1.5 years
- Barriers — low vision, poor navigation, no phone, substance use, serious wound, no connection with PCP, not engaged with care
- Strengths — lives in park, easy to find, fills rx, increasing engagement with staff and medical team

# Member Experience (cont.)

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- Options — refused recuperative care, wound care
- Connecting with CalOptima staff
  - Ø PCP change to FQHC, secured earlier appointment
- PCP visit — outreach and engagement  
transport/CalOptima non-medical transportation
- Now — new rx, PCP and wound care visits, asked for recuperative

# Partnering with Health Network

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- Coordination with health network
- Wound care referral
  - Ø Identification issues — HN negotiation with wound care clinic
- Case manager assigned
- Obtained phone
- Working on recuperative care placement

# The First Month — Numbers

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- Received 35 calls for dispatch
- Dispatched 34 Clinical Field Teams
- Twenty-nine received care
  - Ø Three refused, two left prior to team arrival
- Twenty-eight were current CalOptima members
- Twelve CalOptima social worker dispatches
  - Ø Forty-two percent of all visits
  - Ø Sixty percent of weekday visits
- Most are health network members
- Supported two encampment response efforts

# Treatment Locations

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- Shelters
- Soup kitchens
- Train station
- Bus stops
- Restaurants
- Strip malls
- Parks
- Courthouse

# Type of Treatment

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- Skin conditions
  - Ø Abscesses
  - Ø Dog bites
  - Ø Infections
  - Ø Bug bites
- Respiratory infections
- Fracture
- Post-hospital discharge
- Recuperative care assessments



# CalOptima Role

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- Dispatch clinical field teams
- Deploy social worker or Personal Care Coordinator as able
- Support members and promote communication between the County Outreach and Engagement, Public Health Nurses, and Clinical Field Teams
- Assist members with PCP changes
- Provide CalOptima cards
- Assist with referrals
- Communicate with health networks
- Promote trust and hand-off to networks

# CalOptima Case Management Role

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- Work with health networks to transition members
- Communicate with health network case managers
- Share member information
- Refer members for case management

# Health Network Role

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- Provide case management to members
- Receive referrals for services
- Support members in achieving goals
- Provide outside-the box solutions to reduce barriers to care

# What Have We learned?

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- Trust is essential
- Relationships are key
- Phone is not a good way to reach homeless members
- Challenge standard ways of delivering care (e.g., ID)
- Every barrier is an opportunity
- Think creatively
- Progress takes time
- Patience
- Members care about their health. Our task is to find ways to deliver care in ways each individual member will accept.

# Thank You

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- This population has many needs
- This is important work
- This is not easy work
- Our work is making a difference
- Thank you for partnering with us to provide care to our members

# CalOptima's Mission

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



# 2019-20 California State Budget

## May Revise: Analysis and CalOptima Impact

### May 2019

#### Overview

On May 9, 2019, Governor Newsom released a revised Fiscal Year (FY) 2019–20 state budget proposal (May Revise). The May Revise proposes a total state budget of \$213.5 billion, with General Fund spending at \$147 billion.<sup>1</sup> This represents an overall increase of \$4.4 billion from his January budget proposal. The Governor indicated that the state's revenue forecast continues to be positive and that California should enjoy a large budget surplus in the coming fiscal year.

Specific to health policy, Governor Newsom put forward major changes soon after his inauguration on January 7. He issued an executive order to consolidate pharmacy purchasing to lower drug costs and announced a plan to expand Medi-Cal to cover undocumented young adults, among other health-related initiatives. The May Revise includes several proposals that directly impact CalOptima and provides updated fiscal estimates for these proposals, including:

- Updates on the Pharmacy Services carve-out;
- Revisions to the expansion of Medi-Cal;
- Proposition 56 supplemental payment funding;
- Funding to respond to the homelessness crisis; and
- Sunset of the Managed Care Organization (MCO) tax.

#### The Medi-Cal Budget

The Medi-Cal budget for FY 2019–20 has been slightly increased in the May Revise as compared to the January budget proposal. This is based on an estimated statewide enrollment of 13 million beneficiaries, which is essentially flat as compared to caseload projections for the previous fiscal year.<sup>2</sup>

#### FY 2019–20 Proposed Medi-Cal Budget

	January Proposal	May Revision
Overall Budget	\$100.7 billion	\$102.2 billion
General Fund	\$22.9 billion	\$23.0 billion

#### Pharmacy Services Carve-Out

One of the Governor's proposals with the greatest impact to CalOptima and Medi-Cal managed care plans is the carve-out of prescription drugs from Medi-Cal managed

care and the return of this benefit to fee-for-service (FFS), no sooner than January 1, 2021.<sup>3</sup> This is part of an overall plan to boost the state's negotiating power with pharmaceutical companies via a bulk purchasing strategy. The January budget proposal did not provide specific estimates of savings associated with this transition, however, the May Revise does provide an estimate of the state's savings from the carve out — \$393 million, beginning in fiscal year 2022–23. It is not clear, however, from where these savings would come and how much increased administrative cost the state would incur related to this transition. Also, given the data available from other states that have implemented a carve-out of pharmacy services from managed care, it is not clear whether such a policy would generate net savings for the state in the long term.

The state's nonpartisan Legislative Analyst's Office (LAO) recently released its analysis of the carve-out and stated that any initial savings associated with this policy would likely be "in large part due to the state paying for 340B drugs at cost" rather than bulk purchasing.<sup>4</sup> Further, the LAO states that "the coordination and management of Medi-Cal beneficiary's prescription drug use could be weakened under the administration's plan" due to less timely delivery of prescription drug utilization information to plans. The state's current information technology infrastructure is not likely to support real time pharmacy data exchange — such as information on when members fill prescriptions — which, in turn, is likely to negatively impact disease management and opioid curtailment programs, among others.<sup>5</sup>

LAO's recommendation to the legislature is to request the Department of Health Care Services (DHCS) to provide a more comprehensive and detailed estimate of state savings before authorizing the new state resources that DHCS would need to implement the carve-out.<sup>6</sup>

#### Expanding Full-Scope Medi-Cal

In January, the Governor proposed the expansion of full-scope Medi-Cal to undocumented individuals ages 19 to 25, no sooner than July 1, 2019.<sup>7</sup> According to DHCS, by the end of the first year of implementation, the expansion will result in an estimated 138,000 newly eligible individuals receiving full-scope benefits at a cost of \$194 million to the state's General Fund (\$260 million total).



The May Revise proposes pushing the expansion start date to no sooner than January 1, 2020. As such, the expansion has a lower estimated cost in FY 2019–20 (\$98 million for FY 2019–20). If approved, CalOptima could expect additional members enrolled into our Medi-Cal program. To date, DHCS has not provided per county estimates of potential enrollment.

Of note, two companion bills are currently moving through the legislature – Assembly Bill (AB) 4 and Senate Bill (SB) 29 – that would expand full-scope Medi-Cal to cover all undocumented individuals regardless of age for a cost of \$1.8 billion General Fund (\$2.4 billion total). Please see the chart below for a comparison between the Governor's proposal and AB 4/SB 29.

### FY 2019–20 Medi-Cal Expansion for the Undocumented

	Governor's Proposal	AB 4/SB 29
Age Range	19 to 25	19 to 65+
Estimated Enrollment Increase	90,000	2,145,444
Estimated Cost	\$74 million (\$98 million total)	\$1.8 billion GF (\$2.4 billion total)
Implementation Date	No sooner than January 1, 2020	No sooner than July 1, 2019

Sources: May Revision 2019–20 and Senate Committee on Appropriations Analysis of SB 29

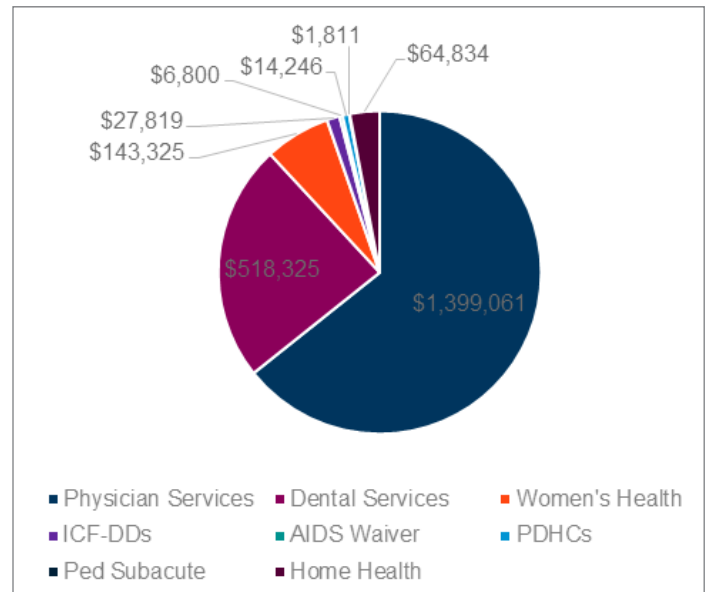
### Additional Proposition 56 Medi-Cal Funding

California voters approved Proposition 56 in November 2016, which increased state taxes on tobacco products. A large portion of the revenue raised by Proposition 56 is designated for augmenting the state's Medi-Cal budget through supplemental payments for physicians and dentists, among other health care treatment expenditures.

The January budget proposed maintaining existing Proposition 56 supplemental payments to providers and creating new programs funded by these revenues. One new Proposition 56 program would establish incentives for providers to increase or improve services in high-impact areas, such as behavioral health, prenatal/postpartum care or chronic disease management.

The May Revise proposes to allocate an additional \$70 million for Proposition 56 provider incentive payments related to behavioral health integration, bringing the total amount proposed for FY 2019–20 to \$2.2 billion.<sup>8</sup> Please see the chart below for a breakdown of proposed Proposition 56 spending for FY 2019–20.

### FY 2019–20 Proposition 56 Spending



Source: Senate Budget Committee, Subcommittee on Health and Human Services<sup>9</sup>

It is important to note that the May Revise proposes a sunset date of December 31, 2021 for all current Proposition 56 investments. Starting January 1, 2022, the state's plan is to use the proceeds from Proposition 56 for general Medi-Cal spending.<sup>10</sup>

### Response to the Homelessness Crisis

The Governor is proposing to spend some of the state's projected FY 2019–20 surplus on a response to the homelessness crisis. The May Revise includes:

- A proposal to dedicate \$1 billion to homelessness prevention and mitigation efforts, such as local government support for homeless emergency aid (\$650 million);
- Expanded Whole Person Care pilots (\$120 million); and
- Bolstering the public mental health system (\$150 million).

In line with these efforts, the Governor is proposing to direct the state Department of General Services (DGS) to identify buildings on the Fairview Developmental Center site in Costa Mesa that could be used for homeless supportive housing. This is in line with AB 1295, legislation proposed by Orange County Assembly Member Sharon Quirk-Silva, that would designate 200 beds in the Fairview facility, pending DGS review, for individuals with severe mental illness who are experiencing homelessness. This proposed temporary housing program would run until December 31, 2025.

### Managed Care Organizations (MCO) Tax

The Governor is continuing to assume the sunset of the MCO tax at the end of this fiscal year. The MCO Tax generates approximately \$1 billion for the Medi-Cal program per year, as well as \$300 million in funding to support services for individuals with developmental disabilities.<sup>11</sup> The current iteration of the MCO tax, which became effective in July 2016 via a Centers for Medicare & Medicaid Services (CMS) waiver, will sunset on June 30, 2019. Extending it would require reauthorization from the state Legislature and approval from CMS.<sup>12</sup> The health insurance industry in California has supported participation in the MCO tax, as it has resulted in substantial revenue streams for health care programs.

Of note, when addressing the impending sunset of the MCO tax during the May revise press conference,

Governor Newsom mentioned that the state was not seeking a renewal of the MCO tax “at this time.” This leaves open the possibility that the state may pursue renewal of the tax in subsequent years, but that the effort to seek its renewal for the next fiscal year is over.

### Next Steps

The negotiations between the legislature and the Governor will continue in the coming weeks, as budget legislation implementing the Governor’s proposals is introduced and debated. The legislature will continue holding budget hearings and has until June 15 to pass and submit a final state budget for Governor Newsom’s approval. CalOptima will closely follow the ongoing budget discussions and provide updates regarding issues that have an impact on the agency.

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### Endnotes

<sup>1</sup> May Revision 2019–20, p. 9, available at: <http://www.ebudget.ca.gov/2019-20/pdf/Revised/BudgetSummary/FullBudgetSummary.pdf>

<sup>2</sup> Ibid., p. 36

<sup>3</sup> Department of Health Care Services, “2019–20 Governor’s Budget Highlights,” p. 6, available at: [https://www.dhcs.ca.gov/Documents/Budget\\_Highlights/FY\\_2019-20\\_MR\\_Highlights.pdf](https://www.dhcs.ca.gov/Documents/Budget_Highlights/FY_2019-20_MR_Highlights.pdf)

<sup>4</sup> Legislative Analyst’s Office, “The 2019–20 Budget: Analysis of the Carve Out of Medi-Cal Pharmacy Services From Managed Care,” p. 12, available at: <https://lao.ca.gov/reports/2019/3997/medi-cal-pharm-services-040519.pdf>

<sup>5</sup> Ibid, p. 14

<sup>6</sup> Ibid, p. 18

<sup>7</sup> Governor’s Budget Summary 2019–20, p. 65, available at: <http://www.ebudget.ca.gov/2019-20/pdf/BudgetSummary/FullBudgetSummary.pdf>

<sup>8</sup> Department of Health Care Services, “2019–20 Governor’s Budget Highlights,” p. 5, available at: [https://www.dhcs.ca.gov/Documents/Budget\\_Highlights/FY\\_2019-20\\_MR\\_Highlights.pdf](https://www.dhcs.ca.gov/Documents/Budget_Highlights/FY_2019-20_MR_Highlights.pdf)

<sup>9</sup> Senate Budget Committee, Subcommittee on Health and Human Services, Agenda for May 15, 2019 Hearing, p. 18, available at: <https://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/05152019%20--%20MAY%20REVISION%20AND%20OPEN%20ISSUES%20%28Part%202%29.pdf>

<sup>10</sup> Ibid.

<sup>11</sup> Governor’s Budget Summary 2019–20, p. 70, available at: <http://www.ebudget.ca.gov/budget/2019-20/#/BudgetSummary>

<sup>12</sup> Legislative Analyst’s Office, “The 2019–20 Budget: Overview of the Governor’s Budget,” p. 12, available at: <https://lao.ca.gov/reports/2019/3916/budget-overview-2019.pdf>

### 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. 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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