

**NOTICE OF A  
SPECIAL MEETING OF THE  
CALOPTIMA BOARD OF DIRECTORS'  
ONECARE CONNECT CAL MEDICCONNECT PLAN  
(MEDICARE-MEDICAID PLAN)  
MEMBER ADVISORY COMMITTEE**

**AUGUST 22, 2019  
3:00 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 April 25, 2019 Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee (OCC MAC).

**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 OCC MAC. 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 2019-20 OCC MAC Meeting Schedule](#)
- B. Consider Recommendation of Chair and Vice Chair

**VI. CEO AND MANAGEMENT REPORTS**

- A. [Chief Executive Officer \(CEO\) Update](#)
- B. Chief Medical Officer (CMO) Update

**VII. INFORMATION ITEMS**

- A. [Federal and State Legislative Update](#)
- B. Health Homes Program Update
- C. [Behavioral Health Update](#)
- D. [Annual Healthcare Effectiveness Data and Information Set \(HEDIS\) Report](#)
- E. OCC MAC Member Updates

**VIII. COMMITTEE MEMBER COMMENTS**

**IX. ADJOURNMENT**

# MINUTES

## REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' ONECARE CONNECT CAL MEDICONNECT PLAN (MEDICARE-MEDICAID PLAN) MEMBER ADVISORY COMMITTEE

April 25, 2019

A Regular Meeting of the CalOptima Board of Directors' OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan) Member Advisory Committee (OCC MAC) was held on April 25, 2019 at CalOptima, 505 City Parkway West, Orange, California.

### **CALL TO ORDER**

Chair Corzo called the meeting to order at 3:02 p.m. and led the Pledge of Allegiance.

### **PUBLIC COMMENT**

Mike Robbins, Housing is a Human Right Orange County (HHROC), Mark Daniels, HHROC, Jeanine Robbins, HHROC, Rebecca Kovacs-Stein, HHROC, Joshua Collins, Homeless Advocates for Christ, and Wes Jones, Anaheim People's Homeless Taskforce – Oral re: Agenda Item VII.A. Homeless Health Update.

*Chair Corzo rearranged the agenda to hear Management Reports until quorum was attained.*

### **CEO & MANAGEMENT REPORTS**

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

David Ramirez, M.D., Chief Medical Officer, provided a verbal report on the importance of the member experience and quality member care. He noted that CalOptima is exploring the options of Telehealth and E-Consults for members. Dr. Ramirez also talked about the new Member Portal that will be available on the CalOptima website.

### **INFORMATION ITEMS**

#### **OneCare Connect Member Benefits Overview Presentation**

Andrew Tse, Manager, OneCare Connect Customer Service, presented an overview of the OneCare Connect (OCC) benefits and the OCC Annual Notice of Change (ANOC).

#### **CalOptima Behavioral Health Presentation**

Donald Sharps, M.D., Medical Director, Behavioral Health, provided an OCC and OneCare (OC) Behavioral Health update. He noted the vendor Magellan Behavioral Health Care is continuing to manage OC and OCC mental health. Dr. Sharps also provided an update on the Medi-Cal behavioral health which transitioned from Magellan to CalOptima January 2018.

#### **Homeless Health Update**

Michael Schrader, Chief Executive Officer, provided a verbal update on the Homeless Health Initiative. He noted that CalOptima's Board of Directors' made a \$100 million commitment to homeless health and have allocated another \$40 million towards recuperative care. CalOptima in

partnership with the County is providing recuperative care where homeless individuals can reside for up to 90 days. Mr. Schrader also noted that CalOptima had launched their clinical field teams in on April 10, 2019 and that these clinical field teams consisted of a physician and a medical assistant and will be available on an on-call basis. The Orange County Health Care Agency (OCHCA) is also providing an Outreach and Engagement Team known as the Blue Shirts to assist the clinical field teams. Mr. Schrader also provided a brief update on the four Orange County Federally Qualified Health Centers (FQHCs) currently working with CalOptima on this initiative.

*Chair Corzo requested a roll call at 4:15 p.m. to confirm that a quorum had been achieved.*

### **ESTABLISH QUORUM**

Members Present: Gio Corzo, Chair; Chair; Patty Mouton, Vice Chair; Josefina Diaz, Sandy Finestone, Sara Lee, Jyothi Atluri (non-voting), Erin Ulibarri (non-voting), Keiko Gamez (4:03pm)

Members Absent: George Crits, M.D. (non-voting)

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; David Ramirez, M.D., Chief Medical Officer; Belinda Abeyta, Interim Executive Director Operations; Candice Gomez, Executive Director, Program Implementation; Emily Fonda, M.D., Medical Director, Medical Management; Donald Sharps, M.D., Medical Director, Behavioral Health; Albert Cardenas, Director, Customer Service (Medicare); Cheryl Simmons, Staff to the Advisory Committees, Customer Service; Samantha Fontenot, Program Specialist, Customer Service

### **MINUTES**

#### **Approve the Minutes of the February 28, 2019 Regular Meeting of the CalOptima Board of Directors' OneCare Connect Member Advisory Committee**

*Action: On motion of Vice Chair Mouton, seconded and carried, the Committee approved the minutes of the February 28, 2019 meeting. (Motion carried 6-0-0)*

### **REPORTS**

#### **Consider Approval of the FY 2019-2020 OCC MAC Meeting Schedule**

Chair Corzo asked the members to review the various OCC MAC meeting schedules provided. After review of the schedules, the committee asked staff to revise the schedule and return it for approval at the June 27, 2019 meeting.

#### **Consider Recommendation of OCC MAC Slate of Candidates**

Vice Chair Mouton, reported that the Nominations Ad Hoc Committee met on April 10, 2019 and included OCC MAC member, Keiko Gamez, MAC Chair, Sally Molnar and herself serving on the ad hoc. The Committee reviewed four applications for the five expiring seats and recommended the

following slate of candidates: Sandy Finestone for the Persons with Disabilities Representative; Sara Lee for the Ethnic or Cultural Community Representative, Mario Parada (new applicant) for the IHSS/Union Provider Representative, Josefina Diaz for one of the OCC Member/Family Member Representative seats and Donald Stukes (new applicant) for the Member Advocate Representative, fulfilling the remaining term, which expires on June 30, 2020. Vice Chair Mouton indicated that recruitment for the remaining OCC Member/Family Member Representative will continue until a candidate has been identified and also mentioned that the Chair and Vice Chair positions will be determined at the same time the new members are seated in August 2019.

***Action: On motion of Chair Corzo, seconded and carried, the OCC MAC approved the FY 2019-21 Slate of Candidates and the Member Advocate Representative with a term through June 30, 2020. (Motion carried 6-0-0)***

### **OCC MAC Member Updates**

Chair Corzo, reported that the OCC MAC is also recruiting to fill the Long-Term Services and Supports Representative seat vacated when Ted Chigaros resigned.

### **ADJOURNMENT**

Chair Corzo announced that the next OCC MAC Meeting will be held on Thursday, June 27, 2019 at 3:00 p.m.

Hearing no further business, Chair Corzo adjourned the meeting at 4:37 p.m.

/s/ Cheryl Simmons

Cheryl Simmons

Staff to the Advisory Committees

*Approved: August 22, 2019*



**Cal MediConnect Plan (Medicare-Medicaid Plan)**

**OneCare Connect Member Advisory Committee  
FY 2019-2020 Meeting Schedule**

**August**

Thursday, August 22, 2019\*

**October**

Thursday, October 24, 2019

**December**

Thursday, December 19, 2019

**February**

Thursday, February 27, 2020

**April**

Thursday, April 23, 2020

**June**

Thursday, June 25, 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  
3:00 p.m. – 5:00 p.m.

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

\*Denotes Special Meeting

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## MEMORANDUM

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**DATE:** August 1, 2019

**TO:** CalOptima Board of Directors

**FROM:** Michael Schrader, CEO

**SUBJECT:** CEO Report

**COPY:** Sharon Dwiers, Interim 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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### **Active Communication, Collaboration Lead to Smooth Whole-Child Model (WCM) Transition on July 1**

CalOptima began providing California Children's Services (CCS) benefits to approximately 11,700 CCS-eligible members under the WCM program on July 1. Ample preparation and frequent communication with members, providers and health networks resulted in a seamless transition. Below are several elements that contributed to the success of this major effort:

- **Member Outreach:** In advance of the transition, members experienced a high level of outreach. They received a 90-day and 60-day notice prior to July 1, a WCM Member Guide developed by CalOptima, and automated calls during a call campaign that had a 72 percent success rate. Our Case Management department also connected with members to complete Health Needs Assessments. Staff reported that families were eager to engage in conversation and expressed gratitude for the outreach. Additionally, each WCM member was assigned a Personal Care Coordinator from whom they received a welcome letter.
- **Member Services and Resources:** All eligibility processes are in place and functioning, enabling members to reliably access necessary services, including from out-of-county tertiary care facilities. Members and families who need support with navigation and questions can reach out to a dedicated WCM Member Liaison team at CalOptima or view our member-oriented WCM webpage [here](#). Special thanks to our WCM Family Advisory Committee, which has met bimonthly since 2018 to help guide communication with members and influence our implementation process.
- **Engagement:** In the months leading up to July, CalOptima, the Orange County Health Care Agency (HCA), providers, health networks and community-based organizations collaborated regularly and became well-oriented to the WCM program. CalOptima partnered with HCA to understand the best practices of the current CCS program and developed processes to continue coordination among HCA, providers, health networks and CalOptima. CalOptima's Provider Relations team held WCM-focused group and individual trainings. A WCM Clinical Advisory Committee, including representatives from HCA, the health networks and CCS-paneled providers, provided critical clinical input. Family Voices, an organization that focuses on children with special health needs, recently acknowledged that our thorough engagement of all affected organizations and members positively contributed to the smooth transition.
- **Post-Transition Huddles:** In the first few weeks of the transition, CalOptima held separate daily huddle meetings with HCA, health networks and internal staff to ensure any issues

that arose were addressed promptly. The frequency of the meetings was reduced by mid-July when concerns were minimal.

- **CCS Advisory Group:** On July 24 in Sacramento, leaders from CalOptima and HCA presented an update about Orange County's WCM transition to the advisory group, which is led by DHCS and includes representatives from all counties that have transitioned to WCM. Kristen Rogers, a parent who participates on our WCM Family Advisory Committee, and I are members of the group. Chief Medical Officer David Ramirez, M.D., and Tracy Hitzeman, executive director, clinical operations, presented on CalOptima's recent transition.

There are many individuals and groups responsible for the effective outcome of this project, and CalOptima appreciates everyone's contribution to ensuring that Orange County's CCS-eligible children realize the benefits of integrated care.

### **Board Makes Allocation Decisions About Homeless Health Initiative; CalOptima Releases Funding for Be Well OC**

On June 27, Board members allocated the remaining \$60 million of the \$100 million Homeless Health Initiative to four distinct areas: clinic health care services in all homeless shelters; mobile health team response to all homeless providers; residential support services and housing navigation; and recuperative care for homeless individuals with chronic physical health issues. The ad hoc committee continues to meet regularly to oversee the effort involved in implementing the new and previously approved activities. Below are two updates of note.

- **Be Well OC:** CalOptima's partnership with Orange County, St. Joseph Hoag Health and Kaiser Foundation in support of the Be Well OC Regional Mental Health and Wellness Campus moved forward on July 12, when CalOptima released \$11.4 million to the County. An item at your August meeting will ratify this action.
- **Behavioral Health In-Service:** Also on July 12, nearly 30 clinical field team representatives and CalOptima staff participated in a meeting focused on the HCA behavioral health system and services available. The valuable exchange helped the attendees better understand how to work with homeless individuals who have mental health needs.

### **CalOptima Strategic Planning Session Set for Friday, August 9**

CalOptima Board members will begin the strategic planning process for the agency's next three-year plan, setting the course for 2020–22. California Health and Human Services Secretary Mark Ghaly, M.D., has agreed to attend the session on Friday, August 9, to provide an overview of the state's health care landscape. Facilitated by Chapman Consulting, the meeting, scheduled for 9:15 a.m. to 4 p.m. at CalOptima's offices, will be open to the public.

### **Pharmacy Carve-Out Meeting Allows Health Plans to Air Their Concerns**

On July 24, the Department of Health Care Services (DHCS) convened the Pharmacy Carve-Out Advisory Group in Sacramento. It was an important opportunity for Medi-Cal managed care plans to provide feedback regarding the proposed transition of pharmacy to a fee-for-service program. Our state associations were successful in lobbying for a stakeholder process prior to the implementation of the governor's executive order. CalOptima attended, and our message remained the same: We support the idea of lowering pharmacy costs through bulk purchasing and use of a statewide fee schedule but believe care coordination for Medi-Cal members could suffer if the pharmacy benefit is removed from managed care plans. However, the governor



appears intent on this transition, announcing on July 22 that DHCS will soon begin accepting proposals to implement a consolidated state negotiation and purchasing system.

### **State Exploring Value-Based Payments for Behavioral Health Integration Projects**

DHCS is in the process of developing a value-based payment program for behavioral health. The goal is to improve physical and behavioral health outcomes through better coordination and integration. Under the proposal, providers can implement one of six different types of integration projects for the value-based payment, which would flow through the managed care plan. The California Association of Health Plans provided comments on the department's proposal on behalf of member plans, including CalOptima. While we support the idea of providing incentives for integration, there are some questions about the health plans' role in administering value-based payments. More information about this program will be available after the comments are considered.

### **Assembly Bill Outlines How State Can Implement Sanctions for Medi-Cal Deficiencies**

A state audit released in March found deficiencies in Medi-Cal services for children, leading DHCS to implement new quality requirements and financial sanctions. On July 1, Assembly Bill 1642 became the policy bill vehicle for the sanctions language, which expands the regulator's authority. Both of CalOptima's state associations have taken a stance of "oppose unless amended" on the bill. The bill advanced from the Senate Committee on Health on July 11 and will next travel to the Senate Committee on Appropriations following the Legislature's summer recess. More amendments are expected. Given the potential impact on CalOptima, our state advocates, Edelstein Gilbert Robson & Smith, are also working to ensure reasonable controls.

### **Presentation to Local Dental Society Is Key Step in Exploring Dental Integration**

After collecting community letters of support for exploring dental integration, CalOptima has taken the next step to engage leaders in the Orange County Dental Society (OCDS). On July 23, CalOptima presented an overview about our agency and interest in collaborating to explore integrating physical and dental health for our members. Having grassroots support from OCDS will help pave the way to approach the California Dental Society (CDA) next. If CDA is also amenable to exploration of a dental carve-in, CalOptima will approach DHCS to propose a pilot project for a future state budget. A fellow county organized health system, Health Plan of San Mateo is currently working on a state-approved dental integration pilot.

### **Longtime Provider Advisory Committee Member Dr. Caliendo Passes Away**

A member of our Provider Advisory Committee for nearly a decade, pediatrician Theodore Caliendo, M.D., 77, passed away on June 20. His many CalOptima colleagues and friends appreciated his insights about the physician community and willingness to serve by taking on additional roles within the committee. A celebration of his life was held in July.

# 2019-20 California State Budget

## Enacted Budget: Analysis and CalOptima Impacts

### July 2019

#### Overview

On 6/28/19, Governor Newsom signed Assembly Bill (AB) 74 into law, California's fiscal year (FY) 2019-20 state budget bill. AB 74 will enact a \$214.8 billion spending plan for FY 2019-20, with General Fund (GF) spending at \$147.8 billion.<sup>1</sup>

Senate Bills (SB) 78 and 104 are health trailer bills designed to implement policy changes referenced in the budget bill. SB 78 was signed into law by the Governor along with the budget, and SB 104 was signed into law on 7/9/19. Government Affairs (GA) has been closely following several health policy changes that the Governor proposed in January as part of his initial budget proposal and updated in the May Revise. SB 78 and SB 104 contain many of these policy changes and the table below presents issues addressed in each bill that will impact the Medi-Cal program.

SB 78	SB 104
<ul style="list-style-type: none"> <li>■ Prop 56 Value Based Payment (VBP) Behavioral Health integration program</li> <li>■ Pharmacy carve-out fiscal impact study</li> <li>■ Optional benefit restoration (audiology, speech therapy, podiatry, and incontinence creams)</li> <li>■ Managed Care Organization (MCO) tax intent language</li> <li>■ Health Homes Program (HHP) extension until 7/1/24</li> <li>■ Expansion of Screening, Brief Intervention, and Referral to Treatment (SBIRT) to include drug screenings</li> </ul>	<ul style="list-style-type: none"> <li>■ Expansion of full-scope Medi-Cal to undocumented immigrants ages 19-25</li> <li>■ Eligibility expansion for low income seniors (122% FPL to 138% FPL)</li> <li>■ Extension of pregnancy-related Medi-Cal coverage (60 days to 12 months)</li> <li>■ Implementation of a PACE rates adjustment</li> </ul>

These and other major issues pertinent to CalOptima are addressed below.

#### Medi-Cal Budget

The Budget Act includes a spending plan of \$106.5 billion for Medi-Cal, which includes \$23.6 billion GF and \$67.1 billion from federal funds, as well as \$15.8 billion in special funds. Overall, this represents a \$2.1 billion increase in Medi-Cal funding as compared to FY 2018-19.<sup>2</sup>

#### 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 through this ballot initiative is designated for supplementing the state's Medi-Cal budget. The FY 2019-20 Budget allocates \$1.26 billion in Proposition 56 funds for: supplemental payments and rate increases for Medi-Cal providers; value-based payments related to behavioral health services; developmental screenings for children; trauma screenings for children and adults; provider training for trauma screenings; family planning services in Medi-Cal; and the provider loan repayment program, among other allocations. Please see the table below for funding details regarding each of these payment programs.

**Proposition 56 Investments in Medi-Cal<sup>3</sup>**  
(Dollars in Millions)

Category		2019-20
Supplemental Payments	Physician Services	\$454.2
	Dental Service	\$195.7
	Women's Health and Family Planning	\$43.5
	Intermediate Care Facilities for the Development Disabled	\$13.0
	AIDS Waiver	\$3.4
	Community-Based Adult Services	\$13.7
	Non-Emergency Medical Transportation	\$5.6
	Free-Standing Pediatric Subacute Facilities	\$4.0
	Hospital-Based Pediatric Physicians Services	\$2.0
Rate Increases	Home Health Providers	\$31.2
	Pediatric Day Health Care Facilities	\$6.9
Other	Physician and Dentist Loan Assistance	\$120.0
	Value-Based Payments Program	\$250.0
	Trauma Screenings	\$13.6
	Developmental Screenings	\$23.1
	Provider Training for Trauma Screenings	\$25.0
	Additional Funds for Women's Health	\$50.0
<b>Total</b>		<b>\$1,254.9</b>

These funds flow through Medi-Cal managed care plans to individual providers that deliver certain services. The Department of Health Care Services (DHCS) recently released a draft program design document for the Behavioral Health Value Based Payment (VBP) program. Several other Proposition 56 payment programs have been submitted to the Centers for Medicare & Medicaid Services (CMS) and are pending approval before DHCS can provide further details regarding their implementation.

The physician and dental services supplemental payment programs will continue at the same payment levels as the previous fiscal year. Of note, the final budget includes contingency language suspending all Proposition 56 funding on 12/31/21, pending analysis of the state's future revenue outlook by the Department of Finance (DOF). The Governor's budget summary states that the "suspension will be lifted if the Administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years."<sup>4</sup> This contingency is attached to several spending measures included in the FY 2019-20 budget.

### Coverage Expansion for the Undocumented

The budget expands full-scope Medi-Cal coverage to undocumented individuals ages 19 to 25, no sooner than 1/1/20. According to DHCS, by the end of the first year of implementation, the expansion will result in an estimated 90,000 individuals receiving full-scope benefits at a cost of \$74 million to the state's General Fund (\$98 million total). Nearly 75 percent of these individuals are currently enrolled in restricted scope Medi-Cal, which covers emergency and pregnancy related services.<sup>5</sup> DHCS reported to its Stakeholder Advisory Committee on 7/10/19 that, similar to the transition of undocumented children ages 0-19 into full-scope Medi-Cal under the terms of SB 75 (Chapter 18, Statutes of 2015), DHCS will work with counties to notify potential beneficiaries.

Of note, SB 29 is a policy bill that would further expand full scope Medi-Cal to cover undocumented seniors. Please see the chart below for a comparison between the expansion enacted through the state budget and the expansion proposed in SB 29.

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

	Enacted State Budget	SB 29*
Age Range	19 to 25	65+
Estimated Enrollment Increase	90,000	25,000
Estimated Cost	\$74 million GF (\$98 million total)	\$94.5 million GF (\$115 million total)
Implementation Date	No sooner than 1/1/20	1/1/20

*Sources: California State Budget 2019-20 Summary and Assembly Committee on Health Analysis of SB 29*

\*Enrollment and cost estimates based on bill language as of August 6, 2019

## Pharmacy Benefit Carve-Out Advisory Group

As required by the language of SB 78, DHCS recently announced that it will convene an advisory group to receive feedback from managed care plans, hospitals, clinics and consumer advocates, among others, on the Governor's executive order to carve the pharmacy benefit out of Medi-Cal managed care.<sup>6</sup> The first advisory group meeting was held on 7/24/19 in Sacramento.

The May Revise provided an estimate of the state's savings from the carve-out — \$393 million, beginning in fiscal year 2022-23. It is not clear, however, where these savings would come from 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. As such, the legislature required that DHCS convene the advisory group and provide more detailed fiscal assumptions – especially savings estimates – as part of the Governor's budget proposal for FY 2020-21, which is due to be released in January 2020.<sup>7</sup>

## Benefit and Eligibility Expansions Effective No Sooner than January 1, 2020

The enacted budget appropriates \$56.3 million to restore the following optional benefits, effective no sooner than 1/1/20: audiology and speech therapy services, incontinence creams and washes, optician and optical lab services, and podiatric services.<sup>8</sup> Currently, CalOptima covers audiology and speech therapy as well as podiatric services for members without receiving reimbursement. Also effective no sooner than 1/1/20, the budget allocates \$63 million to expand eligibility for the Medi-Cal Aged, Blind, and Disabled population from 123 percent to 138 percent of the federal poverty level.<sup>9</sup> This would allow seniors and persons with disabilities to avoid paying a share of cost before becoming eligible to receive Medi-Cal benefits. Like Proposition 56 spending, both of these funding commitments will be suspended on 12/31/21, pending analysis of the state's revenue outlook by the DOF.

## Benefit and Eligibility Expansions Scheduled for FY 2020-21

Several policy changes that were authorized through the FY 2019-20 budget are expected to actually be implemented in FY 2020-21, including:

- The expansion of Screening, Brief Intervention, Referral and Treatment (SBIRT) services to include opioid and other drug screenings; and
- The extension of Medi-Cal maternal mental health benefits from 60 days to one year for pregnant women diagnosed with a maternal mental health condition.<sup>10</sup>

Currently, DHCS requires that managed care plans provide adult members 18 years of age or older with one alcohol misuse screening per year.<sup>11</sup> Both of these funding commitments will be suspended on 12/31/21, pending analysis of the state's revenue outlook by the DOF.

### Managed Care Organizations (MCO) Tax

In the January Budget proposal and the May Revise, the Governor had assumed the sunset of the MCO tax at the end of fiscal year 2018-19. The enacted budget package, specifically SB 78, contains language indicating the Legislature's intent to enact an MCO tax, contingent on CMS approval. Since this is intent language, with any description of tax structure, there are no MCO tax revenue estimates included in the bill.

As presently structured, 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>12</sup> The current iteration of the MCO tax, which became effective in July 2016 via a CMS waiver, was valid through 6/30/19. Medi-Cal managed care plans have consistently supported participation in the MCO tax, as it has resulted in substantial revenue streams for the program.

### Response to the Homelessness Crisis

The FY 2019-20 budget allocates \$1 billion to support local governments and other community stakeholders in addressing homelessness issues, including \$275 million for large cities and \$175 million for counties to expand emergency shelters and navigation centers, rapid rehousing programs, and permanent supportive housing, among other initiatives.<sup>13</sup> The budget also allocates an additional \$100 million for county whole person care pilot programs that "coordinate health, behavioral health, and social services focused on individuals who are experiencing homelessness, or who are at risk of becoming homeless, and have a demonstrated medical need for housing and/or supportive services."<sup>14</sup>

### Next Steps

Staff will continue to track policies enacted through the budget, especially policy discussions related to the pharmacy benefit carve-out and MCO tax, among other topics, and provide updates regarding issues that have a significant impact on the agency.

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### Endnotes

<sup>1</sup> California State Budget, 2019-20, p. 11, available at: <http://www.ebudget.ca.gov/2019-20/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf>

<sup>2</sup> Department of Health Care Services, Department Report/Budget Detail, available at: <http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/4000/4260.pdf>

<sup>3</sup> Ibid, p. 55

<sup>4</sup> Ibid, p. 57

<sup>5</sup> Ibid, p. 56

<sup>6</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>7</sup> Assembly Floor Analysis, SB 78, p. 6, available at: [http://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill\\_id=201920200SB78](http://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201920200SB78)

<sup>8</sup> California State Budget 2019-20, p. 57, available at: <http://www.ebudget.ca.gov/2019-20/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf>

<sup>9</sup> Ibid, p. 54

<sup>10</sup> Ibid., p. 57

<sup>11</sup> DHCS, All-Plan Letter 18-014, p. 2, available at: <https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPsandPolicyLetters/APL2018/APL18-014.pdf>

<sup>12</sup> Governor's Budget Summary 2019-20, p. 70, available at: <http://www.ebudget.ca.gov/budget/2019-20/#/BudgetSummary>

<sup>13</sup> Ibid, p. 67

<sup>14</sup> Ibid, p. 57



**CalOptima**  
Better. Together.

# **OC/OCC Behavioral Health Implementation Update**

**OCC Member Advisory Committee  
August 21, 2019**

**Edwin Poon, Ph.D.  
Director, Behavioral Health Services**

# OCC/OC Behavioral Health (BH) in 2018

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## Magellan

- 8,680 incoming calls to access a provider
- 1,067 average encounters per month
  - Ø 7–10 percent new starts each month
  - Ø 1,769 unique members (11 percent annual penetrance)
- 33 psychiatrists/nurse practitioners with claims
- 62 therapists with claims
- No prior authorization with monitoring of quality of care

# OCC/OC BH Transition

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- **Board approval May 2, 2019**

- Ø Integrate OneCare Connect (Medicare-Medicaid Plan) and OneCare (HMO Special Needs Plan) covered (BH) services within CalOptima internal operations effective January 1, 2020

- **CalOptima Transition Project Implementation**

- Ø Transition Project began May 3, 2019

- Ø Formal notification sent to Magellan June 3, 2019

- Ø Transition meeting with Magellan began June 24, 2019

- Ø Bi-Monthly CalOptima BH Transition Workgroup meetings

- Ø Weekly contracting sub-workgroup meetings

- Ø Bi-Monthly meetings with Magellan planning team



# OCC/OC BH Transition (cont.)

- **CalOptima Implementation Strategy and Goals**

- ∅ Focus on network contracting:

- § Credentialing and contracting with all Magellan OCC/OC BH providers (heavy emphasis on the providers with encounters within the last year)

- § Ensure network adequacy levels continue to be met.

- § Expanding Medi-Cal network by offering MC/OCC/OC contracts to providers who are Medi-Cal enrolled

- § Provider outreach and assistance

- § Goal: Transition will result in minimal to no member impact

- ∅ Operational Transition Areas:

- § Claims system

- § Prior authorizations (continuity of care)

- § BH services

# OCC/OC BH Transition (cont.)

- Magellan provider roster currently has **643** providers, consisting of **428** unique contracts/TINs. CalOptima plans to offer contract amendments to providers currently contracted with CalOptima through Medi-Cal.

	Unique Contracts/TINs
New Contracts	249
Amendments	179
Total	428

# OCC/OC BH Transition (cont.)

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- August 9 — Magellan notified their providers of the termination of OC/OCC contract at the end of the year.
- August 13 — CalOptima contract amendments sent to existing providers.
- August 23 — CalOptima new contract agreements going out.

# 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





**CalOptima**  
Better. Together.

# **HEDIS® 2019 Results (MY 2018 Performance)**

**OneCare Connect Member Advisory Committee  
August 22, 2019**

**Irma Munoz  
Lead Project Manager, Quality Analytics (HEDIS)**

# What Is HEDIS?

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- The Healthcare Effectiveness Data and Information Set (HEDIS) is a performance measurement tool used by health plans to reliably compare how they perform on important dimensions of care and service.
- HEDIS makes it possible to compare performance on an “apples-to-apples” basis to national benchmarks in more than 92 measures across six domains of care.
- All HEDIS results are independently audited annually.
- Results are calculated and reported annually.

# How Did CalOptima Perform? (2018 Results)

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- Medi-Cal

  - Ø **All DHCS MPLs were met!**

  - Ø 42 of 62 (68 percent) measures are better than last year.

  - Ø Opportunities for improvement: Respiratory, Behavioral Health, Well Care and Access to Preventive Care measures

- OneCare

  - Ø 12 of 27 (44 percent) measures are better than last year.

  - Ø Opportunities for improvement: Post Discharge Medication Reconciliation and Readmissions

- OneCare Connect

  - Ø 26 of 43 (60 percent) measures are better than last year.

  - Ø Opportunities for improvement: Breast Cancer Screening, Care for Older Adults, and Readmissions measures



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# OneCare Connect Results

# HEDIS 2019 OneCare Connect Hybrid Measures

	Quality Compass 50th percentile	CalOptima 2019 Rate	CalOptima 2019 Rate compared to 50th percentile
Adult BMI Assessment (ABA) +	98.00%	96.00%	↓
Controlling High Blood Pressure (CBP) +	73.42%	73.24%	↓
Comprehensive Diabetes Care (CDC) + — HbA1c Testing	94.21%	90.96%	↓
Comprehensive Diabetes Care (CDC) + — HbA1c Poor Control >9.0%*	21.94%	18.64%	↑
Comprehensive Diabetes Care (CDC) + — HbA1c Control <8.0%	67.88%	72.03%	↑
Comprehensive Diabetes Care (CDC) + — Eye Exam	73.84%	80.79%	↑
Comprehensive Diabetes Care (CDC) + — Medical Attention for Nephropathy	96.21%	96.05%	↓
Comprehensive Diabetes Care (CDC) + — Blood Pressure Controlled <140/90 mm Hg	69.34%	74.29%	↑
Care for Older Adults (COA) — Advance Care Planning	N/A	45.74%	
Care for Older Adults (COA) — Medication Review	N/A	84.18%	
Care for Older Adults (COA) — Functional Status Assessment	N/A	65.45%	
Care for Older Adults (COA) — Pain Assessment	N/A	81.51%	
Colorectal Cancer Screening +	71.89%	63.01%	↓
Medication Reconciliation Post-Discharge (MRP)	51.58%	56.93%	↑

\*Lower rate indicates better performance

Green=higher than last year; Red=lower than last year; +Specification changes

# HEDIS 2019 OneCare Connect Administrative Measures

	Quality Compass 50th percentile	CalOptima 2019 Rate	CalOptima 2019 Rate compared to 50th percentile
Adults' Access to Preventive/Ambulatory Health Services (AAP) — Total +	95.66%	90.12%	↓
Antidepressant Medication Management (AMM) — Acute Phase Treatment	69.78%	65.03%	↓
Antidepressant Medication Management (AMM) — Continuation Phase Treatment	54.22%	46.39%	↓
Disease Modifying Anti-Rheumatic Drug Therapy in Rheumatoid Arthritis (ART) +	77.63%	72.26%	↓
Breast Cancer Screening (BCS) +	72.97%	65.00%	↓
Use of High-Risk Medication in the Elderly* (DAE) — One Prescription	13.76%	8.61%	↑
Use of High-Risk Medication in the Elderly* (DAE) — At Least Two Prescriptions	9.03%	5.91%	↑
Potentially Harmful Drug-Disease Interactions in the Elderly* (DDE) — Total	40.38%	36.85%	↑
Follow-Up After Emergency Department Visit for People With High-Risk Multiple Chronic Conditions (FMC) — All Ages	NA	48.16%	

\*Lower rate indicates better performance

Green=higher than last year; Red=lower than last year; +Specification changes

# HEDIS 2019 OneCare Connect Administrative Measures (cont.)

	Quality Compass 50th percentile	CalOptima 2019 Rate	CalOptima 2019 Rate compared to 50th percentile
Follow-Up After Emergency Department Visits for Alcohol and Other Drug Abuse or Dependence (FUA) — 7 Day	6.84%	<b>1.75%</b>	↓
Follow-Up After Emergency Department Visits for Alcohol and Other Drug Abuse or Dependence (FUA) — 30 Day	10.71%	<b>1.75%</b>	↓
Follow-Up After Hospitalization for Mental Illness (FUH) — 7 Day +	28.97%	<b>17.82%</b>	↓
Follow-Up After Hospitalization for Mental Illness (FUH) — 30 Day +	50.61%	<b>37.36%</b>	↓
Follow-Up After Emergency Department Visits for Mental Illness (FUM) —7 Day +	28.57%	<b>22.58%</b>	↓
Follow-Up After Emergency Department Visits for Mental Illness (FUM) —30 Day +	46.75%	<b>43.01%</b>	↓
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment (IET) — Initiation Total All Ages	33.92%	<b>21.60%</b>	↓
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment (IET) — Engagement Total All Ages	3.68%	<b>1.22%</b>	↓

\*Lower rate indicates better performance

Green=higher than last year; Red=lower than last year; +Specification changes

# HEDIS 2019 OneCare Connect Administrative Measures (cont.)

	Quality Compass 50th percentile	CalOptima 2019 Rate	CalOptima 2019 Rate compared to 50th percentile
Osteoporosis Management in Women Who Had a Fracture (OMW) +	45.35%	55.10%	↑
Persistence of Beta-Blocker Treatment After a Heart Attack** (PBH)	90.23%	60%	N/A
Pharmacotherapy Management of COPD Exacerbation (PCE) — Systemic Corticosteroids	71.04%	59.86%	↓
Pharmacotherapy Management of COPD Exacerbation (PCE) — Bronchodilators	81.41%	81.69%	↑
Non-Recommended PSA Screening in Older Men* (PSA)	29.7%	42.39%	↓
Statin Therapy for Patients with Cardiovascular Disease (SPC) — Total Statin Therapy +	78.84%	72.07%	↓
Statin Therapy for Patients with Cardiovascular Disease (SPC) — Total Adherence +	76.41%	78.20%	↑
Statin Therapy for Patients with Diabetes (SPD) — Received Statin Therapy +	71.9%	73%	↑
Statin Therapy for Patients with Diabetes (SPD) — Statin Adherence +	74.56%	75.68%	↑
Use of Spirometry Testing in the Assessment and Diagnosis of COPD (SPR) +	32.73%	21.84%	↓

\*Lower rate indicates better performance

\*\* small denominator (<30)

Green=higher than last year; Red=lower than last year; +Specification changes

# Mission Statement

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

