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

THURSDAY, AUGUST 11, 2016
8:00 A.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. 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 June 9, 2016 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 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 PAC. 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

None

VI. CEO AND MANAGEMENT REPORTS

A. Chief Executive Officer (CEO) Update
B. Chief Financial Officer (CFO) Update
C. Chief Medical Officer (CMO) Update
D. Chief Operations Officer (COO) Update

VII. Information Items

A. Federal and State Budget Update
B. Liberty Dental Presentation
C. Cal MediConnect Satisfaction Survey Results
D. Illumination Foundation Presentation
E. Whole Person Care
F. PAC Member Updates

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT

MINUTES

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

June 9, 2016

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, June 9, 2016 at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

Teri Miranti, Acting PAC Chair, called the meeting to order at 8:05 a.m., and Member Caliendo led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present:	Theodore Caliendo, M.D.; Camille Fitzpatrick, MSN, ANP-BC, GNP-BC; Stephen N. Flood; Teri Miranti; George Orras, Ph.D.; FAAP; Cheryl Petterson; Mary Pham, Pharm.D, CHC ; Pamela Pimentel, R.N.; Suzanne Richards, RN, MBA, FACHE; Jacob Sweidan, M.D.
Members Absent:	Alan Edwards, M.D.; Jena Jensen; Pamela Kahn, R.N.; Barry Ross, R.N., MPH, MBA; Joseph M. Ruggio, M.D., FACP, FACC, FSCAI
Others Present:	Michael Schrader, Chief Executive Officer; Chet Uma, Chief Financial Officer; Gary Crockett, Chief Counsel; Richard Helmer, M.D., Chief Medical Officer; Ladan Khamseh, Chief Operating Officer; Phil Tsunoda, Executive Director, Public Affairs; Edwin Poon, Ph.D., Director, Behavioral Health; Lizeth Granados, Director Provider Network Management; Pshyra Jones, Director, Health Education and Disease Management; Cheryl Simmons, Staff to the PAC

MINUTES

Approve the Minutes of the May 12, 2016 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

Action: ***On motion of Member Caliendo seconded and carried, the Committee approved the minutes of the May 12, 2016 meeting. (Motion carried 10-0-0; Members Edwards, Jensen, Kahn, Ross and Ruggio absent.)***

PUBLIC COMMENTS

No requests for public comments were received.

REPORTS

Consider Recommending Board of Directors' Change to the Health Network Minimum Medi-Cal Enrollment Requirements

As a follow up to the April 14, 2016 PAC Meeting, Ladan Khamseh, Chief Operating Officer, provided an update on the Health Network Minimum and Maximum Enrollment. Ms. Khamseh discussed CalOptima Medi-Cal Policy EE.1106, Health Network (HN) and CalOptima Community Network (CCN) Minimum and Maximum Enrollment, which applies to Medi-Cal members only and requires the Health Networks and CCN to maintain an enrollment of at least 5,000 members following the first 12 months after initial member enrollment. After a robust discussion on the allowance of additional time to grow their memberships, PAC members recommended that the Board consider allowing flexibility to staff/CEO to extend the timeframe by providing an additional 18 months to achieve that goal. The additional months are contingent on the new health networks continuing to be in good standing operationally.

Action: ***On motion of Member Richards seconded and carried, the Committee recommended Board consideration of an extension up to 18-month for the new health networks to achieve the minimum Medi-Cal enrollment requirements. (Motion carried 10-0-0; Members Edwards, Jensen, Kahn, Ross and Ruggio absent.)***

CEO AND MANAGEMENT REPORTS

Chief Financial Officer Update

Chet Uma, Chief Financial Officer, presented CalOptima's Financial Summary for April 2016, which included FY 2015-16 Consolidated Enrollment, Revenues, Medical Expenses, and Administrative Expenses and Change In Net Assets . Mr. Uma noted that the FY 2015-16 Consolidated Enrollment is up by 0.5% for the month and by 1% on a year-to-date basis with enrollment tracking as budgeted. Medi-Cal Expansion continued to grow with an increase of 11.7% higher than budgeted in April. Mr. Uma noted that the actual Medical Loss Ratio is tracking well with the budget; Positive Net Assets are attributable to the savings in the Administrative Loss Ratio . Mr. Uma also reviewed the Health Network enrollment summary by health network as requested by the PAC. He reminded the PAC that the current Medi-Cal Expansion rates (MCE Rates) would expire on June 30, 2016.

Chief Medical Officer Update

Dr. Richard Helmer, Chief Medical Officer, provided an update regarding four initiatives currently in progress in Medical Affairs. They include the California Children Services, Whole Person Care, Health Homes and the Long-Term Care Initiative recently approved by CMS and the DHCS. Dr. Helmer also updated the PAC members on the Pay for Value program. After a lengthy discussion, the PAC concurred with two Information System initiatives: real-time tracking of members who present to the emergency department and/or admitted, and a robust CalOptima provider portal that would provide bi-directional information for utilization, care and quality management.

Chief Operating Officer Update
Ladan Khamseh, Chief Operating Officer, provided an update on the SB 75 transition of children to full scope Medi-Cal. Ms. Khamseh noted that although CalOptima was prepared to receive 9,800 children from this program, only 6,566 members transferred on June 1, 2016. An additional 641 children had already been transitioned prior to June 1. The Department of Health Care Services has indicated that there may have been issues with the transition of aid codes that prevented the entire population from transitioning and that the other County Organized Health Systems (COHS) were experiencing the same problems. The DHCS expects the remaining members to transition to CalOptima, but a timeframe has yet to be determined.

INFORMATION ITEMS

Federal and State Budget Update
Phil Tsunoda, Executive Director, Public Affairs, reviewed the unofficial election results from the June 7, 2016 Primary with the PAC members.

Behavioral Health Request for Proposal (RFP
Edwin Poon, Ph.D., Director of Behavioral Health, gave a presentation on the upcoming CalOptima Managed Behavioral Healthcare Organization Request for Proposal (RFP). Dr. Poon suggested that a PAC member be appointed to the RFP review panel. Member Dr. Edwards, Orange County Health Care Agency Representative has agreed to represent the PAC as a member of this panel. The PAC members also expressed concerns about the adequate assessment of the behavioral health network during the RFP process.

Group Needs Assessment
Pshyra Jones, Director, Health Education and Disease Management, presented information on the Groups Needs Assessment (GNA), which is required by Department of Health Care Services to be completed at least once every five years. Currently, the GNA is scheduled to be conducted during 3rd Quarter, 2016 and the results will be shared with PAC when available.

PAC Member Comments
Acting Chair Miranti reviewed the reappointments and new appointments to the PAC that were approved at the Board meeting on June 2, 2016. Outgoing members Fitzpatrick, Petterson and Ruggio were thanked for their service on the PAC and asked to return to the August meeting to be honored. Ms. Miranti reminded the PAC members that there would be no meeting in July.

ADJOURNMENT

There being no further business before the Committee, the Acting PAC Chair adjourned the meeting at 9:35 a.m.

/s/ Cheryl Simmons
Cheryl Simmons
Staff to the PAC

Approved: August 11, 2016

MEMORANDUM

DATE:	August 4, 2016
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

Medi-Cal Rates

At your Board's June meeting, CalOptima received approval of our FY 2016–17 Operating and Capital Budgets, which included rate adjustments for contracted providers in the Medi-Cal Classic and Medi-Cal Expansion (MCE) programs. However, staff had yet to propose a plan for implementing a budgeted 4 percent increase in Medi-Cal Classic rates for hospitals and professional services, including Community-Based Adult Services centers. Action was also continued on implementing MCE rate adjustments to specialists and aligning contract terms with the fiscal year. Further, an MCE rate adjustment is now being proposed for hospitals reimbursed using an All Patient Refined Diagnosis Related Group (APR-DRG) methodology to align their reimbursements with other contracted hospitals. Staff's recommended implementation plans for these rate changes will be presented to your Board this month. Medi-Cal Classic members represent three fourths of our overall membership, while our MCE population is one fourth.

Final FY 2016–17 State Budget

On June 27, Gov. Jerry Brown signed the state's FY 2016–17 budget into law. The budget is consistent with his overall focus on ensuring the state is prepared for a potential economic slowdown. As such, the budget transfers $2 billion more than the required amount into the state's Rainy Day Fund and pays down some existing debts and liabilities. At the same time, as a reflection of the state's current financial health, the budget increases funding for education and programs that address homelessness and poverty. Related to health care, Medi-Cal spending has increased marginally to account for additional items included in the budget, such as the limitation of Medi-Cal estate recovery and the restoration of acupuncture as a Medi-Cal benefit.

Department of Health Care Services (DHCS) Audit

In July, CalOptima received the final report from the annual DHCS audit of our Medi-Cal plan conducted in February 2016. Auditors stated that they found significant improvements, reporting only three findings compared with 31 in the prior year. Approximately 12 auditors came on-site, and the audit spanned two weeks and covered CalOptima and our health networks. Six categories were reviewed: utilization management, continuity of care, access and availability, members' rights, quality management, and administrative and organizational capacity.

OneCare Connect (OCC)

This summer marks two milestones for OCC, a Cal MediConnnect (CMC) plan authorized by California's Coordinated Care Initiative (CCI). July 2016 was the one-year anniversary of OCC operations and the completion of the passive enrollment process. As of August 2016, OCC has more than 19,000 members, which makes it the second largest CMC plan in California. Work continues within CalOptima and at the state level to enhance awareness of and enrollment in CMC plans. Below are updates about recent activities:

Direct Mail: Given that passive enrollment is complete, OCC is now focused on voluntary enrollment to continue its growth. To generate enrollment leads, CalOptima has launched a direct mail campaign, the marketing approach that proved successful with OneCare. Started in July, the campaign has two target audiences. First, individuals soon turning 65 will receive three notices over a 90-day period in advance of their birthdays, inviting these people "aging into" Medicare to consider OCC. CalOptima will mail to approximately 1,200 people a month. Second, all dual eligibles in Orange County will receive sales letters highlighting the benefits of the plan on a recurring basis.

Community Outreach: In partnership with the state's outreach contractor Harbage Consulting, CalOptima participated in an OCC Forum on July 20 for more than 40 stakeholders and other referral sources. I provided opening remarks, and a panel of stakeholders responded to questions. Other events are planned for the coming months to ensure awareness remains high.

Continuity of Care Provisions: As part of a broader CCI sustainability strategy, DHCS released in July a revised continuity of care policy designed to remove barriers between members and their current providers and encourage enrollment in CMC plans. Effective October 1, the continuity of care period for Medicare services will be increased from six months to 12 months to match the Medi-Cal continuity of care period, and the requirement to show an existing relationship with a specialist is just one visit within the prior 12 months, like it is with primary care providers. Continuity of care provisions allow members to receive care for a period to time from non-contracted providers with whom they have existing relationships while those providers enter into contracts with the plans.

Mental Health Services Act (MHSA) Funds

Orange County will have more options to support people experiencing a mental health crisis, thanks to Sen. John Moorlach's SB 1273 and new DHCS guidance. Supported by CalOptima, the legislation highlights the need to clarify the allowable uses for MHSA funds, and it passed unanimously in the Senate. With that impetus, DHCS took up the issue on the administrative side, issuing guidance in late July stating that counties may use MHSA funds to provide crisis stabilization services on a voluntary or involuntary basis. This will provide counties with more flexibility in funding outpatient care, which may help relieve emergency room overcrowding by people with mental health needs.

Whole-Person Care (WPC) Pilot

WPC pilots are part of the new five-year 1115 Medicaid Waiver. These pilots will be funded by county dollars, which are matched with federal funds through Intergovernmental Transfers (IGTs). On July 1, Orange County submitted an application to DHCS for a WPC pilot designed to better serve the homeless population. As the lead entity, OC Health Care Agency would contribute $2.35 million a year for the next five years and receive matching federal dollars, and

program spending would total $23.5 million. As the county's Medi-Cal plan, CalOptima is a required participating entity. Among the proposed elements of the pilot is WPC Connect, a system to alert participating entities when a person experiencing homelessness is treated in the emergency room. Those entities would then connect the individual to recuperative care or other supportive services. After reviewing WPC applications, the state will select counties in October.

SB 75: Medi-Cal for All Children
In the past few months, CalOptima has gained about 8,400 children members who are now eligible for full-scope Medi-Cal under SB 75, a bill that extends coverage to children under 19 regardless of immigration status. While the transition of about 9,800 Orange County children from limited-scope to full-scope Medi-Cal was originally supposed to occur June 1, the state encountered data issues that led to a phased transition process. About 6,000 children moved in June, another 2,400 transitioned in July, and the final group is expected in August.

Medical Loss Ratio (MLR) Audit Request for Proposal (RFP)
At your Board's request and through an RFP process, CalOptima will contract with a third-party auditor to verify the MLR for capitated entities, including health networks and hospitals. The RFP generated three responses, and an internal team is in the process of selecting a vendor. Upon selection, we will seek your Board's approval for funding the auditing engagement. The auditor will use the Centers for Medicare & Medicaid Services (CMS) definition of MLR to determine expenses included and excluded. The audit results will show MLR by line of business, including Medi-Cal Classic, MCE, Medi-Cal overall, OCC and CalOptima overall.

Behavioral Health RFP
CalOptima is in the midst of a Behavioral Health RFP process to engage a new vendor for Medi-Cal, OCC and OneCare. We received five proposals, which were evaluated by subject matter experts and then scored by a panel. The next steps are as follows:

- August 4: Panel discusses final scoring/ranking; selects finalists for on-site interview
- August 8–10: Panel conducts interviews
- September 1: Board receives presentation; considers approval of staff recommendation
- October 3: Implementation process begins
- January 1, 2017: Contract starts

Illumination Foundation Award
Thanks to a nomination by CalOptima, Illumination Foundation won the Association for Community Affiliated Plans (ACAP) Supporting the Safety Net Award for its innovative work in recuperative care for homeless Medi-Cal members. In July, Illumination Foundation CEO Paul Leon attended the ACAP CEO Summit in Washington, D.C., where he made a presentation. The award includes a $500 donation to the Irvine-based organization.

Key Meetings
Below are brief summaries of key meetings during the past two months:

- *Hospital Association of Southern California (HASC) Medi-Cal Task Force:* In June and July, I participated in a new group convened by HASC called Medi-Cal Task Force: Promoting Accessibility and Sustainability of Medi-Cal in Local Communities. The meeting gathered

nearly 30 key leaders of hospitals, public managed care plans, community health centers and provider organizations from six Southern California counties. I represented Orange County along with Chairman Mark Refowitz, Suzanne Richards, CEO of KPC Health, and Joseph Ruggio, M.D., a cardiologist and former member of CalOptima's Provider Advisory Committee. The task force charter is to seek opportunities to support population health and improve the Medi-Cal delivery system across the state. (A similar group was also convened in Northern California.) Two additional meetings are planned, and the goal is to develop a common policy agenda for collaborative efforts across organizations and forge an advocacy platform for use at the state level.

- *UC Health:* In June, I participated in a regional meeting between leaders of Southern California Medi-Cal plans and executives from UC Health, the organization overseeing UC medical schools and centers statewide. The meeting included UC Health Executive Vice President John Stobo, M.D., L.A. Care CEO John Baackes, Inland Empire Health Plan CEO Brad Gilbert, M.D., along with consultants for UC Health. UC Health requested the meeting to update health plans about UC's Medi-Cal activities and to discuss their strategy to potentially develop a systemwide Medi-Cal agreement across all five medical centers. Historically, UC Health has limited its Medi-Cal line of business, but given the growth of Medi-Cal in California, UC is re-examining its approach. Additional meetings will be planned, which may lead to closer collaboration in the future.
- *Safety Net Summit:* The Coalition of Orange County Community Health Centers and CalOptima organize a quarterly Safety Net Summit to gather Orange County's community health center leaders, CalOptima staff and other stakeholders. The June meeting addressed several topics in which CalOptima is involved, including the WPC pilot, Health Homes Program, IGTs and Medi-Cal auto assignment to community clinics. The meeting was well attended by representatives from seven clinics: AltaMed Health Services, Hurtt Family Health Clinic, KCS Health Center, North Orange County Regional Health Foundation, St. Jude Neighborhood Health Center, Serve the People Community Health Center and Share Our Selves Community Health Center.
- *CMS Medicare Directors Meeting:* In June, I meet with senior Medicare staff at CMS, including Cheri Rice, director of the Medicare Plan Payment Group, and Kathryn Coleman, director of the Medicare Drug and Health Plan Contract Administration Group. I shared updates regarding CalOptima's Medicare programs (OCC, OneCare and PACE) and some of our innovative initiatives, such as the proposed incentive program for physicians serving members in long-term care facilities. The meeting was productive, and the CMS team was pleased to learn about CalOptima's recent successes, such as our quality rankings, membership growth, and increased access for members through new delegated and direct provider networks.
- *Healthy Smiles Meeting:* Healthy Smiles for Kids of Orange County invited me to present a CalOptima overview to its Board members. I shared details about our programs, provider network and employee base as well as our efforts with IGTs. Healthy Smiles received a two-year $400,000 IGT grant to deliver dental services using a school-based model. In the first year, Healthy Smiles held 246 events at 93 schools and performed more than 13,500 dental screenings, which exceeded its goal of 10,000–12,000 screenings.

Studies, Reports and Surveys

Orange County and CalOptima are the subject of several recent publications. See summaries of and links to the relevant material below.

- *Regional Market Study:* California Health Care Foundation's California Health Care Almanac examines the health care market in Orange County. I was interviewed on a few occasions for the study, and a fair amount of the material addresses the changes to Medi-Cal since the implementation of the Affordable Care Act. Download the full study here.
- *Community Indicators Report:* Co-sponsored by CalOptima and other agencies, the 2016 Orange County Community Indicators Report is now available on the county's website here. The health section of the report highlights the increase in access and decrease in the uninsured population stemming from the expansion of Medi-Cal. The report also addresses several health trends, including obesity, chronic disease, mental health and substance abuse, as well as care for the elderly.
- *Duals Demonstration Report:* ACAP and the Center for Health Care Strategies released a report identifying innovations brought about by the duals demonstrations nationwide, as well as lessons for integrating care for dual eligible beneficiaries. It features the experiences of 14 ACAP plans, including CalOptima. OCC is favorably mentioned for our proactive enrollment strategy with long-term care facilities, recuperative care for homeless members and value-based purchasing. Read the report here.
- *SCAN/Field Research Survey:* The SCAN Foundation released the third edition of its Field Research survey to measure member satisfaction with CMC plans, including — for the first time — OCC. View a summary here. In general, members report an increasing level of satisfaction with CMC plans across six indicators, including the amount of time their doctor spends with them, information received from their health plan, their choice of doctors and hospitals, the way different health providers work together, and how long they have to wait for appointments.

A Public Agency

CalOptima

Better. Together.

Financial Summary

June 2016

Chet Uma

Chief Financial Officer

FY 2015-16: Consolidated Enrollment

- June 2016 MTD:
  - Overall enrollment was 807,932 member months
    - Actual higher than budget by 9,936 or 1.2%
      - Medi-Cal: favorable variance of 9,522 members
        - Medi-Cal Expansion (MCE) growth higher than budget
        - SPD enrollment higher than budget due to less than anticipated dual eligible members transferring to OneCare Connect
        - Offset by lower than budget TANF enrollment
      - OneCare Connect: favorable variance of 524 members
    - 2.9% increase from prior month
      - OneCare Connect: increase of 15,465 due to YTD true-up
      - Medi-Cal: increase of 7,246 from May 2016 due to:
        - Increase in TANF of 5,022
        - Increase in MCE of 2,175
    - 7.3% or 54,874 increase in enrollment from prior year

FY 2015-16: Consolidated Enrollment (Cont.)

- June 2016 YTD:
  - Overall enrollment reached 9,396,457 member months
    - Actual lower than budget by 77,052 or 0.8%
      - Medi-Cal: unfavorable variance of 6,925
        - TANF enrollment lower than budget
        - Offset by higher than budget enrollment in MCE and SPD categories
      - OneCare Connect: unfavorable variance of 67,236 or 36.8% due to higher than expected opt-out rate
      - OneCare: unfavorable variance of 2,991

FY 2015-16: Consolidated Revenues

- June 2016 MTD:
  - Actual higher than budget by $21.1 million or 7.3%
    - OneCare Connect: unfavorable variance of $7.5 million based upon actual cohort experience YTD true-up
    - Medi-Cal: favorable to budget by $11.6 million
      - Favorable volume variance of $2.8 million due to higher enrollment
      - Favorable in price variance of $8.7 million due to Q4 true-up accrual for Hep C and state IHSS report, along with favorable actual to budget rate variances

- June 2016 YTD:
  - Actual lower than budget by $61.4 million, or 1.9%
    - OneCare Connect: unfavorable variance of $123.0 million due to lower actual enrollment than budget
    - Medi-Cal: higher than budget by $53.8 million
      - Additional IHSS revenue was recorded based on County IHSS expense report and favorable offset for margin adjustments

FY 2015-16: Consolidated Medical Expenses

- June 2016 MTD:
  - Actual higher than budget by $28.5 million or 10.5%
    - OneCare Connect: favorable variance of $6.8 million due price variance of $7.7 million, offset by volume variance of ($.9) million
    - Medi-Cal: unfavorable variance of $27.5 million
      - MCE member 85% MLR reconciliation adjustment
      - Higher LTC expenses due to less than anticipated eligible members transferring to OneCare Connect

- June 2016 YTD:
  - Actual lower than budget by $52.1 million or 1.7%
    - OneCare Connect: favorable variance of $114.7 million due to lower actual enrollment than budget
    - Medi-Cal: unfavorable variance of $62.6 million due to high LTC expenses

- Medical Loss Ratio (MLR):
  - June 2016 MTD: Actual: 97.2% Budget: 94.4%
  - June 2016 YTD: Actual: 96.0% Budget: 95.8%

FY 2015-16: Consolidated Administrative Expenses

- June 2016 MTD:
  - Actual lower than budget by $3.1 million or 23.6%
    - Salaries and Benefits: favorable variance of $3.1 million driven by lower than budgeted FTE of 165
    - Other categories: unfavorable variance of $22,504

- June 2016 YTD:
  - Actual lower than budget by $46.5 million or 30.3%
    - Salaries and Benefits: favorable variance of $22.2 million due to under budgeted FTE of 2,439
    - Professional Fees and Purchased Services: favorable variance of $9.7 million ($3.0 million and $6.7 million, respectively)
    - Printing and Postage: favorable variance of $5.5 million

- Administrative Loss Ratio (ALR):
  - June 2016 MTD: Actual: 3.2% Budget: 4.5%
  - June 2016 YTD: Actual: 3.4% Budget: 4.8%

FY 2015-16: Change in Net Assets

- June 2016 MTD:
  - $2.2 million surplus
  - $1.0 million unfavorable to budget
    - Attributable to:
      - Higher revenue of $21.1 million
      - Savings in administrative expenses of $3.1 million
      - Higher investment income of $3.6 million
      - Offset by higher than budgeted medical expenses of $28.5 million

- June 2016 YTD:
  - $32.5 million surplus
  - $48.6 million favorable to budget
    - Attributable to:
      - Savings in medical expenses of $52.1 million
      - Savings in administrative expenses of $46.5 million
      - Higher investment income of $11.4 million
      - Offset by lower than budgeted revenue of $61.4 million

FY 2015-16: Change in Net Assets (cont.)

- June 2016 YTD variance attributable to:
  - Medi-Cal: $10.6 million surplus; $27.0 million favorable to budget
    - Higher revenue of $53.8 million
    - Savings in administrative expenses of $35.7 million
    - Offset by higher than budgeted medical expenses of $62.6 million
  - OneCare Connect: $0.7 million deficit; $2.1 million favorable to budget
    - Favorable medical expenses of $114.7 million
    - Favorable administrative expenses of $10.4 million
    - Offset by lower than budgeted revenue of $123.0 million
  - PACE: $1.5 million deficit; $1.0 million favorable to budget
    - Favorable medical expenses of $35,771
    - Favorable administrative expenses of $248,491
    - Favorable revenue of $681,299
  - OneCare: $10.5 million surplus; $7.2 million favorable to budget
    - Primarily driven by HCC adjustment

Enrollment Summary: June 2016

Month-to-Date					Year-to-Date			
Actual	Budget	Variance	%	Enrollment (By Aid Category)	Actual	Budget	Variance	%
56,812	47,881	8,931	18.7%	Aged	718,938	661,330	57,608	8.7%
628	737	(109)	(14.8%)	BCCTP	7,999	8,840	(841)	(9.5%)
48,708	49,707	(999)	(2.0%)	Disabled	620,998	631,919	(10,921)	(1.7%)
3,314	2,359	955	40.5%	LTC	42,218	37,239	4,979	13.4%
228,962	201,785	27,177	13.5%	MCE	2,582,856	2,392,895	189,961	7.9%
438,289	464,704	(26,415)	(5.7%)	TANF	5,218,248	5,465,737	(247,489)	(4.5%)
776,713	767,173	9,540	1.2%	Medi-Cal	9,191,252	9,197,960	(6,708)	(0.1%)
461	479	(18)	(3.8%)	MSSP	5,531	5,748	(217)	(3.8%)
777,174	**767,652**	**9,522**	**1.2%**	**Total Medi-Cal**	**9,196,783**	**9,203,708**	**(6,925)**	**(0.1%)**
29,416	**28,892**	**524**	**1.8%**	**OneCare Connect**	**115,514**	**182,750**	**(67,236)**	**(36.8%)**
168	**154**	**14**	**9.1%**	**PACE**	**1,618**	**1,518**	**100**	**6.6%**
1,174	**1,298**	**(124)**	**(9.6%)**	**OneCare**	**82,542**	**85,533**	**(2,991)**	**(3.5%)**
807,932	**797,996**	**9,936**	**1.2%**	**CalOptima Total**	**9,396,457**	**9,473,509**	**(77,052)**	**(0.8%)**

Financial Highlights: June 2016

Month-to-Date					Year-to-Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
807,932	797,996	9,936	1.2%	Member Months	9,396,457	9,473,509	(77,052)	(0.8%)
308,779,646	287,655,531	21,124,116	7.3%	Revenues	3,163,753,022	3,225,157,710	(61,404,688)	(1.9%)
300,134,135	271,590,756	(28,543,379)	(10.5%)	Medical Expenses	3,037,911,046	3,090,026,559	52,115,513	1.7%
9,970,384	13,047,560	3,077,177	23.6%	Administrative Expenses	106,865,927	153,406,548	46,540,621	30.3%
(1,324,872)	**3,017,215**	**(4,342,087)**	**(143.9%)**	**Operating Margin**	**18,976,050**	**(18,275,397)**	**37,251,447**	**(203.8%)**
3,512,849	202,605	3,310,244	1633.8%	Non Operating Income (Loss)	13,548,308	2,166,874	11,381,434	525.2%
2,187,977	**3,219,820**	**(1,031,843)**	**(32.0%)**	**Change in Net Assets**	**32,524,358**	**(16,108,523)**	**48,632,881**	**(301.9%)**
97.2%	94.4%	(2.8%)		Medical Loss Ratio	96.0%	95.8%	(0.2%)	
3.2%	4.5%	1.3%		Administrative Loss Ratio	3.4%	4.8%	1.4%	
(0.4%)	1.0%	(1.5%)		Operating Margin Ratio	0.6%	(0.6%)	1.2%	
100.0%	100.0%	0.0%		Total Operating	100.0%	100.0%	0.0%	

Consolidated Performance Actual vs. Budget: June 2016 (in millions)

MONTH-TO-DATE				YEAR-TO-DATE		
Actual	Budget	Variance		Actual	Budget	Variance
(11.0)	(0.1)	(10.9)	Medi-Cal	10.6	(16.4)	27.0
9.0	0.5	8.5	OneCare	10.5	3.3	7.2
0.5	2.8	(2.3)	OCC	(0.7)	(2.7)	2.1
0.0	0.0	0.0	ASO	0.1	0.0	0.1
0.2	(0.2)	0.4	PACE	(1.5)	(2.5)	1.0
(1.3)	**3.0**	**(4.3)**	**Operating**	**19.0**	**(18.3)**	**37.3**
3.5	0.2	3.3	Inv./Rental Inc, MCO tax	13.5	2.2	11.4
3.5	**0.2**	**3.3**	**Non-Operating**	**13.5**	**2.2**	**11.4**
2.2	**3.2**	**(1.0)**	**TOTAL**	**32.5**	**(16.1)**	**48.6**

CalOptima
A Public Agency
Better. Together.

Consolidated Revenue & Expense: June 2016 MTD

	Total Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
Member Months	$ 777,174	1,174	29,416	168	-	807,932
REVENUES						
Capitation revenue	$ 241,175,373	$ 19,697,853	$ 46,801,924	$ 1,104,496	$ -	$ 308,779,646
Other Income	-	-	-	-	-	-
Total Operating Revenues	241,175,373	19,697,853	46,801,924	1,104,496	-	308,779,646
MEDICAL EXPENSES						
Provider capitation	79,882,556	7,295,209	8,466,942	-	-	95,644,707
Facility inpatient	28,979,900	3,438,155	16,222,953	-	-	48,641,009
Ancillary		35,080	654,400	-	-	689,481
Skilled Nursing		77,756	8,386,053	-	-	8,463,809
Facility outpatient	9,246,089	-	-	17,295	-	9,263,384
Professional Claims	15,017,384	-	-	287,750	-	15,305,134
Prescription drugs	33,024,920	54,946	4,159,609	88,911	-	37,328,385
Long-term care facility payments	44,848,360	-	-	(6,957)	-	44,841,403
Contingencies	33,456,516	-	-	-	-	33,456,516
Medical management	2,418,426	(921,989)	3,897,120	-	-	5,393,557
Reinsurance & other	301,261	325,966	125,268	358,762	(4,506)	1,106,751
Total Medical Expenses	247,175,411	10,305,123	41,912,345	745,760	(4,506)	300,134,135
Medical Loss Ratio	**102.5%**	**52.3%**	**9.4%**	**67.5%**	**0.0%**	**97.2%**
GROSS MARGIN	(6,000,038)	9,392,730	4,889,579	358,735	4,506	8,645,512
ADMINISTRATIVE EXPENSES						
Salaries, wages & employee benefits	3,301,101	47,668	731,049	103,614	-	4,183,431
Professional fees	1,167,527	32,150	-	17,299	-	1,216,976
Purchased Services	684,183	(995)	257,512	0	-	940,701
Printing and Postage	637,410	(9,171)	53,616	554	-	682,409
Depreciation and Amortization	312,460		-	2,014	-	314,474
Other Expenses	2,346,896	32,469	6,795	16,022	-	2,402,182
Indirect cost allocation, Occupancy Expense	(3,442,611)	326,758	3,348,535	(2,471)	-	230,211
Total Administrative Expenses	5,006,966	428,879	4,397,507	137,032	0	9,970,384
Admin Loss Ratio	**2.1%**	**2.2%**	**0.0%**	**12.4%**	**0.0%**	**3.2%**
INCOME (LOSS) FROM OPERATIONS	(11,007,004)	8,963,851	492,072	221,703	4,506	(1,324,872)
INVESTMENT INCOME	-	-	-	-	-	3,759,091
NET RENTAL INCOME	-	-	-	-	-	(246,534)
OTHER INCOME	292	-	-	-	-	292
CHANGE IN NET ASSETS	**$ (11,006,713)**	**$ 8,963,851**	**$ 492,072**	**$ 221,703**	**$ 4,506**	**$ 2,187,977**

CalOptima
A Public Agency
Better. Together.

Consolidated Revenue & Expense: June 2016 YTD

	Total Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
Member Months	$ 9,196,783	82,542	115,514	1,618	-	9,396,457
REVENUES						
Capitation revenue	$ 2,829,513,864	$ 104,201,695	$ 220,185,401	$ 9,852,063	$ -	$ 3,163,753,022
Other Income	-	-	-	-	-	-
Total Operating Revenues	2,829,513,864	104,201,695	220,185,401	9,852,063	-	3,163,753,022
MEDICAL EXPENSES						
Provider capitation	935,362,635	37,814,530	52,626,053	-	-	1,025,803,219
Facility inpatient	551,235,947	32,695,791	63,498,285	-	-	647,430,023
Ancillary		2,570,774	6,117,962	-	-	8,688,736
Skilled Nursing		2,421,560	36,512,397	-	-	38,933,958
Facility outpatient	94,866,563	-	-	1,919,801	-	96,786,365
Professional Claims	150,750,494	-	-	2,330,299	-	153,080,793
Prescription drugs	390,552,822	6,969,100	34,398,340	927,315	-	432,847,577
Quality Incentives		899,979				899,979
Long-term care facility payments	548,781,360	-	-	66,409	-	548,847,769
Contingencies	25,311,893	-	-	-	-	25,311,893
Medical management	31,619,582	2,401,457	11,141,681	-	-	45,162,720
Reinsurance & other	7,557,730	951,552	828,015	4,851,259	(70,542)	14,118,015
Total Medical Expenses	2,736,039,027	86,724,744	205,122,734	10,095,084	(70,542)	3,037,911,046
Medical Loss Ratio	**96.7%**	**83.2%**	**7.1%**	**102.5%**	**0.0%**	**96.0%**
GROSS MARGIN	93,474,837	17,476,951	15,062,668	(243,022)	70,542	125,841,976
ADMINISTRATIVE EXPENSES						
Salaries, wages & employee benefits	53,310,505	3,455,079	6,855,201	1,017,034	-	64,637,819
Professional fees	4,020,569	294,018	2,150	51,319	-	4,368,057
Purchased Services	8,621,000	546,310	1,375,355	9,381	(17)	10,552,029
Printing and Postage	4,035,083	136,607	1,245,375	34,711	(405)	5,451,370
Depreciation and Amortization	3,114,413		-	27,849	-	3,142,263
Other Expenses	14,573,007	434,327	33,557	88,940	13	15,129,845
Indirect cost allocation, Occupancy Expense	(4,795,540)	2,150,808	6,206,375	22,902	-	3,584,545
Total Administrative Expenses	82,879,038	7,017,150	15,718,012	1,252,136	(409)	106,865,927
Admin Loss Ratio	**2.9%**	**6.7%**	**0.0%**	**12.7%**	**0.0%**	**3.4%**
INCOME (LOSS) FROM OPERATIONS	10,595,799	10,459,802	(655,345)	(1,495,157)	70,951	18,976,050
INVESTMENT INCOME	-	-	-	-	-	13,879,371
NET RENTAL INCOME	-	-	-	-	-	(332,491)
NET GRANT INCOME	(154)	-	-	-	-	(154)
OTHER INCOME	1,582	-	-	-	-	1,582
CHANGE IN NET ASSETS	**$ 10,597,227**	**$ 10,459,802**	**$ (655,345)**	**$ (1,495,157)**	**$ 70,951**	**$ 32,524,358**

CalOptima
A Public Agency
Better. Together.

Balance Sheet: As of June 2016

ASSETS		
Current Assets		
	Operating Cash	$244,488,626
	Catastrophic Reserves	11,462,767
	Investments	1,019,264,632
	Capitation receivable	465,142,156
	Receivables - Other	21,608,851
	Prepaid Expenses	6,784,247
	Total Current Assets	**1,768,751,279**
Capital Assets	Furniture and equipment	28,851,790
	Leasehold improvements	11,240,138
	505 City Parkway West	46,707,144
		86,799,071
	Less: accumulated depreciation	(31,803,507)
	Capital assets, net	**54,995,564**
Other Assets	Restricted deposit & Other	277,378
	Board-designated assets	
	Cash and cash equivalents	10,144,103
	Short term investments	-
	Long term investments	465,713,885
	Total Board-designated Assets	475,857,987
	Total Other Assets	**476,135,365**
	Deferred outflows of Resources - Pension Contributions	3,787,544
	Deferred outflows of Resources - Difference in Experience	1,215,473
TOTAL ASSETS & OUTFLOWS		**2,304,885,226**

LIABILITIES & FUND BALANCES		
Current Liabilities		
	Accounts payable	$5,815,278
	Medical claims liability	598,694,858
	Accrued payroll liabilities	11,431,792
	Deferred revenue	589,328,793
	Deferred revenue - CMS	1,373,849
	Deferred lease obligations	273,428
	Capitation and withholds	401,826,302
	Accrued insurance costs	0
	Total Current Liabilities	**1,608,744,299**
Other (than pensions) post employment benefits liability		27,327,000
Net Pension Liabilities		6,942,207
Long Term Liabilities		150,000
TOTAL LIABILITIES		**1,643,163,507**
Deferred inflows of Resources - Exceess Earnings		502,900
Deferred inflows of Resources - Changes in Assumptions		1,651,640
	Tangible net equity (TNE)	89,283,747
	Funds in excess of TNE	570,283,432
Net Assets		**659,567,179**
TOTAL LIABILITIES, INFLOWS & FUND BALANCES		**2,304,885,226**

Board Designated Reserve and TNE Analysis As of June 2016

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	135,378,209				
	Tier 1 - Logan Circle	125,346,300				
	Tier 1 - Wells Capital	125,392,844				
Board-designated Reserve						
		386,117,353	283,760,118	443,636,060	102,357,235	(57,518,707)
TNE Requirement	Tier 2 - Logan Circle	89,740,634	89,283,747	89,283,747	456,887	456,887
	Consolidated:	**475,857,987**	**373,043,865**	**532,919,807**	**102,814,122**	**(57,061,820)**
	Current reserve level	*1.79*	*1.40*	*2.00*		

CalOptima
A Public Agency
Better. Together.

HN Enrollment Summary - Medi-Cal

Health Network Name	July 2016	Percentage
CHOC Health Alliance (PHC20)	155,756	19.9%
Monarch Family HealthCare (SRG68)	91,138	11.6%
Arta Western Health Network (SRG66)	80,567	10.3%
CalOptima Community Network (CN)	63,418	8.1%
Family Choice Health Network (PHC21)	50,048	6.4%
Kaiser Permanente (HMO04)	44,870	5.7%
Alta Med Health Services (SRG69)	38,523	4.9%
Prospect Medical Group (SRG63)	37,049	4.7%
United Care Medical Network (SRG67)	36,069	4.6%
Noble Mid-Orange County (SRG64)	35,482	4.5%
Talbert Medical Group (SRG65)	26,502	3.4%
AMVI Care Health Network (PHC58)	25,496	3.3%
Heritage - Regal Medical Group (HMO15)	1,939	0.2%
OC Advantage (PHC35)	718	0.1%
Heritage - ADOC Medical Group (HMO14)	473	0.1%
Total Health Network Capitated Enrollment	**688,048**	**87.9%**
CalOptima Direct (all others)	94,364	12.1%
Total Medi-Cal Enrollment	**782,413**	**100.0%**

HN Enrollment Summary - OneCare

Health Network Name	July 2016	Percentage
Monarch HealthCare (PMG53DE)	654	55.4%
AMVI/Prospect Medical Group (PMG27DE)	297	25.1%
Talbert Medical Group (PMG52DE)	102	8.6%
Family Choice Medical Group (PMG21DE)	59	5.0%
Arta Western Health Network (PMG66DE)	36	3.0%
Alta-Med (PMG69DE)	19	1.6%
United Care Medical Group (PMG67DE)	12	1.0%
Noble Mid Orange County (PMG64DE)	2	0.2%
MemorialCare Medical Group (PMG70DE Term - Retro Only)	0	0.0%
Total OneCare Enrollment	**1,181**	**100.0%**

HN Enrollment Summary – OneCare Connect

Health Network Name	July 2016	Percentage
Monarch HealthCare (SRG53DE)	5,852	30.5%
Propect Medical Group (SRG63DB)	3,660	19.1%
CalOptima Community Network (CN)	2,238	11.7%
Family Choice Medical Group (SRG81DB)	2,076	10.8%
Talbert Medical Group (SRG52DB)	1,357	7.1%
AMVI Care Health Network (PHC27DB)	820	4.3%
Arta Western Health Network(SRG66DB)	776	4.0%
United Care Medical Group (SRG67DB)	768	4.0%
Alta-Med (SRG69DB)	613	3.2%
Noble Mid Orange County (SRG64DB)	581	3.0%
Heritage - Regal Medical Group (HMO15)	198	1.0%
OC Advantage (PHC35DB)	146	0.8%
Heritage - ADOC Medical Group (HMO14)	80	0.4%
Family Choice Medical Group (PHC21DB)	0	0.0%
Total OneCare Connect Enrollment	**19,165**	**100.0%**


A Public Agency
CalOptima
Better. Together.


Medi-Cal
A Public Agency
CalOptima
Better. Together.


OneCare (HMO SNP)
A Public Agency
CalOptima
Better. Together.


OneCare Connect
A Public Agency
CalOptima
Better. Together.


PACE
A Public Agency
CalOptima
Better. Together.

Fiscal Year (FY) 2016-17 State Budget Update
CalOptima Provider Advisory Committee (PAC) Meeting
August 11, 2016

California Fiscal Year (FY) 2016–17 State Budget

Senate Bill (SB) 826, the legislative vehicle for enacting the FY 2016-17 budget, was signed into law by the Governor on June 27, 2016. The budget bill preserves the spending priorities outlined in the Governor's May Revision. The table below compares FY 16-17 Overall, General Fund and Medi-Cal spending to FY 15-16 spending.

	Overall	General Fund	Medi-Cal
FY 16-17	$170.8 billion	$122.5 billion	$90.1 billion ($17.6 billion GF)
FY 15-16	$167.5 billion	$115.3 billion	$90.9 billion ($18 billion GF)
% Change	1.9% increase	6.2% increase	0.8% decrease

The outlook for Medi-Cal program spending remains positive under the enacted budget, with overall spending at $90.1 billion and the General Fund obligation to Medi-Cal at $17.6 billion. The FY 16-17 Medi-Cal budget includes funding from California's Section 1115 waiver and the Managed Care Organization (MCO) tax. Major issues that are pertinent to CalOptima are noted below.

Medi-Cal 2020 Waiver Funding

The budget includes $2.2 billion in federal funds connected to California's Section 1115 renewal waiver, called "Medi-Cal 2020." The federal funds included in the budget will support Medi-Cal 2020's major programs, including the Whole Person Care (WPC) pilots (details highlighted below), the Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program, the Global Payment Program (GPP) and the Dental Transformation Initiative (DTI).

WPC Pilot Programs

WPC is focused on improving the care provided for persons who frequently utilize multiple systems of social, behavioral and health care in a specific geographic area. The program emphasizes developing the infrastructure of coordination and cooperation among entities that deliver services to the affected population. Through this collaborative approach the Department of Health Care Services (DHCS) hopes to identify target populations of chronic utilizers, facilitate data-sharing between systems, create the infrastructure for real-time care coordination and evaluate progress among individuals in the target population.

WPC in Orange County

The Orange County Health Care Agency (HCA) is the lead entity for Orange County's WPC pilot and its application was recently approved for submission by the Orange County Board of

Supervisors. HCA submitted the application to DHCS on June 30. After reviewing applications, the state will select and notify participating counties by October 24, 2016. CalOptima is a required WPC participant, as the County's Medi-Cal managed care plan, and HCA drafted its WPC application with the agency's input and participation. The Orange County WPC pilot will focus on Medi-Cal beneficiaries, with an emphasis on individuals that are seriously mentally ill, who are or may be homeless or at risk of homelessness.

MCO Tax

The budget reflects General Fund savings of $1.1 billion related to the passage and approval of the MCO tax. The MCO tax is a health care financing program used by California to access federal matching dollars. The new MCO tax takes effect in July and runs for three years through June 2019. Among other significant impacts, MCO tax revenue will facilitate the continuation of the Coordinated Care Initiative (CCI), contingent on improvements in enrollment, the restoration of In-Home Supportive Services (IHSS) service hours and the allocation of increased funding for programs serving people with developmental disabilities.

CalOptima will incur an estimated MCO tax liability of approximately $110 million for FY 2016-17. However, enhanced capitation rates related to additional federal dollars drawn down by the tax will make the net financial impact on CalOptima negligible ($2,505 for FY 2016-2017 according to a Local Health Plans of California projection).

With the approval of the MCO tax, the budget authorizes CCI (CalOptima's OneCare Connect program) through January 1, 2018. However, the Administration continues to share its concerns regarding participation rates in the program. If participation rates in the program are not improved by January 2017, CCI could cease operating effective January 1, 2018. CalOptima will continue working with state and federal regulators as well as health care stakeholders to identify strategies to increase enrollment in OneCare Connect.

The budget also includes a $265.8 million General Fund allocation to restore the 7 percent reduction to IHSS service hours and $287 million General Fund for programs that serve individuals with developmental disabilities. As currently interpreted by the California Department of Finance, the funding for programs that serve individuals with developmental disabilities will be considered a continuous appropriation and will not be tied to the sunset date of the MCO tax (July 1, 2019).

Medi-Cal Expansion

The budget assumes that the Medi-Cal population will grow to 14.1 million in 16–17, which represents more than a third of the state's population. For the first three years of Medi-Cal expansion through the Affordable Care Act (calendar years 2014, 2015 and 2016), the federal government covered 100 percent of the costs. Beginning in January 2017 (the halfway point of FY 16–17), the state will assume a 5 percent share of the costs for this population. The budget includes an expenditure of $819.5 million General Fund for the state's share of Medi-Cal expansion costs in 2016–17.

Medi-Cal for All Children

Under Senate Bill 75, children under 19 years of age are eligible for full-scope Medi-Cal benefits regardless of immigration status, as long as they meet all other eligibility requirements. This population began enrollment with CalOptima on June 1, 2016, with benefits retroactive to May

1. Approximately 9,800 children in Orange County who are currently enrolled in limited scope Medi-Cal are in the process of being transitioned into full-scope coverage. On an annual basis, an estimated 15,000 children in Orange County are expected to join CalOptima as newly eligible Medi-Cal members as part of this coverage expansion. The budget estimates that 185,000 children statewide will receive full-scope benefits during the first year of this transition and includes $188.2 million General Fund for the implementation of this transition.

Acupuncture as Covered Benefit

The budget allocates $3.7 million General Fund to restore acupuncture as a covered Medi-Cal benefit beginning July 1, 2016. The acupuncture benefit was eliminated in 2009 as part of the state's response to the 2008 recession. CalOptima is awaiting guidance from DHCS on how the restoration of this benefit will be implemented.

Limitation of Medi-Cal Estate Recovery

The budget contains a provision limiting the practice of Medi-Cal estate recovery. Federal law requires states to seek recovery from a deceased Medicaid recipient's estate for the cost of providing certain long term care services, including nursing home care, if the individual was 55 years of age or older when he or she received the medical assistance. States also have the option to seek reimbursement for other medical services, such as doctor's visits and hospital stays. Currently, California is one of ten states that implement the optional expanded estate recovery program. The 16-17 budget, however, contains provisions that will substantially limit this practice.

Beginning January 1, 2017, the state will only seek the federally required level of recompense and will prohibit recovery from the estate of a deceased Medi-Cal member who is survived by a spouse or domestic partner. The state will also create a hardship exemption for homes of modest value, among other mitigating measures. A substantial number of CalOptima members could be impacted by this change in state policy, since they currently benefit from long term care services and fall into the affected age range. The budget allocates $5.7 million from the 16-17 General Fund, and $28.9 million ongoing, to cover the costs of this action.

Program of All-Inclusive Care for the Elderly (PACE) Modernization Act

Though the budget bill has been signed into law, a number of "trailer bills" are still awaiting passage. A trailer bill is the legislative vehicle that helps enact the state budget. Generally, each major area of budget appropriation—such as transportation or education—has a separate trailer bill. Assembly Bill (AB) 1605 is one of the omnibus health trailer bills in the California legislature and it contains the "PACE Modernization Act" language. It is due to be heard by the full Senate on August 4.

The PACE Modernization portion of the health trailer bill will enact a number of noteworthy changes, including an adjustment of the PACE reimbursement structure. Currently, DHCS calculates PACE reimbursement rates by determining how much it would cost to provide a PACE member's full range of services—occupational therapy, dental care, prescription drugs, etc.—if these services were provided on a fee-for-service (FFS) basis. DHCS then reimburses the PACE program for 95 percent of the cost of providing these services. Under the current rate calculation methodology, CalOptima is reimbursed at the second lowest rate of all PACE programs in the state. FFS rates vary by geographic area and it is possible that the lower reimbursement rates in Southern California are related to the prevalence of the more cost-

efficient managed care model in the region. This effect may be exacerbated in Orange County since Medi-Cal is only available in the county through CalOptima's managed care plan.

The PACE Modernization Act would introduce a new process for calculating PACE reimbursement rates that is more likely to account for geographic rate disparity. First, reimbursement rates will be calculated taking into account *actual cost* data for each PACE center. Second, the rates will then be analyzed by a workgroup for actuarial soundness. Third, DHCS will be empowered to adjust the rate further to mitigate any remaining geographic rate disparity. It is anticipated that the new rate setting methodology will have a positive impact on reimbursement rates for CalOptima PACE.

Next Steps

CalOptima will closely follow the status of the remaining trailer bills and provide updates regarding issues that have a significant impact on the agency.

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 (HMO SNP) (a Medicare Advantage Special Needs Plan), OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan) and PACE (Program of All-Inclusive Care for the Elderly).

If you have any questions regarding the above information, please contact:

Phil Tsunoda, *Executive Director, Public Policy and Public Affairs*
(714) 246-8632; ptsunoda@caloptima.org

Arif Shaikh, *Director, Public Policy and Government Affairs*
(714) 246-8418; ashaikh@caloptima.org

Shamiq Hussain, *Senior Policy Analyst, Government Affairs*
(714) 347-3208; shussain@caloptima.org

Sean McReynolds, *Senior Policy Analyst, Government Affairs*
(657) 900-1296; smcreynolds@caloptima.org

LEGISLATIVE TRACKING MATRIX

Bill No. Author	Bill Summary	Bill Status	CalOptima Position
SB 586 Hernandez	Authorizes the Department of Health Care Services (DHCS) to establish a Whole Child Model program that would transition the California Children's Services (CCS) program from the fee-for-service (FFS) delivery model to Medi-Cal managed care in specified health plans, including CalOptima. Requires CalOptima to provide CCS benefits for 11,810 CCS-eligible children in Orange County.	**06/28/2016** – Passed Assembly Committee on Health, referred to Assembly Committee on Appropriations	Monitor
SB 1010 Hernandez	Requires health plans or insurers, including CalOptima, to submit prescription drug rate information to the Department of Managed Health Care (DMHC) and the Department of Insurance (DOI). Requires drug manufacturers to justify their drug prices in these situations.	**06/28/2016** – Passed Assembly Committee on Health, referred to Assembly Committee on Appropriations	Watch
SB 1034 Mitchell	Prohibits health plans from denying medically necessary Behavioral Health Treatment (BHT) services for members with Autism Spectrum Disorder (ASD) based on setting, location, time of treatment, or lack of parent/caregiver participation. CalOptima already complies with the current provisions of this bill. Eliminates the sunset date on the health insurance mandate for plans to cover BHT services.	**06/29/2016 –** Passed Assembly Committee on Health, referred to Assembly Committee on Appropriations	Monitor
SB 1273 Moorlach	Clarifies that Mental Health Services Act (MHSA) funds may be used by county mental health programs to provide outpatient crisis stabilization services (CSS) for eligible individuals. This bill does not directly impact CalOptima, but clarifies that individuals (including CalOptima members) in need of CSS can receive outpatient care funded by MHSA.	**06/29/2016** – Passed Assembly Committee on Health, ordered to second reading	Support
SB 1308 Nguyen	Prohibits County Organized Health Systems (COHS), including CalOptima, from utilizing funds for staff retreats, promotional giveaways, or excessive executive compensation. Prohibits COHS from purchasing media campaigns that feature elected public officials.	**04/06/2016** –Removedfrom Senate Committee on Health hearing agenda at the request of the author	Oppose
SB 1361 Nielsen	Restores Medi-Cal coverage to provide one pair of eyeglasses every two years to a beneficiary over 21 years old whose vision is equal to or poorer than 20/40. Makes changes to vision benefits for CalOptima members.	**05/16/2016** – Passed Senate Committee on Appropriations, placed on suspense file	Watch

Bill No. Author	Bill Summary	Bill Status	CalOptima Position
SB 1377 Nguyen	Appropriates $3.3 million from the General Fund to DHCS for allocation to contract with 11 non-profit Caregiver Resource Centers statewide, including one in Orange County. May potentially benefit caregivers that support cognitively impaired CalOptima members.	**04/25/2016** – Passed Senate Committee on Appropriations, placed on suspense file	Monitor
SB 1436 Bates	Requires that final action on a local public agency's executive salary, salary schedule, or compensation paid in the form of fringe benefits be made a separate discussion item and not placed on the agency's consent calendar. Makes a procedural change to require an oral summary report of the merit increases for the specified executives before final action is taken.	**06/29/2016** – Passed Assembly Committee on Appropriations, placed on consent calendar	Watch
AB 1051 Maienschein	Appropriates $200 million from the General Fund to the DHCS for the Denti-Cal program, and requires DHCS to allocate these funds to increase funding for preventative care and case management services. Members who receive Denti-Cal benefits outside of CalOptima may be affected by the potential funding increase for the Denti-Cal program.	**06/29/2016 –** Passed Senate Committee on Health, referred to Senate Committee on Appropriations	Monitor
AB 1696 Holden	Expands tobacco cessation benefits for Medi-Cal managed care plans, including increasing the number of quit attempts, expanding the list of approved medication types, and eliminating the care authorization requirement.	**08/01/2016** – Passed Senate Committee on Appropriations, placed on suspense file	Monitor
AB 1795 Atkins	Increases funding and expands benefits of the Breast and Cervical Cancer Treatment Program (BCCTP) by extending treatment services from 18 to 24 months to the total duration of service needed for the individual, so long as the individual continues to meet eligibility requirements. May affect up to approximately 650 CalOptima members who currently receive BCCTP benefits.	**08/01/2016** – Passed Senate Committee on Appropriations, placed on suspense file	Watch
AB 2077 Burke Bonilla	Establishes procedures to ensure that beneficiaries who move between Medi-Cal and Covered California do not experience any breaks in coverage, and prohibits Medi-Cal benefits from being terminated until at least 20 days after a Notice of Action (NOA) is sent to the beneficiary from the county social services department. Under current law, NOAs are sent to Medi-Cal beneficiaries to notify them of any changes to their eligibility 10 days prior to the termination of Medi-Cal benefits.	**06/22/2016** – Passed Senate Committee on Health, referred to Senate Committee on Appropriations	Monitor
AB 2084 Wood	Requires comprehensive medication management (CMM) services to be a covered benefit under Medi-Cal, and requires plans that administer CMM services include	**04/05/2016** – Passed Assembly Committee on Health, referred to	Watch

Bill No. Author	Bill Summary	Bill Status	CalOptima Position
	the development and implementation of a written medication treatment plan.	Assembly Committee on Appropriations	
AB 2207 Wood	Adds performance measures for the Denti-Cal FFS program and seeks to improve access to care for Denti-Cal beneficiaries by increasing the number of providers. May affect CalOptima members receiving Denti-Cal services.	**08/01/2016** – Passed Senate Committee on Appropriations, placed on suspense file	Watch
AB 2394 Garcia	Requires Medi-Cal health plans to provide non-emergency medical transportation (NEMT) services for Medi-Cal beneficiaries. Expands NEMT benefits for any form of public or private transportation, as well as mileage reimbursement. Makes changes to transportation benefits for CalOptima members.	**08/01/2016** — Passed Senate Committee on Appropriations, placed on suspense file	Watch
AB 2507 Gordon	Adds video and telephone communications to the definition of telehealth. Provides that the required consent from beneficiaries for telehealth services may be digital, oral, or written. As currently drafted, this bill will not change CalOptima's services or policies, as these benefits are already provided. However, it may relax restrictions for beneficiaries to approve the use of telemedicine.	**04/19/2016** – Passed Assembly Committee on Health, referred to Assembly Committee on Appropriations	Watch
AB 2670 Hernández	Requires DHCS to annually administer the Consumer Assessment of Health Care Providers and Systems (CAHPS) Health Plan survey, which is developed for all Medi-Cal managed care plans. Increases the frequency of the survey, and requires it to be administered in all threshold languages. Requires the survey to show detailed information on how factors such as location, ethnicity, and gender play into quality of health care.	**04/19/2016** – Passed the Assembly Committee on Health, referred to Assembly Committee on Appropriations	Monitor
AB 2752 Nazarian	Requires health plans to notify members if a prescription drug is no longer covered by the plan, or if the plan changes its policy to no longer offer a specific drug. Requires plans to annually update their provider directory with prescription drug information and to inform members through annual renewal materials if a prescription drug is no longer covered by their provider.	**04/19/2016** – Passed Assembly Committee on Health, referred to Assembly Committee on Appropriations	Watch
AB 2821 Chiu	Requires the Department of Housing and Community Development (HCD) to coordinate with DHCS to establish a housing program for Medi-Cal beneficiaries and award grants to government agencies participating in a Whole Person Care (WPC) pilot program. Allows HCA to be eligible to receive these grant funds which	**08/01/2016** – Passed Senate Committee on Transportation and Housing, referred to Senate Committee on Appropriations	Monitor

Bill No. Author	Bill Summary	Bill Status	CalOptima Position
	may affect up to approximately 7,300 homeless CalOptima members.		

UPCOMING LEGISLATIVE DEADLINES

July Deadlines

July 1: Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment if a Budget Bill has been passed.

August Deadlines

Aug. 1: Legislature reconvenes from Summer Recess.

Aug. 12: Last day for fiscal committees to meet and report bills.

Aug. 15-31: Floor Session only. No committee may meet for any purpose except the Rules Committee.

Aug. 19: Last day to amend on the Floor.

Aug. 31: Last day for each house to pass bills. Final Recess begins upon adjournment.

2017

Jan. 1: Statutes take effect.

* Holiday schedule subject to final approval by Rules Committee.

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 (HMO SNP) (a Medicare Advantage Special Needs Plan), OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan) and PACE (Program of All-Inclusive Care for the Elderly).

If you have any questions regarding the above information, please contact:

Phil Tsunoda, *Executive Director, Public Policy and Public Affairs*
(714) 246-8632; ptsunoda@caloptima.org

Arif Shaikh, *Director, Public Policy and Government Affairs*
(714) 246-8418; ashaikh@caloptima.org

Shamiq Hussain, *Senior Policy Analyst, Government Affairs*
(714) 347-3208; shussain@caloptima.org

Sean McReynolds, *Senior Policy Analyst, Government Affairs*
(657) 900-1296; smcreynolds@caloptima.org

Sources: Legislative Deadlines, California State Assembly: http://assembly.ca.gov/legislativedeadlines

Making members shine, one smile at a time™

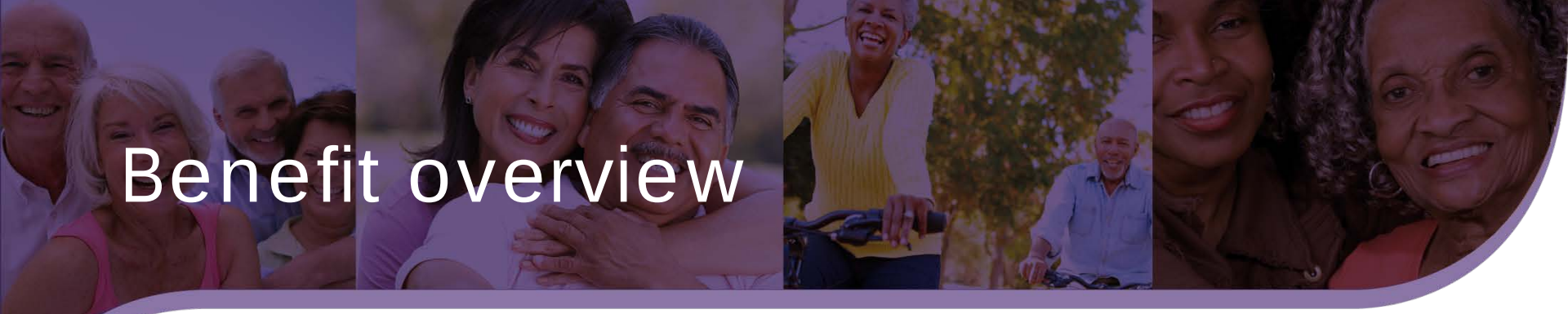
CalOptima & LIBERTY Dental Plan
Cal Mediconnect Benefit

August 2016

Presented by:

Edward Bynum

LIBERTY® DENTAL PLAN

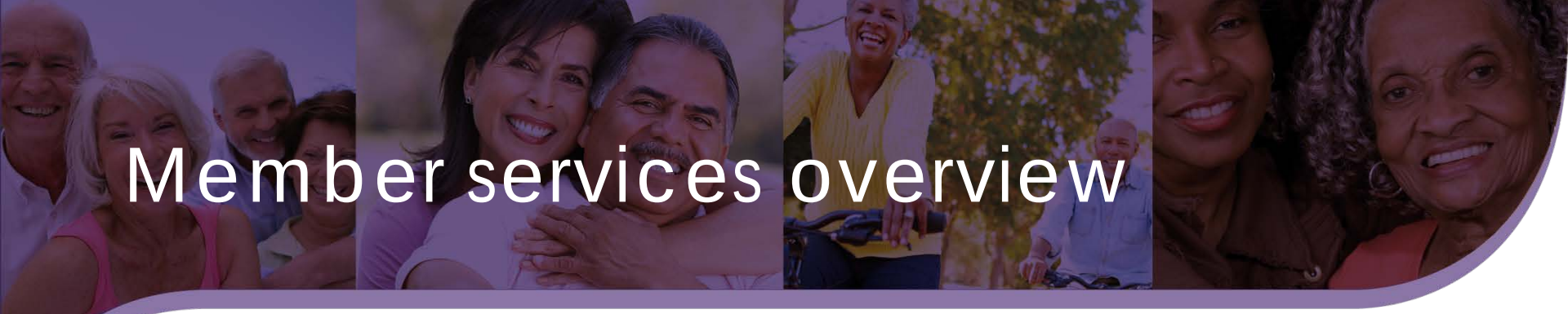


Benefit overview

- Supplemental Benefit – Covers highly utilized codes not covered by the Denti-Cal adult restoration

- Eliminates the “extraction & full mouth denture” element of the adult restoration by adding:
  - Posterior Root Canals
  - Deeps Cleanings
  - Access to Porcelain Crowns
  - Partial Dentures

LIBERTY® DENTAL PLAN

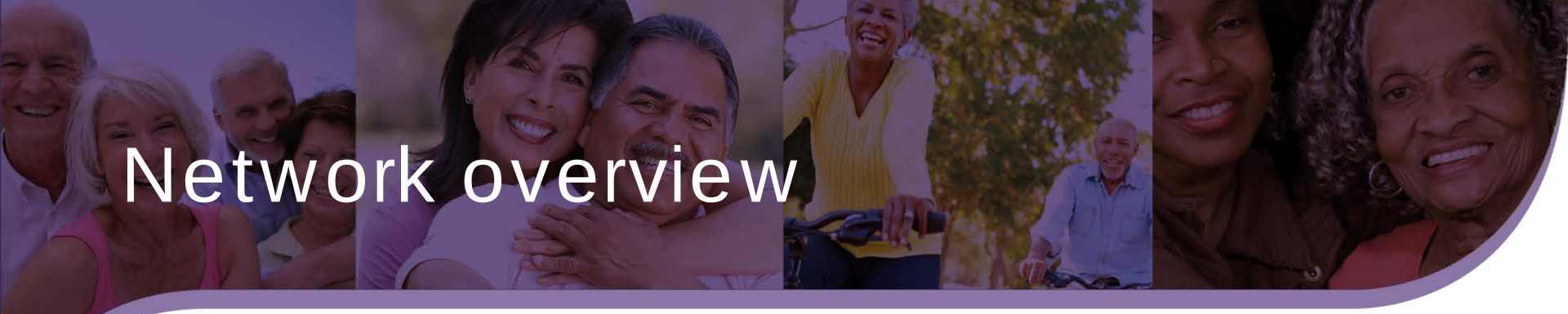


Member services overview

- LIBERTY will provide a specialized Member Services unit with a designated toll free number for routine member inquiries such as eligibility confirmation, Provider searches, Provider information or routine benefit questions. Representatives can be reached Monday through Friday from 8:00 am to 5:00 pm toll free at **888-704-9838**

- **LIBERTY Internal Response Unit (IRU) Representatives** can be reached Monday through Friday from 8:00 am to 5:00 pm toll free at **888-700-0827.** This line should be used by CalOptima for complex treatment plans, emergency cases, coordination of care/hospital setting and escalated cases that may require extensive research or special handling.

- **LIBERTY Member Service** representatives are available to assist members in various languages, including your threshold languages of **Spanish, Vietnamese, Farsi** and **Korean**. In addition, our language vendor provides interpretation services in over **150 languages.**



Network overview

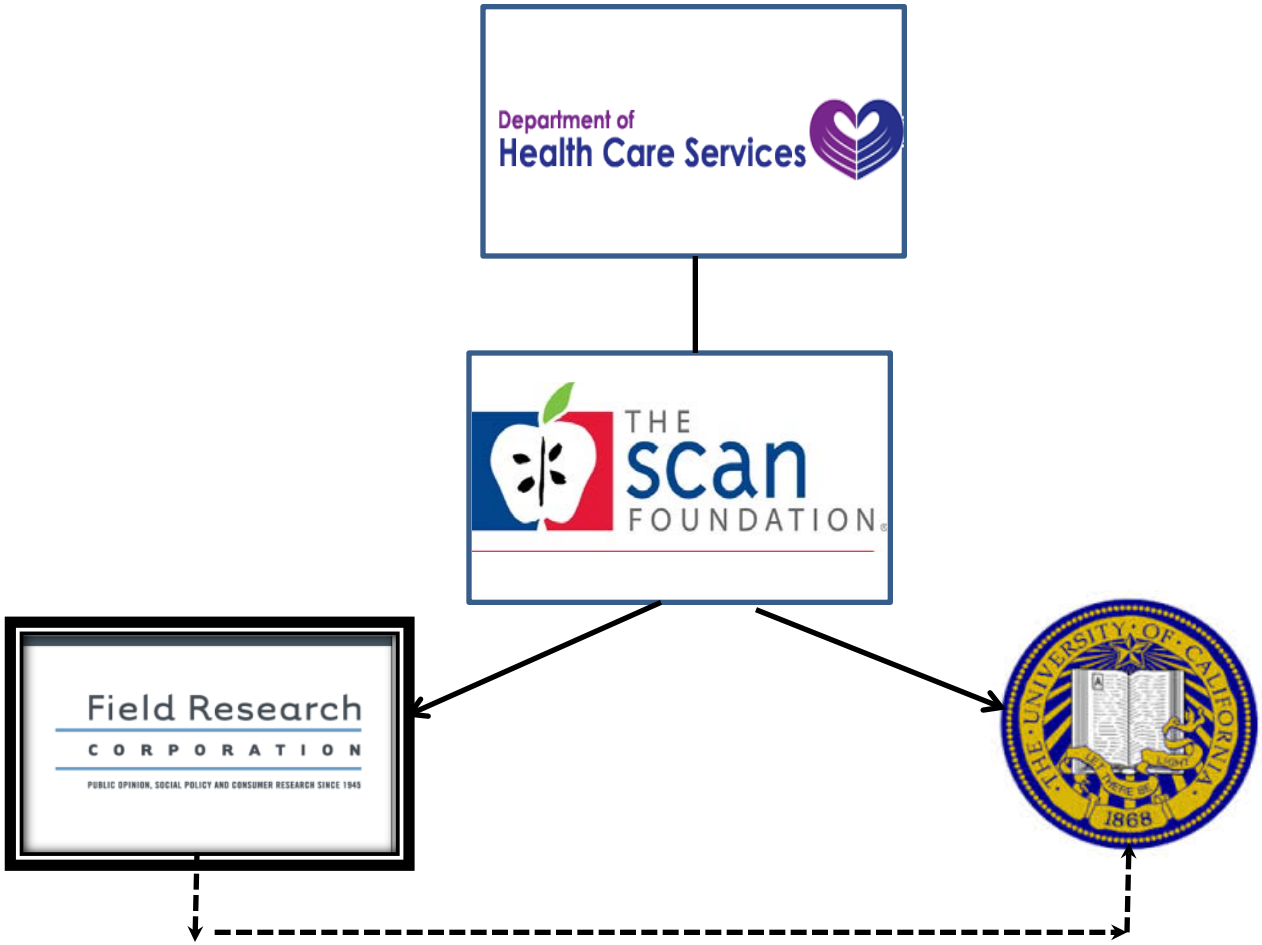
- All CMC providers in LIBERTY's network are also contracted with Denti-Cal to ensure seamless coordination of benefits
- LIBERTY considers cultural and linguistic sensitivities while developing its network
- LIBERTY performs in-person/in-office orientations and training with each provider that serves the CalOptima program

Hearing from California's Dually-Eligible Individuals on the CCI:

Findings from Waves 1-3 of the Rapid Cycle Polling Project

Megan Juring

Program Officer



Rapid Cycle Polling Project

Objective*:* Capture Dual Eligible Experience (snapshot)
Project Timeframe: 2015 - 2016
Methods/Tools: Short survey

.

Evaluation of California's Coordinated Care Initiative(CCI)

Objective*:* In-depth evaluation of California CCI
Project Timeframe: 2015 - 2017
Methods/Tools: Focus groups, longitudinal survey of dual eligibles, health system response study

Rapid Cycle Polling Objectives

Evaluate and track beneficiary transition into Cal MediConnect over time

Key Measures:

- **Confidence and satisfaction with health services**
- **CMC enrollee comparison to opt-outs & others in non-participating counties**
- **Characteristics of CMC opt-outs**

Field Research Corporation Polling

Data collection periods

- Wave 3: February – April 2016
- Wave 2: October – November 2015
- Wave 1: June – September 2015

Populations surveyed

- All Waves: CMC enrollees & opt-outs in 5 counties (LA, Riverside, San Bernardino, San Diego, & Santa Clara), and two non-CMC counties (San Francisco & Alameda)

- Wave 3 expanded to include CMC enrollees & opt-outs in two additional counties (Orange & San Mateo)

CMC Enrollee Confidence & Satisfaction

	% satisfied		
	W1	W2	W3
▪ Amount of time doctor/other staff spends w/them	83	85	87
▪ Information health plan gives explaining benefits	76	73	84
▪ Choice of doctors	77	78	83
▪ Choice of hospitals	76	77	81
▪ Way different health providers work together	77	78	82
▪ How long to wait to see a doctor when needed	73	76	77

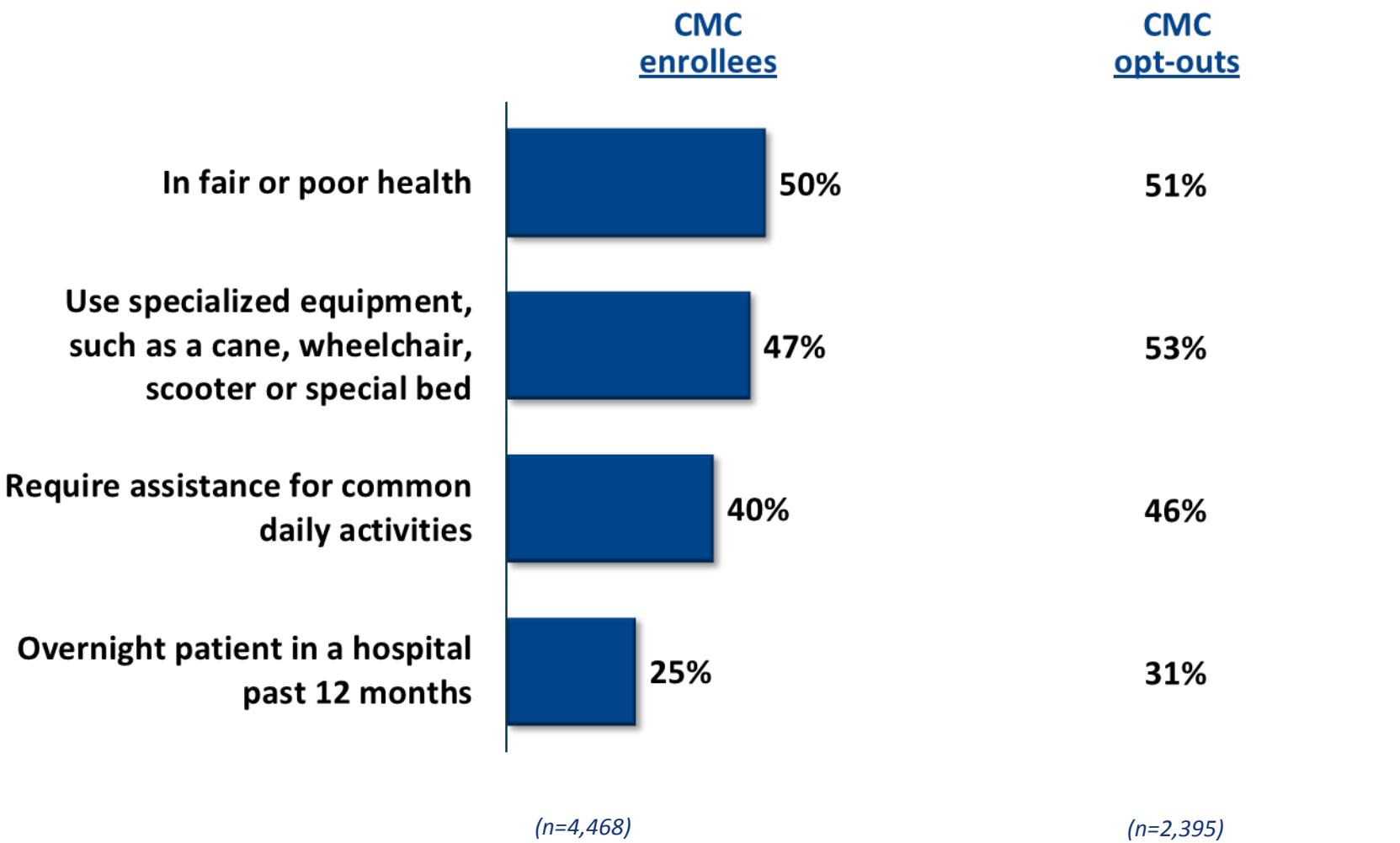
Perceived Impact of Care Managers*on the Quality of Care

	CMC enrollees	CMC opt-outs	Non-CMC counties
Has a single care manager	36%	35%	38%
Has improved care…			
A lot	24	23	26
A little	6	7	7
Not at all	3	2	3
Not reported	3	3	2
	(n=1,704)	*(n=1,026)*	*(n=571)*

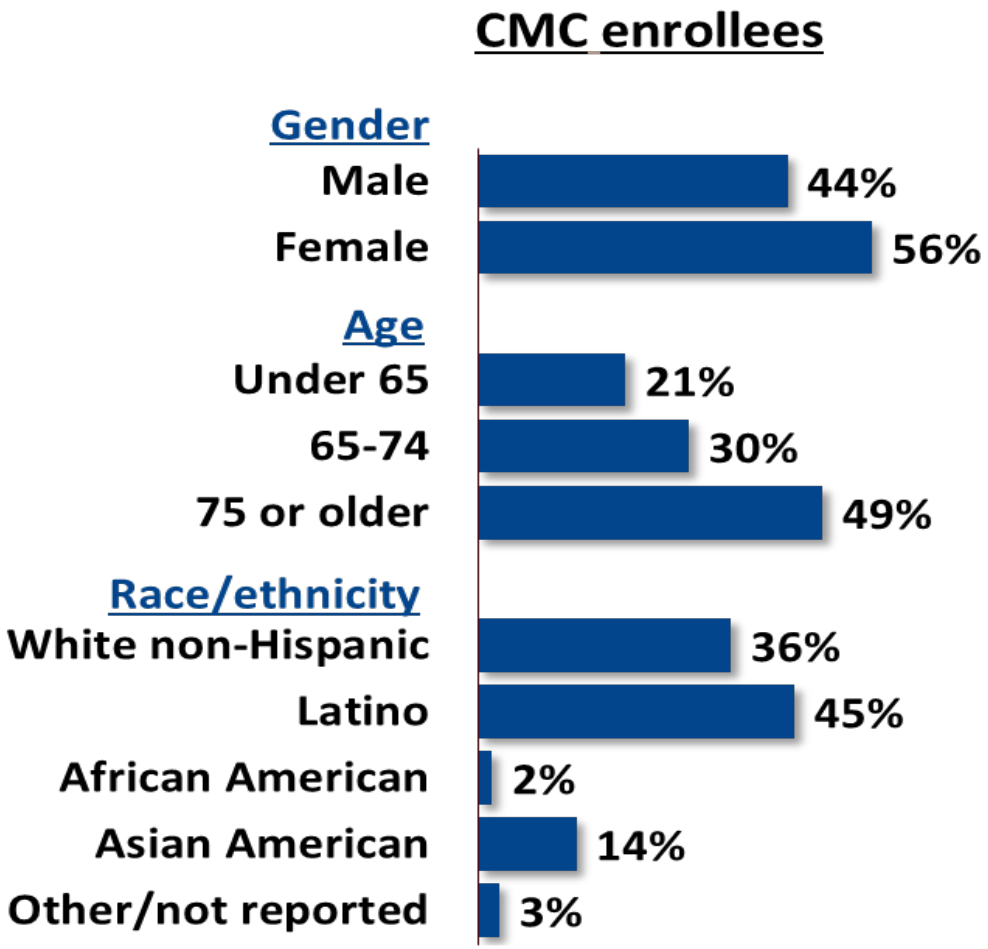
Perceived Impact of Personal Plan on the Quality of Care

	CMC enrollees	CMC opt-outs	Non-CMC counties
Has a personal care plan	33%	38%	40%
Has improved care…			
A lot	22	26	26
A little	7	7	8
Not at all	3	3	3
Not reported	1	2	3
	(n=1,704)	*(n=1,026)*	*(n=571)*

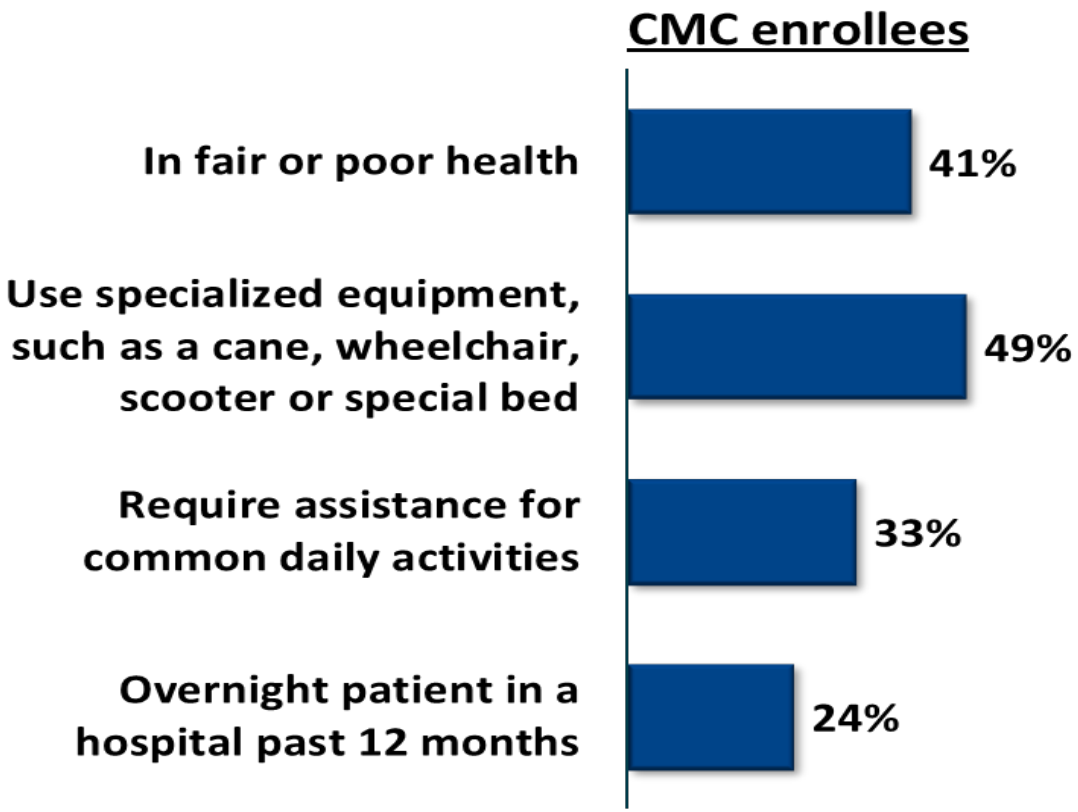
Characteristics of CMC Enrollees and Opt-outs in 7 Counties



Characteristics of CMC Enrollees in Orange County

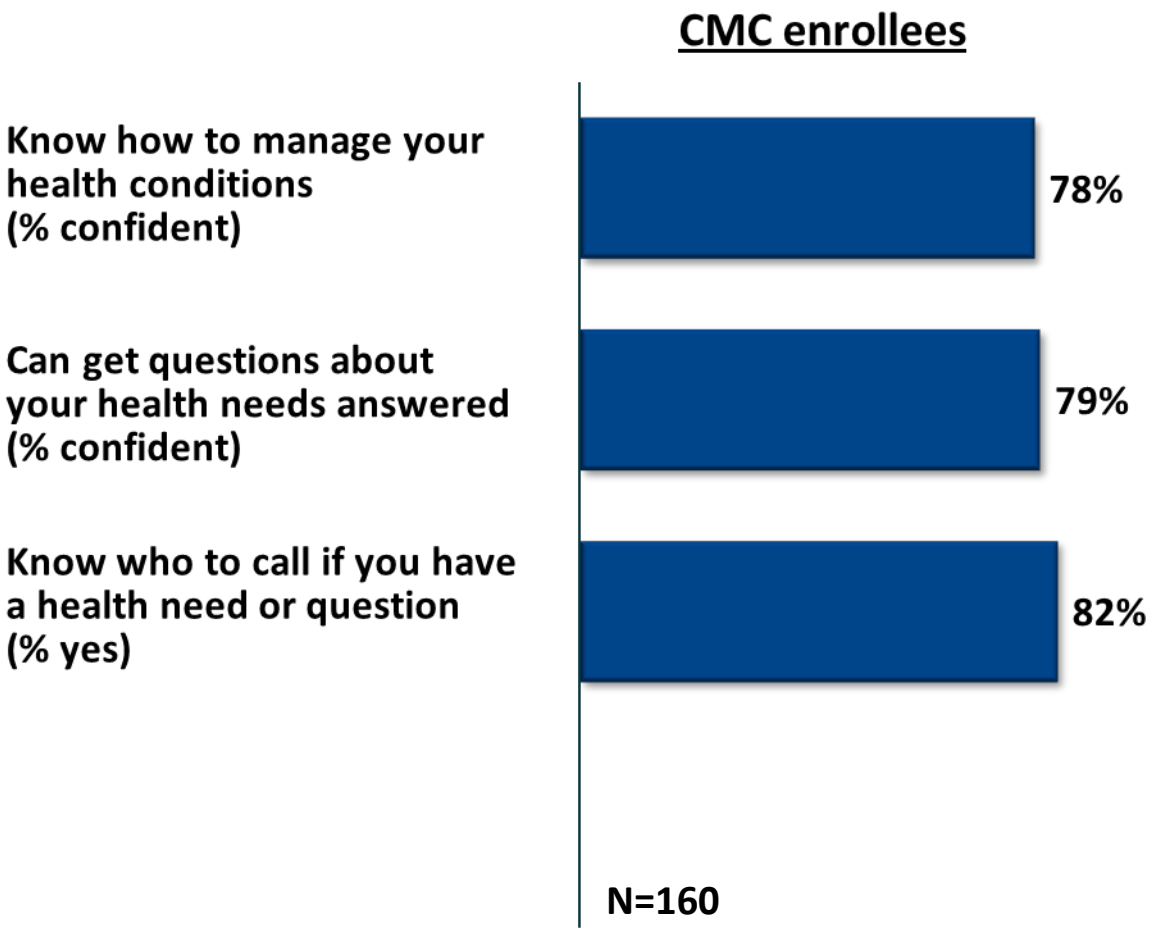


Characteristics of CMC Enrollees in Orange County

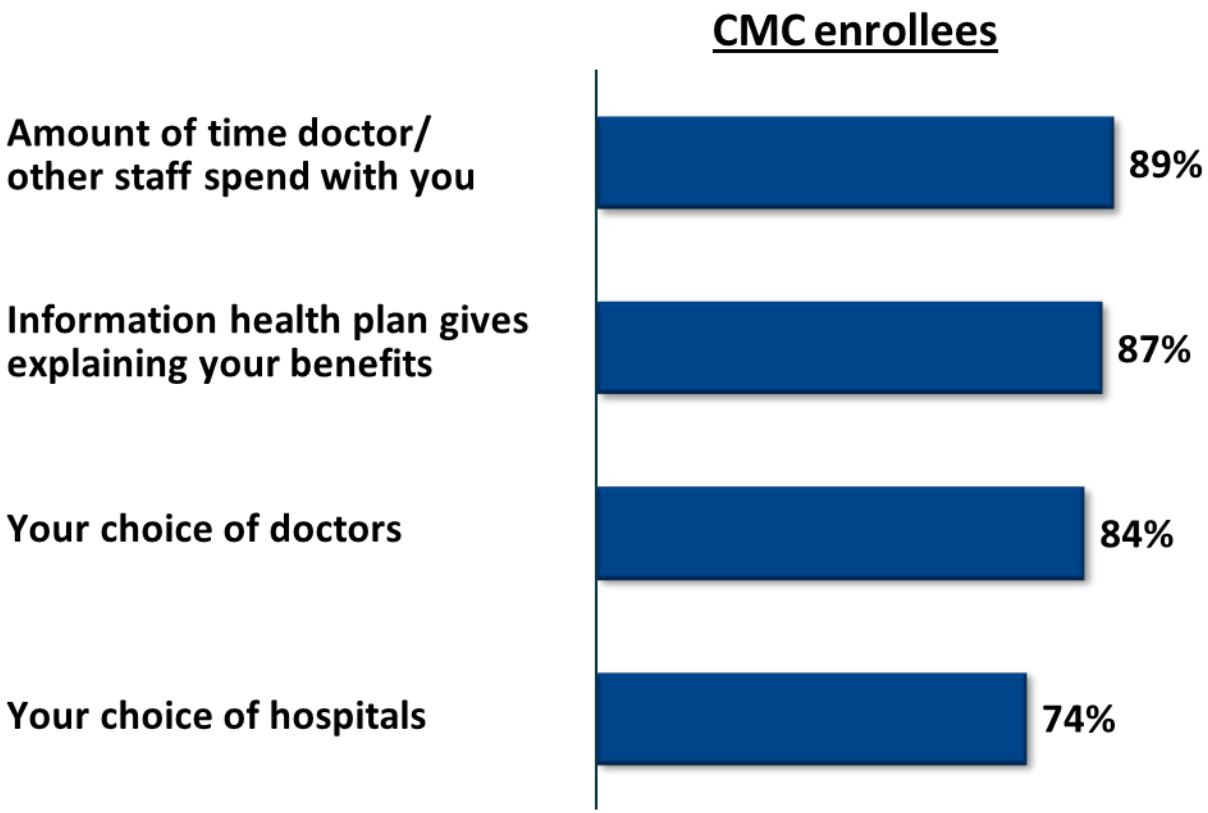


N=160

How Confident Are CMC Enrollees in Orange County?

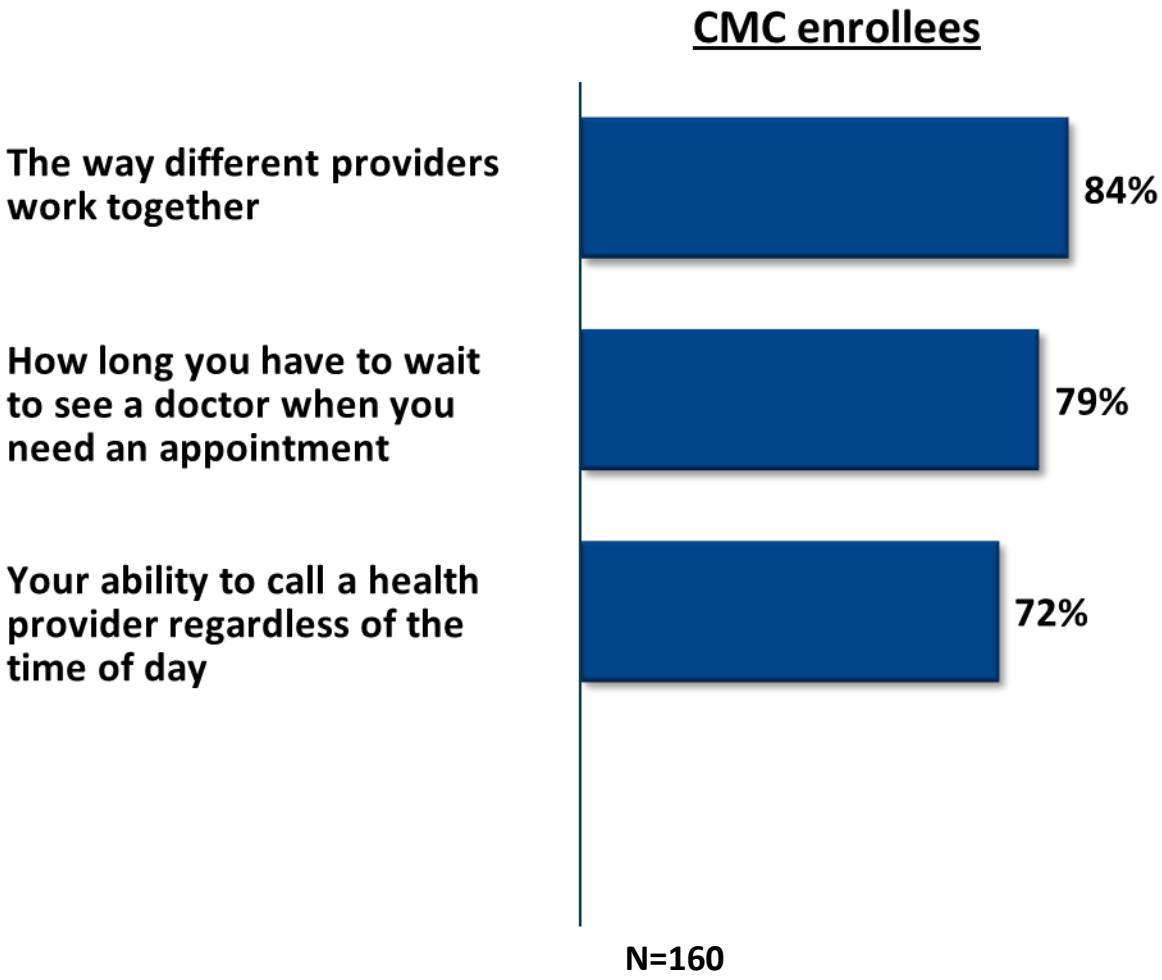


How Satisfied Are CMC Enrollees in Orange County?

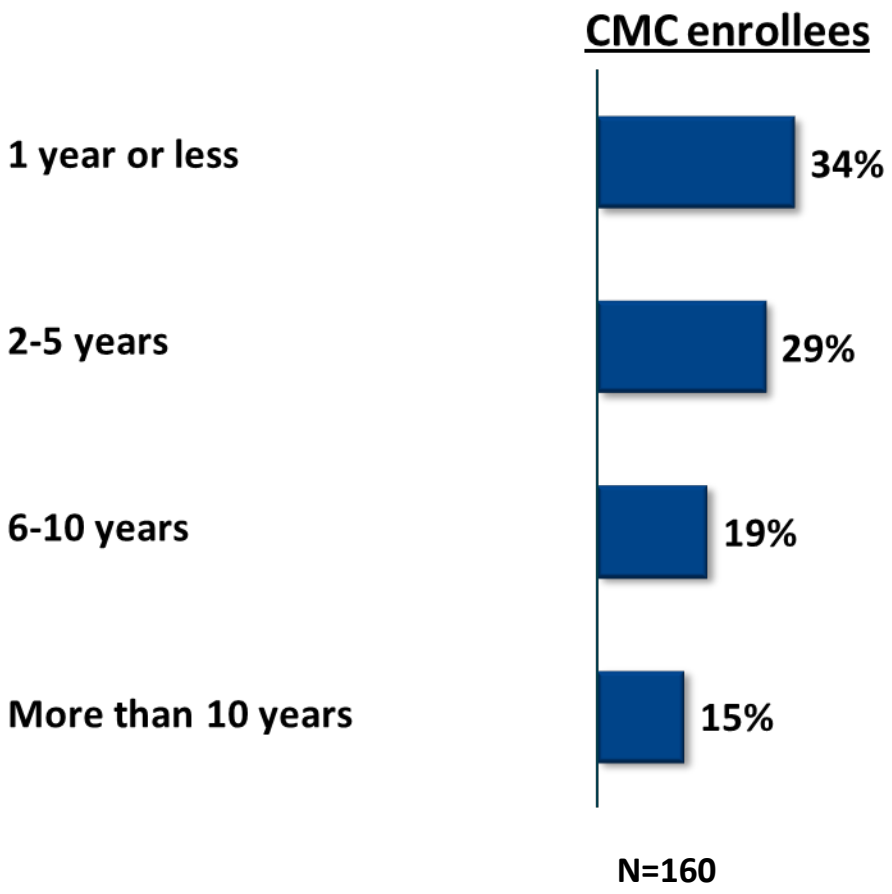


N=160

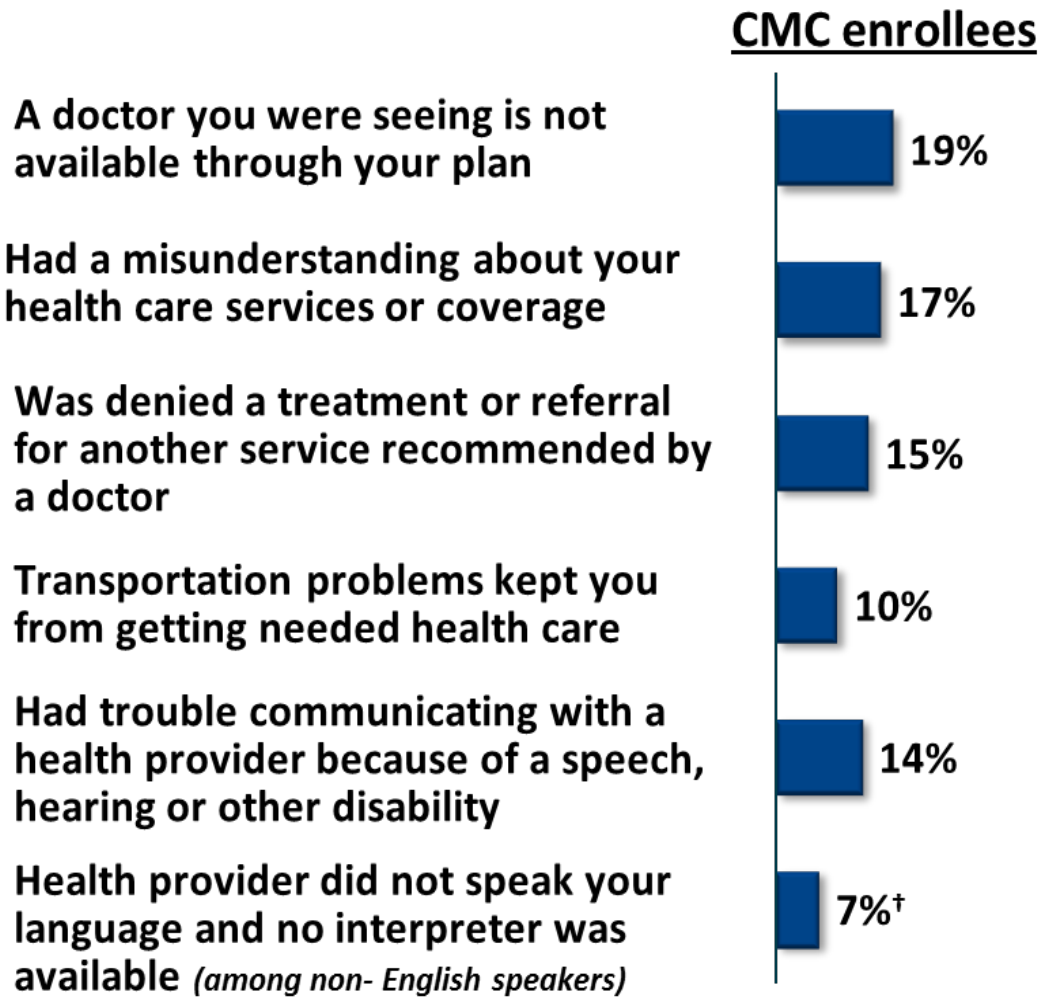
How Satisfied Are CMC Enrollees in Orange County?



How Long Have CMC Enrollees Been Seeing Their Doctor?



What Problems Have Orange County CMC Enrollees Had in the Past Year?



What's Next?

Rapid cycle polling from Field Research Corporation

- **Wave 4, Fall 2016**

UC evaluation

- **Health system response report, July 2016**
- **Telephone survey, August 2016**
- **Case studies, 2017**

Our Vision:

A society where older adults can access health and supportive services of their choosing to meet their needs.

Our Mission:

To advance a coordinated and easily navigated system of high-quality services for older adults that preserve dignity and independence.

Sign up for email alerts at
www.TheSCANFoundation.org

Follow us on Twitter

@TheSCANFndtn

Find us on Facebook

The SCAN Foundation

ILLUMINATION FOUNDATION
RECUPERATIVE CARE

STREET 2 HOME

A Proposed Healthcare Safety Net System for Orange County's Chronically Homeless

Presented by

Aiko Tan, ED of Healthcare, Illumination Foundation
Paul Cho, CFO, Illumination Foundation

We Bridge the Gap

Illumination Foundation Programs

HOUSING STABILIZATION

HOUSING

- Emergency
- Bridge
- Permanent Supportive

HEALTHCARE

- Healthcare Outreach
- Recuperative Care
- Street2Home (ER Diversion)
- Medical Bridge Housing

INCOME

- Job Readiness
- Job Placement
- Benefits Acquisition (Insurance, SSI/SSDI)
- Financial Literacy

COMMUNITY

- Motel Family Outreach
- Children's Enrichment
- Life Skills

Illumination Foundation

Healthcare Solutions

Do you know a Joe?

Joe is a 53 year old male in Hospital A, awaiting surgery to remove a tumor….

s/p surgery Joe had a psychiatric consult that noted his suicidal ideations. His stated plan would be to jump off a bridge. Psych recommendation was for inpatient psych care. The record indicated a voluntary admit with a note that if Joe tries to leave, he should be evaluated and put on a 5150. Joe was discharged.

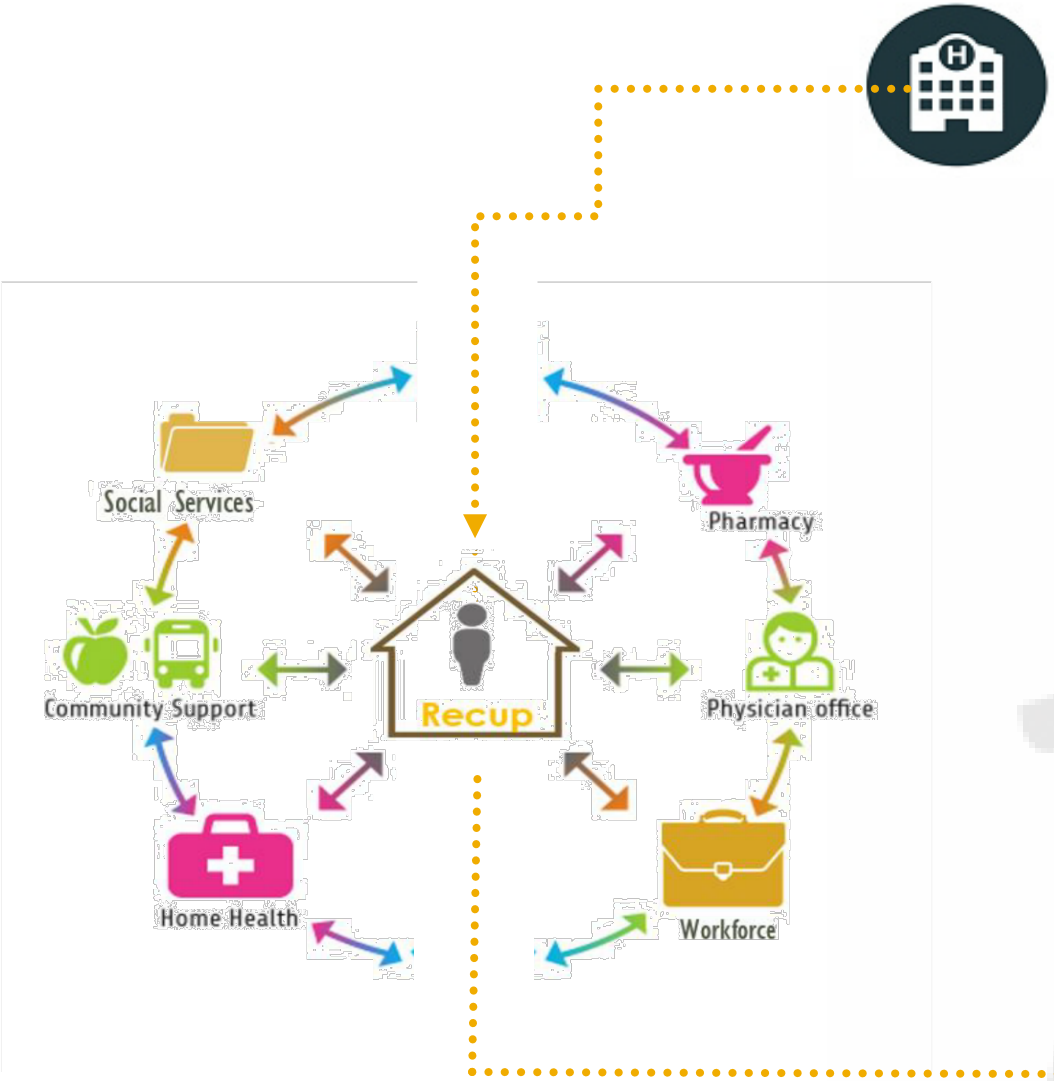
Joe was transferred back to Hospital A where he had his craniotomy. Everything went well so he was discharged.

He does not feel like himself since the surgery and states that he has a high anxiety disorder and PTSD. Joe was in a sober living facility prior to surgery and wants help to get back there. He says that if he cannot get help and the quality of his life improve, he would consider killing himself. He denies having a specific plan for that action at the present time.

After 2 days Joe self-reported to Hospital B

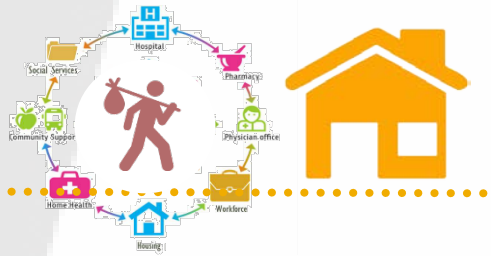
3 days post op, Joe self-reports to Hospital C states he is in a lot of pain (all over his head…) and has not filled his pain medication.

Joe goes home!



Hospital C sent client to IF Recup

- ✓ Immediate Housing
- ✓ Medical Oversight
- ✓ Medical Case Management
- ✓ Social Service Case Management
- ✓ Transportation
- ✓ Meals, clothing, hygiene needs
- ✓ Behavioral Health Counseling
- ✓ Client Education & Advocacy



What is Recuperative Care?

2008

Recuperative Care
(aka Medical Respite) provides care to homeless persons recovering from an acute illness or injury, no longer in need of acute care but unable to sustain recovery if living on the street or other unsuitable place.

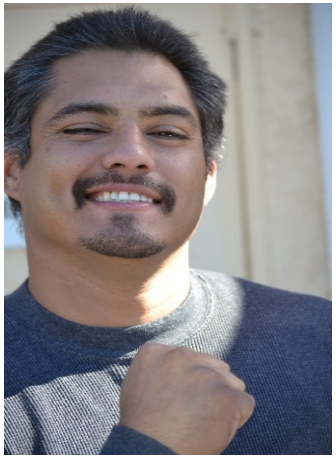
80 Nationwide

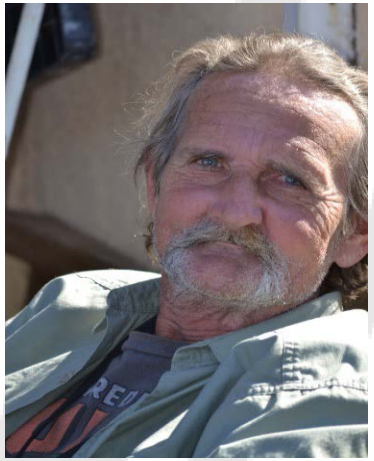
IF Recuperative Care

2500+
Patients

3
Locations
(LA, OC,
Riverside)

Recuperative Care (aka Medical Respite) manages the recovery of homeless individuals discharged from hospitals





Orange County Recup

Santa Fe Springs Recup

Recup Criteria

Hospitals
MCOs

CalOptima
Better. Together.

Health Services
Los Angeles County

IEHP
Inland Empire Health Plan

MOLINA HEALTHCARE

Dignity Health

SynerMed
Innovating Healthcare

- Homeless ?
- Acute Medical Condition ?
- Behavioral Health ?
- Independent w/ADL's ?
- Independent Ambulation ?
- Medications ?
- Wound Care ?
- IV therapy ?
- Oxygen ?

Recuperative Care

Average LOS

14 Private
28.5 County

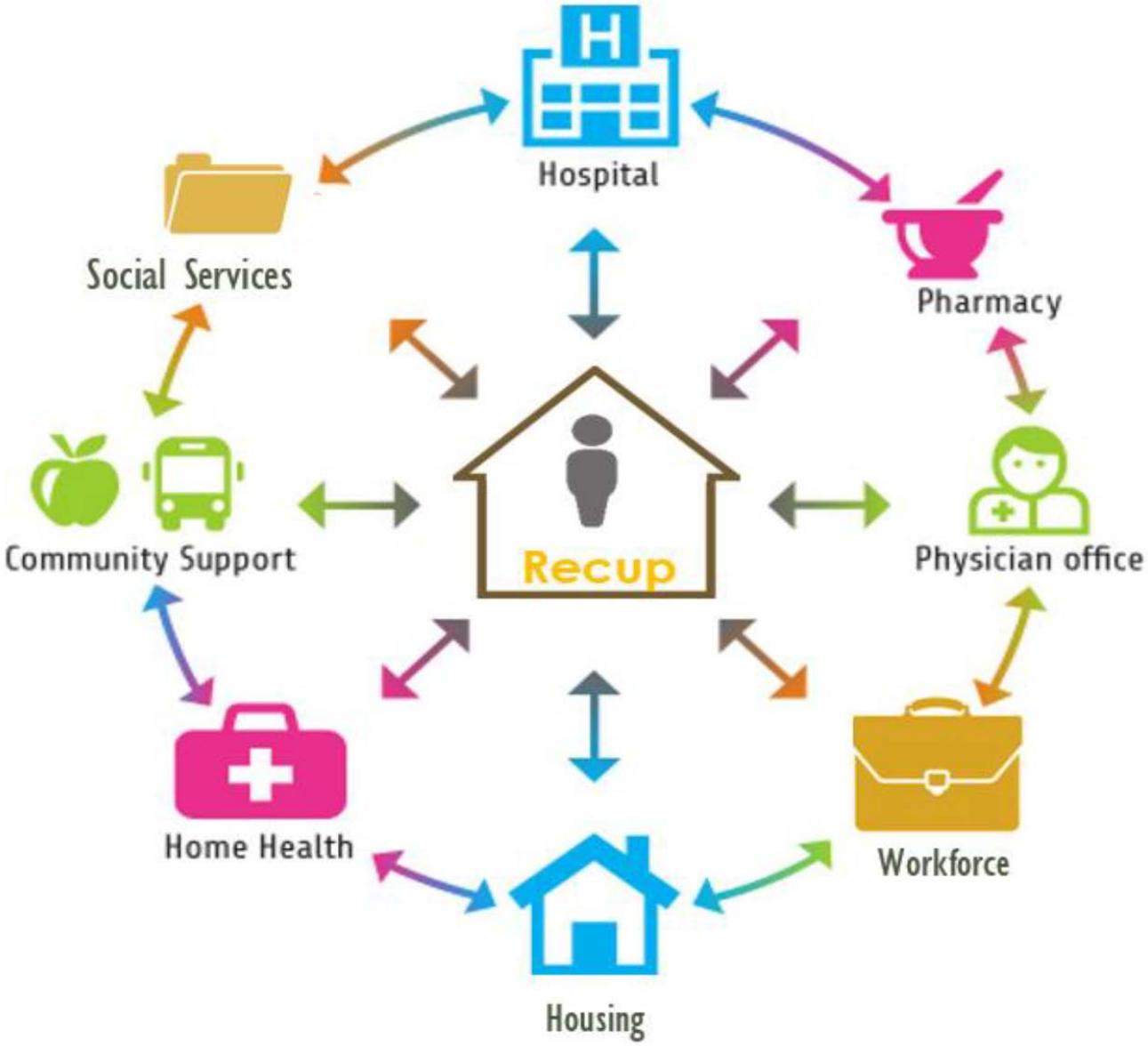
Scope of Services

2008

- Mental Health Counseling
- Medical Care Coordination
- Access to community clinic
- Case Management
- Housing connections Coordinated Entry System
- Food, hygiene and transportation
- Client - centered education
- Advocacy

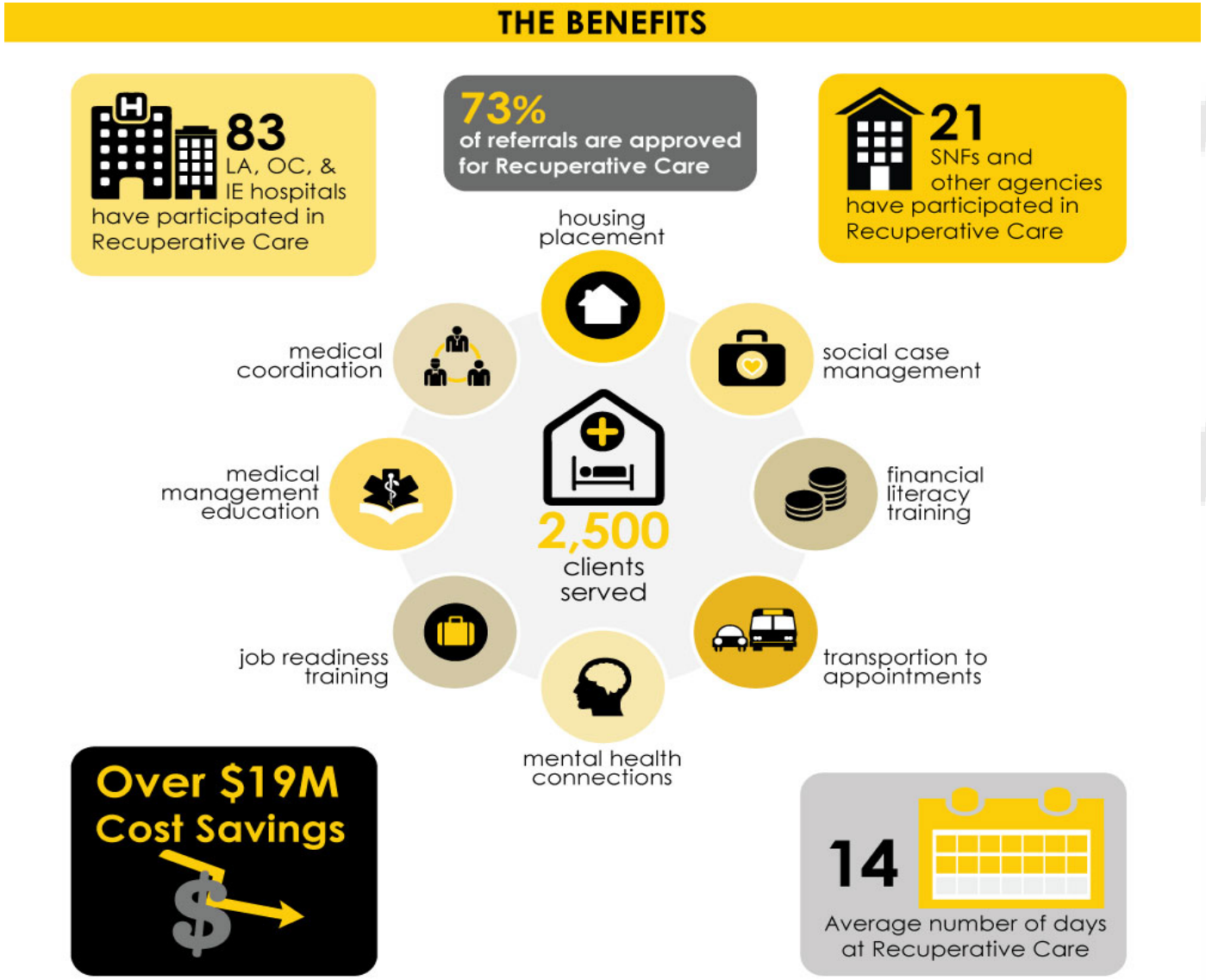
We do Care Transition

Present



Program Outcomes

2010-2014



Recup Promotes Triple Aim of ACA

Improved Healthcare

- ✓ Improved clinical outcomes as Recup allows for further patient stabilization
- ✓ Allows hospitals to discharge along appropriate continuum of care provider
- ✓ Improved patient satisfaction ratings

Improved Access to Care

- ✓ Improve access for homeless and housing insecure to healthcare and mental healthcare
- ✓ Recup connects patients to resources and agencies in the preferred exit destination
- ✓ Recup's core competency is ensuring successful care transitions for homeless

Recup promotes triple aim of ACA

Reduced Cost

- ✓ Reducing average LOS in hospitals by providing safe discharge option (4 avoidable inpatient days)
- ✓ Reducing the number of denied days from payers to providers
- ✓ Allows hospital to move patients' care along the continuum to a lower cost model that is timely and safe, enabling hospitals opportunity to generate new revenues from open beds
- ✓ Reducing readmits: Recup connects patients to medical home/PCP and reinforces patient utilization
- ✓ Fulfills obligations of nonprofit hospitals to invest in health and healthcare in the communities they serve

CalOptima Reimbursements in OC

$150/day Reimbursable to hospitals contracted with CalOptima

Max 10 days/ referral

n = 330 clients

COMMUNITY CONNECTIONS
JANUARY 2015
CalOptima

CalOptima Takes Action to Strengthen Orange County Safety Net

Supports programs for clinics and homeless members

CalOptima's Board of Directors took a major step to strengthen Orange County's health care safety net by investing nearly $1 million in funding for two major initiatives. One initiative supports the development of an enhanced community clinic system in Orange County. The other provides services to homeless CalOptima members, enabling them to recuperate in a safe setting after a hospitalization.

Community clinics are vital to the health care safety net because they care for low-income residents, including CalOptima members. Clinics that earn a Federally Qualified Health Center (FQHC) designation, receive higher federal funding, which ensures that clinic operations are more sustainable. CalOptima's action supports eight community clinics that are pursuing FQHC designation and four that are beginning the process. The grants help cover the cost of the technical assistance needed to attain the designation. At this time, Orange County has only 10 FQHCs, and these grants may ultimately help to more than double that level.

Due to the recent expansion of Medi-Cal, CalOptima is serving greater numbers of homeless members who face unique health care challenges, including recovering safely after being hospitalized. These members experience twice as many readmissions and twice as many inpatient days when they are discharged to the street rather than to a recuperative care setting. CalOptima authorized up to $500,000 for recuperative care services.

"Our Board's actions demonstrate CalOptima's commitment to Orange County and our

February • 04 • 2015

Respite RCPN News

A Newsletter for Members of the Respite Care Providers' Network

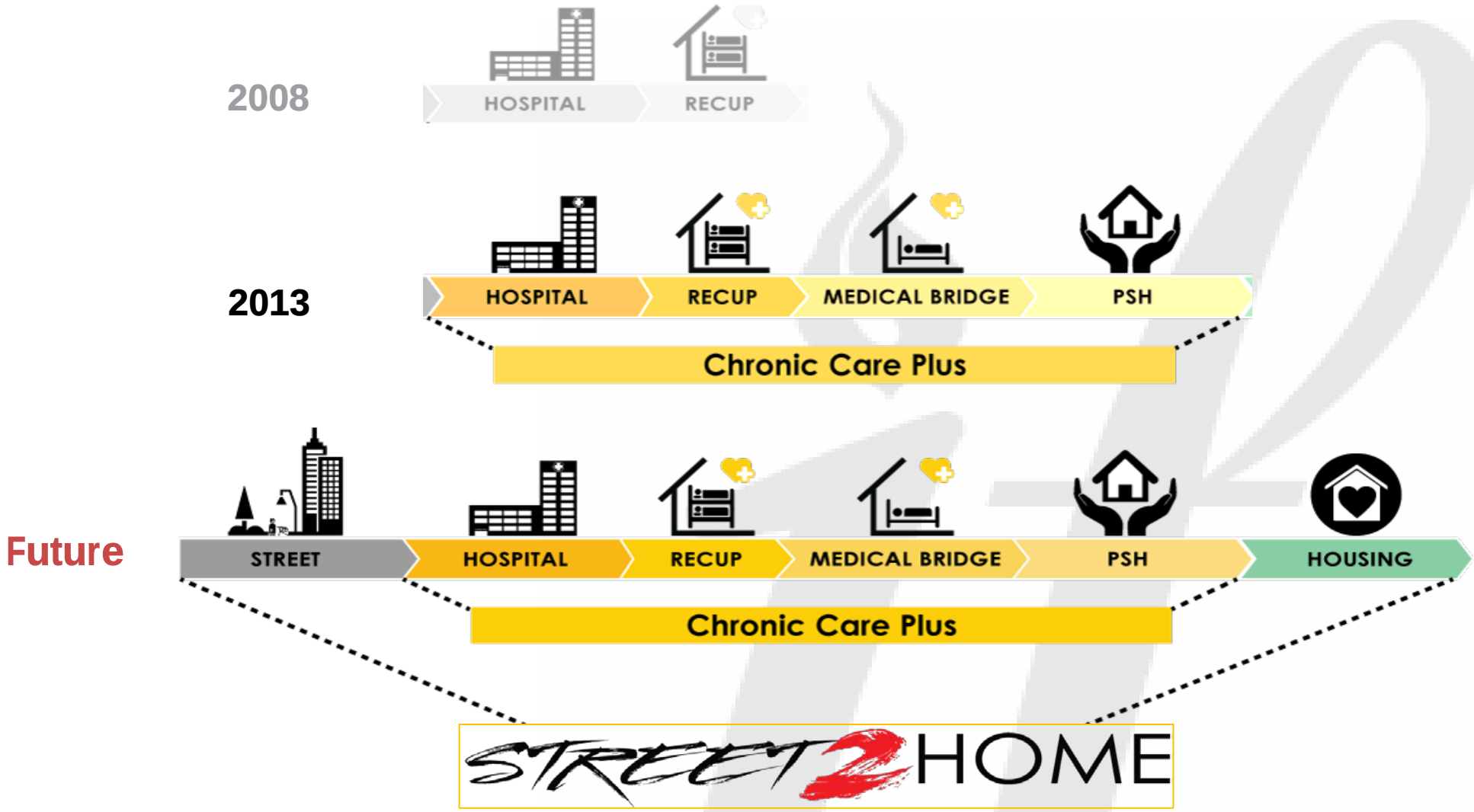
ster Now for the 2015 Medical
ite Pre-Conference Institute!

Orange County Health System to Offer Recuperative Care for Medicaid Patients

CalOptima, a health system based out of Orange County, California, approved a demonstration program that will help homeless Medi-Cal beneficiaries access recuperative care. According to the Hospital Association of Southern California, the demonstration is expected to support 10-day length-of-stay costs for approximately 330 Medi-Cal patients. Cal-Optima will evaluate the impact of the recuperative care benefit on patient outcomes and hospital readmissions. Financing for the demonstration comes from Intergovernmental Transfer funds.

CalOptima
A Public Agency
Better. Together.

Homeless Healthcare Safety Net Model



Chronic Care Plus (CCP) Pilot

2013

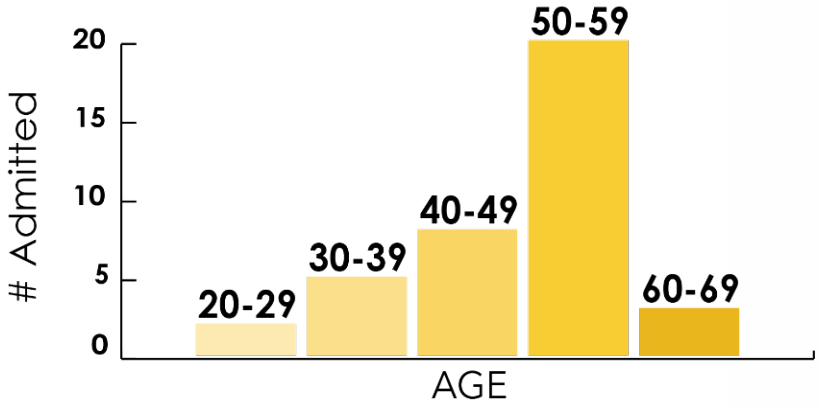
Chronic Care PLUS validated the potential of recuperative care to serve as a platform for breaking the twin cycles of hospital ER recidivism and homelessness.

CCP was an **ED Diversion Pilot Program** focused on permanently housing 20 of the Highest Users of the St Joseph Hospital ED.

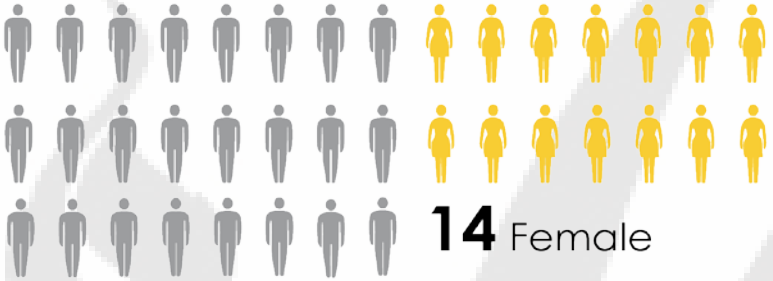
St.JosephHealth

CCP client demographics

Age at Program Entry



38 Admitted to the Program



14 Female

24 Male

37/38 clients were CalOptima members

Client Profile Prior to Program Entry

4.8yrs
Average period of homelessness

79%
Previous history of substance abuse

71%
Mental health condition

63%
Dual mental health and substance abuse

66%
Previous incarceration

CCP Statistics

Medical:

- All provided medical coordination
- 36 of 38 (95%) connected to PCPs
- 36 of 38 (95%) given a physical, blood work, and immunization updates
- 30 Provided 114 medical specialist referrals

Behavioral Health:

- 22 of 27 (81%) connected to mental health providers
- 21 of 30 (70%) connected to substance abuse intervention

Housing:

- All provided immediate housing
- 10,351 bed nights of housing
- All 24 at grant completion permanently housed

Social:

- All provided intensive case management
- 35 of 38 (92%) increased their income
- 34 of 38 (89%) provided with 44 vital documents (CA ID, Birth Certificates, etc.)
- 24 of 38 (63%) started savings accounts

Transportation:

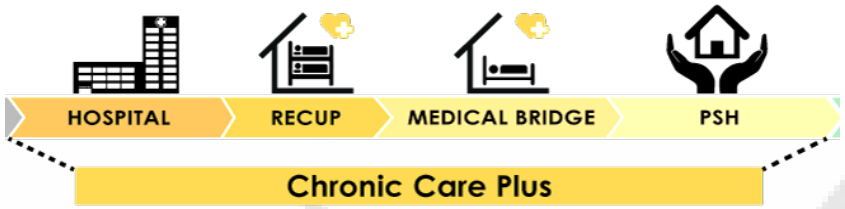
- Staff accompanied clients to initial PCP visit to ensure proper connection and advocate for client needs

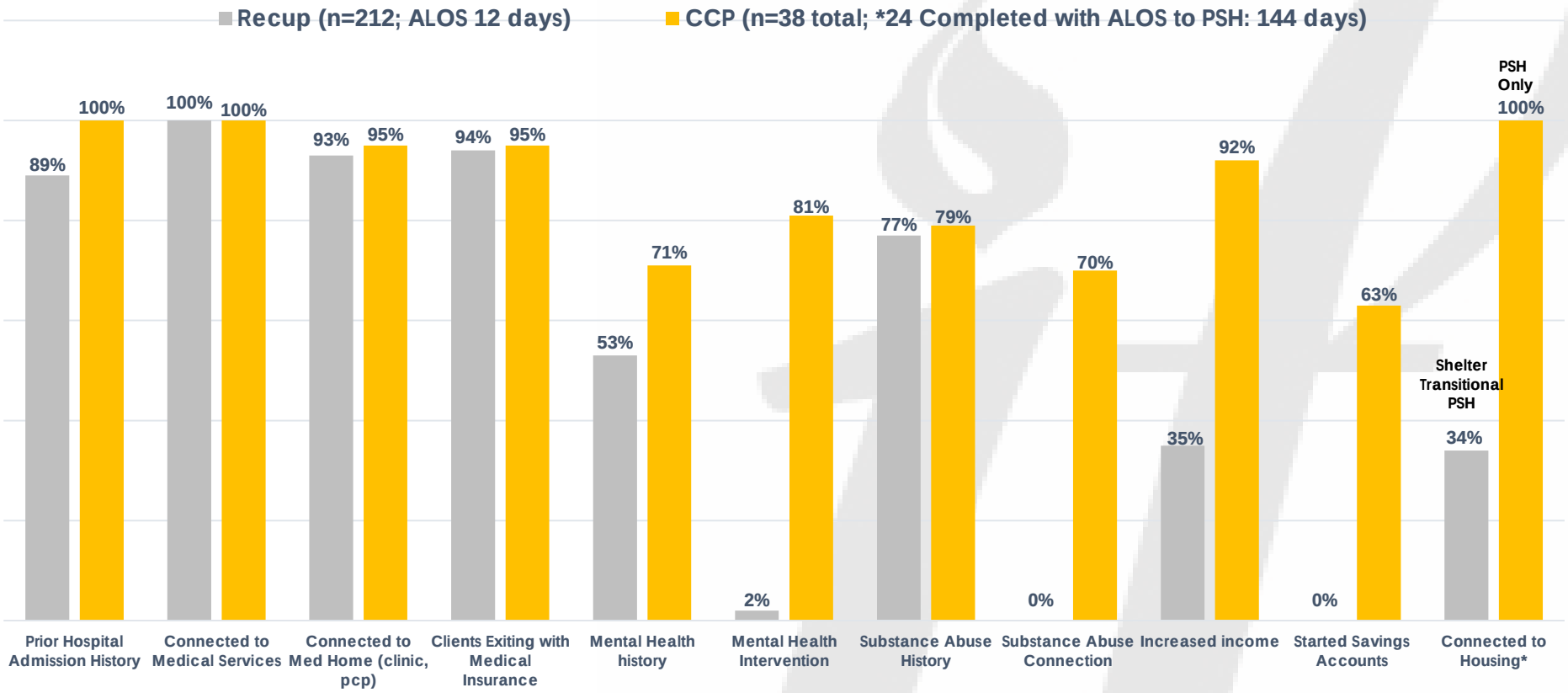
CCP Enterprise Analytics

CalOptima

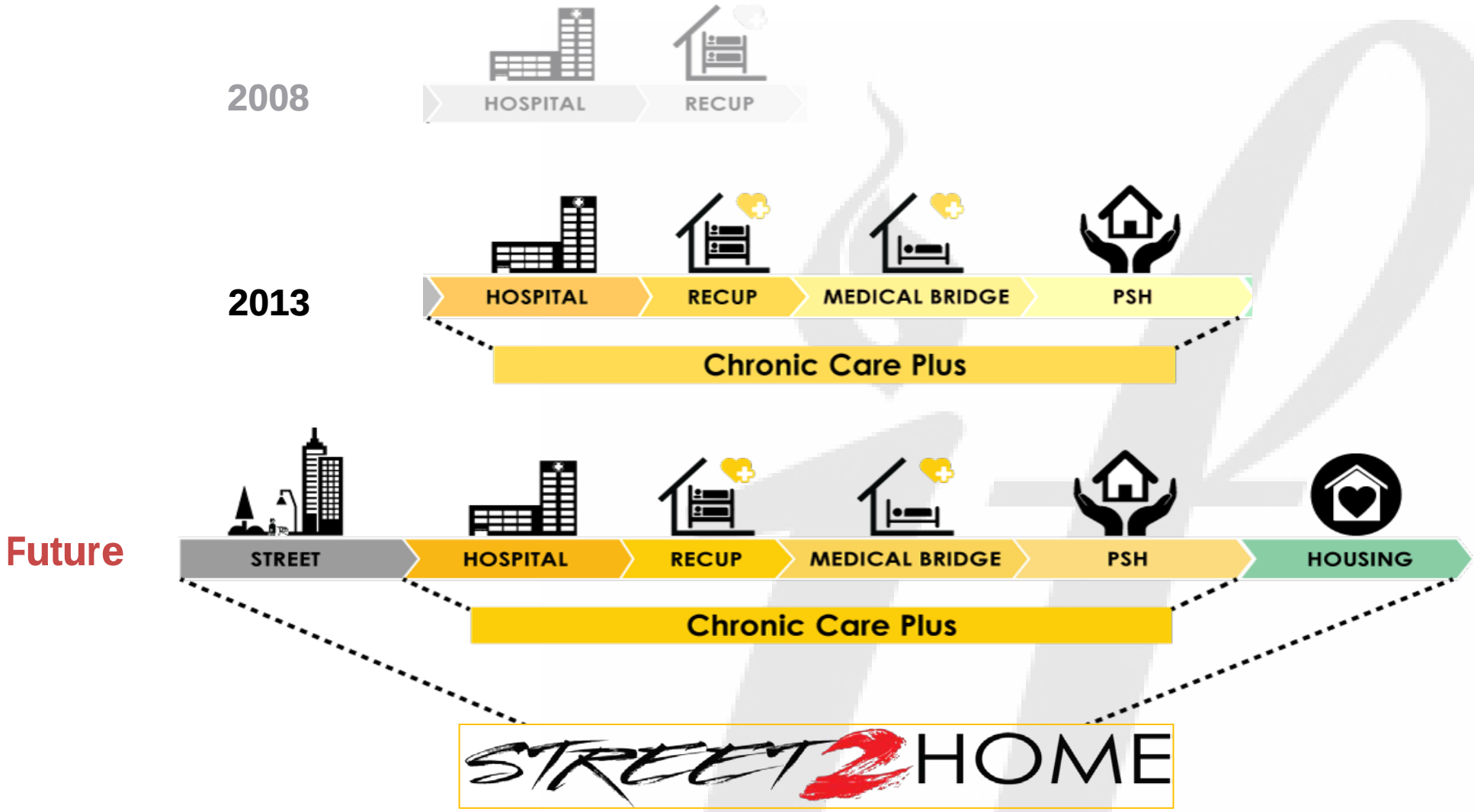
	At Program Exit/Completion				120+ Days post exit/completion	
	Pre Enrollment (PM/PM)	Overall Utilization (PM/PM)	Inpatient Cost (PM/PM)	ER Costs (PM/PM)	Inpatient Utilization	Pharmacy Utilization
Completed (n = 24 ALOS 394 days)	$562	$1,129	$526	$6	0.3	Higher
Exited (n = 13 ALOS 67 days)	$422	$2,048	$1,494	$57	3.2	
Reduction		**45%**	**65%**	**89.5%**		

Recup vs. CCP Outcomes

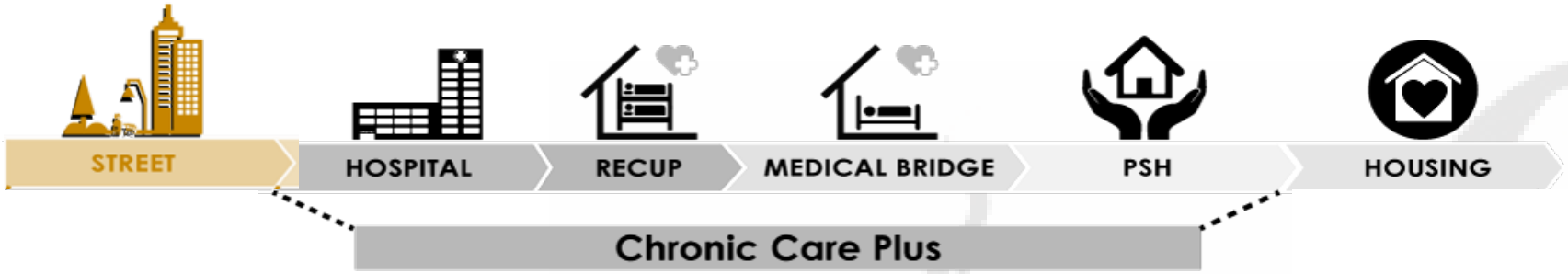




Homeless Healthcare Safety Net Model



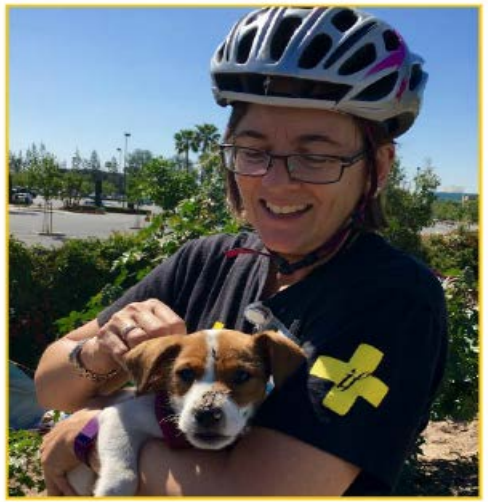
STREET 2 HOME



800+
Medical Patients

1200+
Vision Patients

BUENA PARK COMMUNITY CLINIC



Outreach

Costa Mesa Homeless Court,
Civic Center SA,
Santa Ana Riverbed,
Mutt Medics

Outpatient Surgery Program

275
Free surgeries (GI, Vision, General)

400+
Volunteers (MD, Nurses, Hospital staff)

$3M+
In donations

Access OC's mission is to mobilize medical volunteers to provide free low-risk surgery to low income patients

St.Joseph Hoag Health
Hoag • Mission • St.Joseph • St.Jude

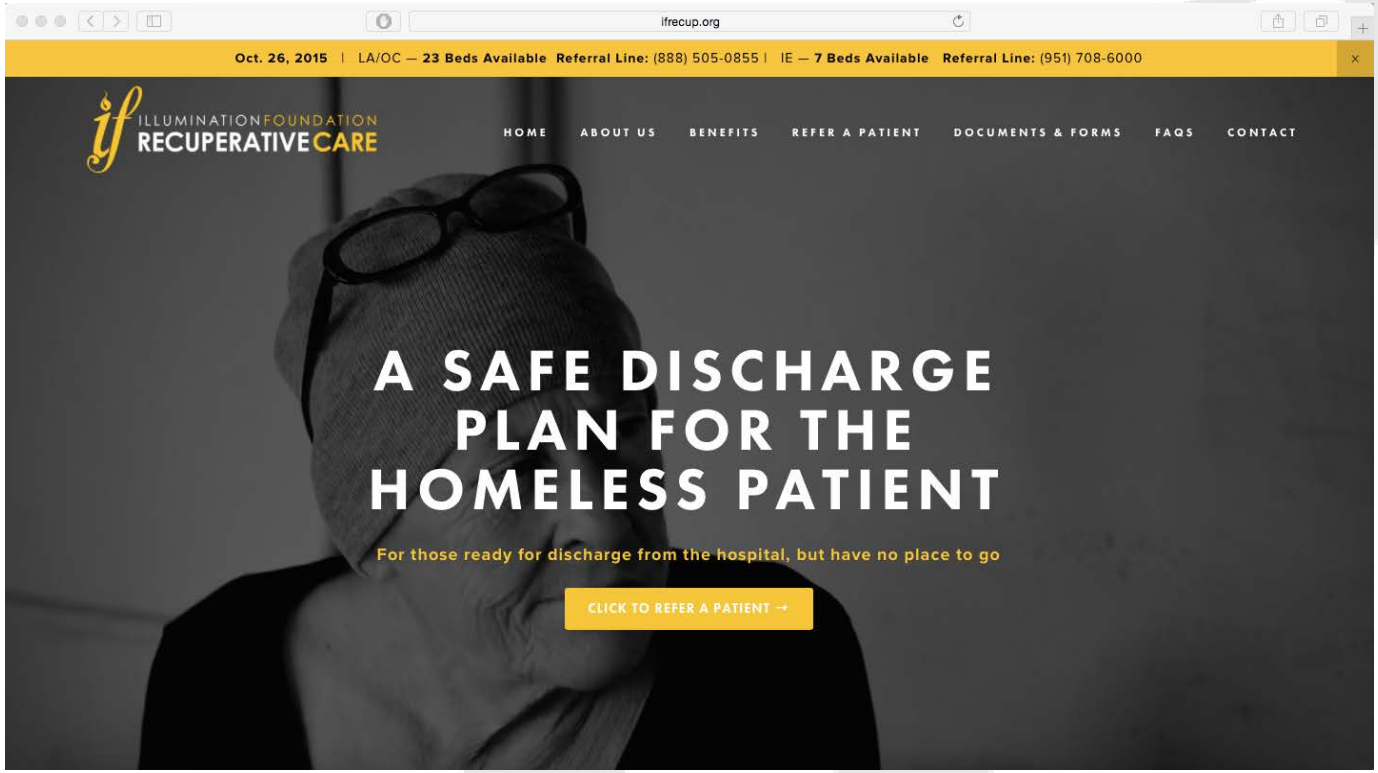
KAISER PERMANENTE

SADDLEBACK MEMORIAL
MemorialCare Health System

IF Recup website

KEEP
CALM
and
CALL
RECUP

WWW.IFRECUP.ORG



Referral Line: 888-505-0855 | Fax: 888-382-9551

Questions?

Aiko Tan, Exec. Dir. Healthcare
atan@ifhomeless.org
www.ifrecup.org

Paul Cho, CFO
pcho@ifhomeles.org
www.ifhomeless.org


KEEP YOUR COINS
I WANT
CHANGE