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

THURSDAY, OCTOBER 13, 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 September 8, 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 Legislative Update
B. Consumer Assessment of Healthcare Providers and Systems (CAHPS)/Primary Care Physicians (PCP) Satisfaction Update
C. PAC Member Updates

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT

MINUTES

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

September 8, 2016

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, September 8, 2016 at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

Jena Jensen, PAC Chair, called the meeting to order at 8:05 a.m., and led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Anjan Batra, M.D.; Donald Bruhns; Theodore Caliendo, M.D.; Alan Edwards, M.D.; Stephen N. Flood; Jena Jensen; Pamela Kahn, R.N.; Teri Miranti; John Nishimoto, O.D.; George Orras, Ph.D.; FAAP; Mary Pham, Pharm.D, CHC; Pamela Pimentel, R.N.; Suzanne Richards, RN, MBA, FACHE; Barry Ross, R.N., MPH, MBA

Members Absent: Jacob Sweidan, M.D.

Others Present: Michael Schrader, Chief Executive Officer; Richard Bock, M.D., Deputy Chief Medical Officer; Ladan Khamseh, Chief Operating Officer; Chet Uma, Chief Financial Officer; Phil Tsunoda, Executive Director, Public Policy and Public Affairs; Caryn Ireland, Executive Director, Quality Analytics; Cheryl Meronk, Director, Strategic Development; Cheryl Simmons, Staff to the PAC

MINUTES

Approve the Minutes of the August 11, 2016 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

Action: ***On motion of Member Ross seconded and carried, the Committee approved the minutes of the August 11, 2016 meeting. (Motion carried 14-0-0; Member Sweidan absent)***

PUBLIC COMMENTS

No requests for public comment were received.

On behalf of the PAC, Chair Jensen welcomed new PAC members Anjan Batra, M.D. as the Physician Representative and John Nishimoto, O.D. as the Non-Physician Medical Practitioner Representative.

REPORTS

Consider Recommendation of 2016 PAC Chairperson and PAC ViceChairperson

The PAC recommended that Teri Miranti be appointed as PAC Chair and Suzanne Richards as Vice-Chair for the FY 2016-2017 term. Members Miranti and Richards were the only candidates who applied for the positions and the nominations ad hoc committee was not reconvened.

Action: ***On motion of Member Pimentel, seconded and carried, the Committee approved the recommendation to appoint Teri Miranti to PAC Chair position and Suzanne Richards to Vice-Chair position for the FY 2016-2017 term.***

Term for both positions will run through June 30, 2017. (Motion carried 14-0-2; Members Miranti and Richards abstained; Member Sweidan absent).

CEO AND MANAGEMENT REPORTS

Chief Executive Officer Update

Michael Schrader, Chief Executive Officer, updated the PAC on Board actions from the September 1, 2016 Board Meeting. Mr. Schrader informed the PAC that the National Committee for Quality Assurance (NCQA) awarded CalOptima a Commendable rating and that CalOptima's lower Healthcare Effectiveness Data and Information Set (HEDIS) scores could affect CalOptima's number one ranking in California. He noted that the focus would be on raising the HEDIS scores.

Chief Financial Officer Update

Chet Uma, Chief Financial Officer, presented CalOptima's Financial Report for July 2016. Mr. Uma reviewed the enrollment summary with the members and noted that the Temporary Assistance for Needy Families (TANF) for adult and children was below budget but Medi-Cal expansion (MCE) membership continued to exceed budgeted enrollment. Membership in the OneCare Connect product line is lower than budget by 15.2% which causes a budget variance. Mr. Uma also reviewed the administrative expenses that were also tracking under budget by 3.2%, which is largely attributable to open positions. He also noted that the medical loss ratio was tracking to budget at 96.3%.

Mr. Uma also reviewed the Health Network Enrollment Summary.

Chief Medical Officer Update

Dr. Richard Bock, Deputy Chief Medical Officer, provided an update on the Pay for Value program and discussed the goals of the current program and methodology.

Dr. Bock noted that the "commendable" status achieved from the NCQA was largely due to improvement in the member experience/satisfaction scores. He noted that the results also showed declining scores in clinical quality.

After an extended discussion, PAC members indicated their willingness to form a HEDIS Ad Hoc Committee and work with CalOptima staff to help address the lower HEDIS scores. Member Caliendo requested that staff continue to inform the PAC of upcoming CalOptima Quality Forums and Quality Assurance Committee meetings to allow interested PAC members to attend.

Dr. Bock also provided a presentation on the hazards of nicotine and the use of e-cigarettes among minors and young adults.

Chief Operating Officer Update

Ladan Khamseh, Chief Operating Officer, noted that 20 additional physicians have completed the Developmental Evaluation for Autism Training, and reported that the Health Home Program implementation date has been delayed, and the anticipated start date for the program is now January 1, 2018.

INFORMATION ITEMS

Federal and State Budget Update

Phil Tsunoda, Executive Director, Public Policy and Public Affairs, provided a brief review of the Legislative Tracking Matrix that follows healthcare bills currently pending in the State Legislature. He noted that the deadline for the Governor to sign or veto was September 30, 2016.

Whole Person Care

Cheryl Meronk, Director of Strategic Development, presented information on the Whole Person Care (WPC) pilot program. The WPC pilot is part of Medi-Cal 2020, California's latest 1115 waiver. Ms. Meronk noted that the county-led pilot aims to improve health and well-being of individuals that frequently use multiple systems of care/support and to increase data and service coordination between health, behavioral health and social services.

CalOptima is working on this initiative in conjunction with the Orange County Health Care Agency, which is the lead agency in this endeavor.

PAC Member Comments

Member Ross provided an update on the progress of the CAHPS Ad Hoc subcommittee. He noted that the committee had met three times since June, and the goal of the committee was to improve the member experience for adults and children while attempting to achieve an NCQA rating of three (3) on consumer satisfaction by 2018.

Another goal of the committee is to help raise physician satisfaction scores among CalOptima members. The CAHPS Ad Hoc subcommittee will reconvene once the reports are created using data from CalOptima's supplemental survey.

Chair Jensen reminded the members that their annual compliance training is due by November 4, 2016.

ADJOURNMENT

There being no further business before the Committee, the PAC Chair adjourned the meeting at 9:36 a.m.

/s/ Cheryl Simmons
Cheryl Simmons
Staff to the PAC

Approved: October 13, 2016

MEMORANDUM

DATE:	October 6, 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

California Children's Services (CCS) Program
On September 25, Gov. Brown signed SB 586 into law, authorizing implementation of the Whole Child Model (WCM) for the CCS program no earlier than July 1, 2017. In selected counties, including Orange, this will transition CCS from a fee-for-service system run by counties to a benefit administered by Medi-Cal managed care plans. CalOptima will be responsible for providing most CCS services to approximately 11,810 members. We will also be responsible for establishing a local stakeholder process, including two new advisory committees. Many of the CCS services currently administered by the Orange County Health Care Agency will transition to CalOptima, such as care coordination, case management, service authorizations and provider referrals. However, some services will continue to be carved out of the WCM, such as CCS eligibility determinations, Medical Therapy Unit services and neonatal intensive care services. SB 586 also spells out other provisions of the transition, such as member notices, continuity of care rules and reporting requirements. During the past several months, CalOptima has been actively collaborating with state regulators and county officials to prepare for the change. We will keep your Board informed about our progress, as CalOptima works to ensure Orange County's CCS children experience a smooth transition.

National Committee for Quality Assurance (NCQA) Rating
CalOptima is California's top Medi-Cal plan for the third year in a row, according to the NCQA's Medicaid Health Insurance Plan Ratings 2016–2017. CalOptima received a score of 4 out of 5 — the highest score awarded to any Medi-Cal plan in the state. Further, only 15 Medicaid plans of the 171 reviewed nationwide scored higher. The ratings are based on three major performance categories: consumer satisfaction, prevention and treatment. CalOptima shared news about our top-plan status with our employees and community widely, using a variety of communications channels, including press releases, social media postings, emailed memos and an electronic newsletter. Health network partners, providers, community-based organizations and elected officials all received our message, and the congratulatory responses were gratifying! We will continue spreading the word using a custom graphic and tagline of "CalOptima Qualityx3: Top Medi-Cal Plan in California Three Years and Counting!"

Program of All-Inclusive Care for the Elderly (PACE)
CalOptima PACE enjoyed two successes in September: a positive regulatory audit and a proposed rate increase. On September 1, PACE completed its third audit in three years with good

results. The auditors' preliminary findings showed that out of 14 elements (four operational and 10 clinical), PACE met 11. Three elements had findings:

- Transportation: Prior to the audit, PACE self-disclosed issues with the transportation program for exceeding the one-hour time limit.
- Infection Control: The glucometer disinfection process was deemed out of compliance with manufacturer recommendations.
- Quality: This finding also involved transportation and the level of oversight of the transportation vendor.

A final report is due in early October, and PACE will have 30 days to respond with a corrective action plan. Overall, the auditors were complimentary about our center and staff, noting that the program has come a long way in three years. Separately and for some time, CalOptima has been advocating for better PACE rates, based on the fact that our rates are among the lowest in the state. On September 20, the Department of Health Care Services (DHCS) responded with an increase to the PACE Medi-Cal rate for Calendar Year 2016. These rates are preliminary and awaiting federal approval. Our finance team is in the process of assessing the new rate's impact on overall financial performance. Medi-Cal represents about 68 percent of total PACE revenue, and the rest is Medicare. CalOptima is also taking an active approach to boosting PACE Medicare revenue by more fully capturing and reporting the acuity of our dual eligible PACE participants. I will keep your Board informed as the financial status of PACE crystallizes.

Strategic Plan

Work on CalOptima's next three-year strategic plan will continue with a special Board strategic planning session on Thursday, November 3, immediately following the regular Board meeting. Bobbie Wunsch of Pacific Health Consulting Group will facilitate the session, and DHCS Director Jennifer Kent will be guest speaker. To prepare, I plan to meet with individual Board members this month to lay the groundwork for the session and share the draft framework of the strategic plan that staff previously developed with Ms. Wunsch. After the November 3 session, the goal is to bring a final strategic plan for approval at your December meeting.

Key Meetings

- UCI Health: On September 2, as part of a continuing series of quarterly meetings, Dr. Richard Helmer, Ladan Khamseh and I met with the leadership team from UCI Health, including CEO Howard Federoff, CFO Jay Sial and others. Leaders are interested in increasing UCI's collaboration with CalOptima in the area of population health.
- Orange County Business Council (OCBC) Board of Directors: The OCBC is a leading organization in the local business community. I serve on the Board along with a number of other health care leaders from organizations such as CHOC and UCI. Monthly Board meetings address a variety of business topics, often including issues in the health care industry. The September 8 meeting touched on the tobacco tax initiative, which is on the November ballot and may help increase funding for Medi-Cal.
- Regional Center of Orange County (RCOC): On September 9, Dr. Helmer, Dr. Donald Sharps and I met with RCOC leaders to share an update regarding the transition of Applied Behavior Analysis services from RCOC to CalOptima Medi-Cal. From February to September, nearly 1,300 children have transitioned, and the process in nearly complete, with fewer than 100 children remaining to be transitioned.

- Health Network Leadership Meeting: On September 20, CalOptima executives and network management staff met with 18 leaders from our contracted health network partners. The agenda included discussion of CalOptima's financial reserve requirements and upcoming audit of networks' medical loss ratio along with updates about quality and compliance issues. These CalOptima-network leadership meetings are tentatively planned to continue on a quarterly basis.
- Hospital Association of Southern California (HASC): On September 22, I facilitated a group discussion about patient education, navigation and coordination at the third HASC-sponsored Medi-Cal Task Force meeting. The group agreed that better patient education and care coordination leads to appropriate use of emergency rooms and prevents readmissions. To that end, I shared some of CalOptima's efforts in educating new moms, because the highest use of emergency rooms is in infants and children up to age 2, and in planning better hospital discharges, which prevents readmission. The participants discussed activities at their organizations and ideas for collaboration between hospitals and health plans. The task force meetings gather leaders from Southern California hospitals, public managed care plans and providers to create recommendations that will improve local delivery systems, develop a common policy agenda and forge an advocacy platform for HASC to use at the state level. The final task force meeting this month will summarize ideas from prior meetings and establish next steps.

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Financial Summary

August 2016

Chet Uma

Chief Financial Officer

FY 2016-17: Consolidated Enrollment

- August 2016 MTD:
  - Overall enrollment was 798,243 member months
    - Actual lower than budget by 1,535 or 0.2%
      - Medi-Cal: favorable variance of 2,474 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: unfavorable variance of 3,942 members
    - 0.1% decrease from prior month
      - OneCare Connect: decrease of 657 from July
      - Medi-Cal: decrease of 178 from July
    - 4.5% or 34,046 increase in enrollment from prior year

FY 2016-17: Consolidated Enrollment

- August 2016 YTD:
  - Overall enrollment was 1,597,326 member months
    - Actual lower than budget by 946 or 0.1%
      - Medi-Cal: favorable variance of 6,516 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: unfavorable variance of 7,326 members
      - OneCare: unfavorable variance of 157 members

FY 2016-17: Consolidated Revenues

- August 2016 MTD:
  - Actual lower than budget by $2.2 million or 0.8%
    - Medi-Cal: favorable to budget by $8.5 million
      - ABA prior year revenue adjustment of $5.1 million
      - IHSS estimated revenue $2.5 million higher than budget
      - Favorable volume variance of $0.7 million
    - OneCare Connect: unfavorable variance of $10.2 million
      - Unfavorable price variance of $2.0 million due to cohort mix
      - Unfavorable volume variance of $8.1
    - OneCare: unfavorable to budget by $0.5 million

- August 2016 YTD:
  - Actual lower than budget by $3.6 million or 0.6%
    - Medi-Cal: favorable to budget by $16.2 million
    - OneCare Connect: unfavorable variance of $19.9 million
    - OneCare: favorable to budget $9.0 thousand

FY 2016-17: Consolidated Medical Expenses

- August 2016 MTD:
  - Actual higher than budget by $0.6 million or 0.2%
    - Medi-Cal: unfavorable variance of $10.0 million
      - MLTSS variance $7.2 million
        - IHSS $4.2 million due to higher utilization
        - LTC $3.0 million due to less than anticipated LTC members enrolled in OneCare Connect
      - Prescription Drugs higher than budget by $3.0 million
    - OneCare Connect: favorable variance of $8.7 million
      - Volume variance of $7.6 million
      - Price variance of $1.1 million, mainly attributable to
        - $3.5 million in LTC
        - Offset by $2.9 million in Prescription Drugs

FY 2016-17: Consolidated Medical Expenses (Cont.)

- August 2016 YTD:
  - Actual higher than budget by $0.4 million
    - Medi-Cal: unfavorable variance of $19.8 million
      - Price variance of ($17.9) million due to IHSS estimated expenses $4.5 million higher than budget
      - Volume variance of ($1.9) million
    - OneCare Connect: favorable variance of $18.9 million

- Medical Loss Ratio (MLR):
  - August 2016 MTD: Actual: 96.8% Budget: 95.9%
  - August 2016 YTD: Actual: 96.6% Budget: 95.9%

FY 2016-17: Consolidated Administrative Expenses

- August 2016 MTD:
  - Actual lower than budget by $2.0 million or 18.1%
    - Salaries and Benefits: favorable variance of $1.6 million driven by lower than budgeted FTE of 99
    - Other categories: favorable variance of $0.4 million
- August 2016 YTD:
  - Actual lower than budget by $5.5 million or 23.1%
    - Salaries and Benefits: favorable variance of $3.4 million driven by lower than budgeted FTE of 197
    - Other categories: favorable variance of $2.1 million
- Administrative Loss Ratio (ALR):
  - August 2016 MTD: Actual: 3.3% Budget: 4.0%
  - August 2016 YTD: Actual: 3.3% Budget: 4.2%

FY 2016-17: Change in Net Assets

- August 2016 MTD:
  - $0.1 million deficit
  - $0.7 million unfavorable to budget
    - Attributable to:
      - Lower than budgeted revenue of $2.2 million
      - Higher medical expenses of $0.6 million
      - Lower administrative expenses of $2.0 million
      - Lower investment income of $0.1 million

- August 2016 YTD:
  - $1.6 million surplus
  - $1.8 million favorable to budget
    - Attributable to:
      - Lower than budgeted revenue of $3.6 million
      - Higher medical expenses of $0.4 million
      - Lower administrative expenses of $5.5 million
      - Higher investment income of $0.2 million

Enrollment Summary: August 2016

Month-to-Date					Year-to-Date			
Actual	Budget	Variance	%	Enrollment (By Aid Category)	Actual	Budget	Variance	%
57,464	54,919	2,545	4.6%	Aged	114,398	109,677	4,721	4.3%
635	675	(40)	(5.9%)	BCCTP	1,269	1,351	(82)	(6.1%)
48,331	47,508	823	1.7%	Disabled	96,784	95,048	1,736	1.8%
334,146	338,666	(4,520)	(1.3%)	TANF Child	669,176	676,562	(7,386)	(1.1%)
103,046	109,759	(6,713)	(6.1%)	TANF Adult	207,055	219,488	(12,433)	(5.7%)
3,280	2,677	603	22.5%	LTC	6,516	5,348	1,168	21.8%
231,753	221,978	9,775	4.4%	MCE	462,290	443,503	18,787	4.2%
778,655	**776,181**	**2,474**	**0.3%**	**Medi-Cal**	**1,557,488**	**1,550,972**	**6,516**	**0.4%**
18,245	**22,187**	**(3,942)**	**(17.8%)**	**OneCare Connect**	**37,147**	**44,473**	**(7,326)**	**(16.5%)**
179	**170**	**9**	**5.3%**	**PACE**	**356**	**335**	**21**	**6.3%**
1,164	**1,240**	**(76)**	**(6.1%)**	**OneCare**	**2,335**	**2,492**	**(157)**	**(6.3%)**
798,243	**799,778**	**(1,535)**	**(0.2%)**	**CalOptima Total**	**1,597,326**	**1,598,272**	**(946)**	**(0.1%)**

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Financial Highlights: August 2016

Month-to-Date					Year-to-Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
798,243	799,778	(1,535)	(0.2%)	Member Months	1,597,326	1,598,272	(946)	(0.1%)
279,225,706	281,383,321	(2,157,615)	(0.8%)	Revenues	558,787,416	562,430,774	(3,643,358)	(0.6%)
270,332,425	269,706,404	(626,021)	(0.2%)	Medical Expenses	539,615,901	539,242,597	(373,304)	(0.1%)
9,181,740	11,207,153	2,025,413	18.1%	Administrative Expenses	18,249,897	23,725,147	5,475,251	23.1%
(288,459)	**469,764**	**(758,223)**	**(161.4%)**	**Operating Margin**	**921,618**	**(536,970)**	**1,458,589**	**(271.6%)**
141,869	143,250	(1,381)	(1.0%)	Non Operating Income (Loss)	655,782	286,500	369,282	128.9%
(146,590)	**613,014**	**(759,604)**	**(123.9%)**	**Change in Net Assets**	**1,577,401**	**(250,470)**	**1,827,871**	**(729.8%)**
96.8%	95.9%	(1.0%)		Medical Loss Ratio	96.6%	95.9%	(0.7%)	
3.3%	4.0%	0.7%		Administrative Loss Ratio	3.3%	4.2%	1.0%	
(0.1%)	0.2%	(0.3%)		Operating Margin Ratio	0.2%	(0.1%)	0.3%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

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

MONTH-TO-DATE				YEAR-TO-DATE		
Actual	Budget	Variance		Actual	Budget	Variance
0.0	0.0	0.0	Medi-Cal	0.2	(0.7)	0.8
(0.1)	0.0	(0.1)	OneCare	0.1	0.1	0.1
(0.4)	0.6	(1.0)	OCC	0.6	0.6	0.0
0.1	(0.2)	0.4	PACE	0.0	(0.5)	0.6
(0.3)	**0.5**	**(0.8)**	**Operating**	**0.9**	**(0.5)**	**1.5**
0.1	0.1	0.0	Inv./Rental Inc, MCO tax	0.7	0.3	0.4
0.1	**0.1**	**0.0**	**Non-Operating**	**0.7**	**0.3**	**0.4**
(0.1)	**0.6**	**(0.8)**	**TOTAL**	**1.6**	**(0.3)**	**1.8**

Consolidated Revenue & Expense: August 2016 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	546,902	231,753	$ 778,655	1,164	18,245	179	798,243
REVENUES							
Capitation Revenue	136,153,905	105,444,331	$ 241,598,236	$ 970,939	$ 35,570,921	$ 1,085,610	$ 279,225,706
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	136,153,905	105,444,331	241,598,236	970,939	35,570,921	1,085,610	279,225,706
MEDICAL EXPENSES							
Provider Capitation	32,281,263	42,129,491	74,410,754	406,913	6,758,132	-	81,575,798
Facilitities	25,880,196	31,354,932	57,235,128	91,403	10,278,678	172,199	67,777,407
Ancillary				44,832	893,265	-	938,097
Skilled Nursing				22,191	5,163,325	-	5,185,515
Professional Claims	9,183,960	8,141,524	17,325,484	-	-	137,788	17,463,272
Prescription Drugs	18,859,686	18,624,085	37,483,771	410,052	9,635,600	98,371	47,627,794
Quality Incentives					365,120		365,120
Long-term Care Facility Payments	38,128,706	6,315,960	44,444,667	-	-	(20,409)	44,424,258
Contingencies	-	-	-	-	-	-	-
Medical Management	2,846,458	-	2,846,458	16,680	932,465	353,615	4,149,217
Reinsurance & Other	(348,968)	948,643	599,675	5,042	127,813	93,417	825,947
Total Medical Expenses	126,831,301	107,514,636	234,345,937	997,111	34,154,397	834,981	270,332,425
Medical Loss Ratio	**93.2%**	**102.0%**	**97.0%**	**102.7%**	**96.0%**	**76.9%**	**96.8%**
GROSS MARGIN	9,322,604	(2,070,305)	**7,252,299**	**(26,173)**	**1,416,524**	**250,630**	**8,893,280**
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Employee Benefits			5,480,537	(5,046)	415,566	90,960	5,982,016
Professional Fees			196,487	12,881	78,105	1,938	289,411
Purchased Services			680,313	24,054	167,420	5,240	877,028
Printing and Postage			256,375	799	107,365	220	364,759
Depreciation and Amortization			262,097			2,014	264,111
Other Expenses			1,012,645	595	65,097	7,166	1,085,503
Indirect Cost Allocation, Occupancy Expense			(650,544)	29,494	937,491	2,471	318,912
Total Administrative Expenses			7,237,910	62,777	1,771,044	110,009	9,181,740
Admin Loss Ratio			**3.0%**	**6.5%**	**5.0%**	**10.1%**	**3.3%**
INCOME (LOSS) FROM OPERATIONS			14,389	(88,949)	(354,520)	140,621	(288,459)
INVESTMENT INCOME			-	-	-	-	136,062
NET RENTAL INCOME			-	-	-	-	5,711
OTHER INCOME			96	-	-	-	96
CHANGE IN NET ASSETS			**$ 14,485**	**$ (88,949)**	**$ (354,520)**	**$ 140,621**	**$ (146,590)**
BUDGETED CHANGE IN ASSETS			27,268	38,696	643,815	(240,015)	613,014
VARIANCE TO BUDGET - FAV (UNFAV)			(12,782)	(127,646)	(998,335)	380,636	(759,604)

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Consolidated Revenue & Expense: August 2016 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	1,095,198	462,290	$ 1,557,488	2,335	37,147	356	1,597,326
REVENUES							
Capitation Revenue	272,009,588	209,956,483	$ 481,966,071	$ 2,880,270	$ 71,786,950	$ 2,154,125	$ 558,787,416
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	272,009,588	209,956,483	481,966,071	2,880,270	71,786,950	2,154,125	558,787,416
MEDICAL EXPENSES							
Provider Capitation	64,776,776	84,177,000	148,953,776	778,668	14,926,327	-	164,658,771
Facilitities	52,616,499	66,183,805	118,800,303	696,427	19,663,801	497,686	139,658,216
Ancillary				81,959	1,422,288	-	1,504,247
Skilled Nursing				65,005	10,217,602	-	10,282,607
Professional Claims	18,778,116	15,609,385	34,387,501	-	-	352,124	34,739,625
Prescription Drugs	35,629,421	34,617,688	70,247,109	897,756	18,036,995	194,781	89,376,641
Quality Incentives					743,900		743,900
Long-term Care Facility Payments	76,139,357	12,348,805	88,488,162	-	-	(14,808)	88,473,354
Contingencies	-	-	-	-	-	-	-
Medical Management	5,908,162	-	5,908,162	44,769	1,904,589	707,313	8,564,833
Reinsurance & Other	(727,625)	1,921,099	1,193,474	10,250	234,817	175,165	1,613,706
Total Medical Expenses	253,120,707	214,857,782	467,978,488	2,574,833	67,150,319	1,912,261	539,615,901
Medical Loss Ratio	**93.1%**	**102.3%**	**97.1%**	**89.4%**	**93.5%**	**88.8%**	**96.6%**
GROSS MARGIN	18,888,881	(4,901,299)	13,987,582	305,437	4,636,632	241,864	19,171,515
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Employee Benefits			10,788,365	12,797	1,509,068	180,881	12,491,111
Professional Fees			381,698	34,881	182,055	6,876	605,510
Purchased Services			1,272,134	44,334	284,355	5,240	1,606,062
Printing and Postage			378,439	3,184	121,783	442	503,848
Depreciation and Amortization			526,688			4,028	530,716
Other Expenses			1,738,866	1,309	66,590	16,202	1,822,966
Indirect Cost Allocation, Occupancy Expense			(1,249,203)	58,988	1,874,982	4,917	689,682
Total Administrative Expenses			13,836,986	155,492	4,038,832	218,587	18,249,897
Admin Loss Ratio			**2.9%**	**5.4%**	**5.6%**	**10.1%**	**3.3%**
INCOME (LOSS) FROM OPERATIONS			150,597	149,945	597,800	23,277	921,618
INVESTMENT INCOME			-	-	-	-	646,924
NET RENTAL INCOME			-	-	-	-	8,511
OTHER INCOME			348	-	-	-	348
CHANGE IN NET ASSETS			**$ 150,944**	**$ 149,945**	**$ 597,800**	**$ 23,277**	**$ 1,577,401**
BUDGETED CHANGE IN ASSETS			(686,420)	68,091	614,287	(532,928)	(250,470)
VARIANCE TO BUDGET - FAV (UNFAV)			837,364	81,854	(16,488)	556,206	1,827,871

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Balance Sheet:
As of August 2016

ASSETS		
Current Assets		
	Operating Cash	$170,094,030
	Catastrophic Reserves	11,664,256
	Investments	1,510,623,228
	Capitation receivable	250,869,196
	Receivables - Other	17,496,341
	Prepaid Expenses	11,604,066
	Total Current Assets	**1,972,351,118**
Capital Assets	Furniture and equipment	28,851,790
	Leasehold improvements	12,185,423
	505 City Parkway West	46,707,144
		87,744,356
	Less: accumulated depreciation	(32,719,360)
	Capital assets, net	**55,024,997**
Other Assets	Restricted deposit & Other	281,658
	Board-designated assets	
	Cash and cash equivalents	2,896,809
	Long term investments	472,496,705
	Total Board-designated Assets	475,393,514
	Total Other Assets	**475,675,172**
	Deferred outflows of Resources - Pension Contributions	3,787,544
	Deferred outflows of Resources - Difference in Experience	1,215,473
TOTAL ASSETS & OUTFLOWS		**2,508,054,303**

LIABILITIES & FUND BALANCES		
Current Liabilities		
	Accounts payable	$3,211,822
	Medical claims liability	612,076,921
	Accrued payroll liabilities	9,894,997
	Deferred revenue	751,980,562
	Deferred lease obligations	260,711
	Capitation and withholds	431,171,268
	Total Current Liabilities	**1,808,596,280**
Other employment benefits liability		27,860,642
Net Pension Liabilities		8,148,262
Long Term Liabilities		150,000
TOTAL LIABILITIES		**1,844,755,184**
Deferred inflows of Resources - Excess Earnings		502,900
Deferred inflows of Resources - changes in Assumptions		1,651,640
Tangible net equity (TNE)		90,017,313
Funds in excess of TNE		571,127,266
Net Assets		**661,144,579**
TOTAL LIABILITIES, INFLOWS & FUND BALANCES		**2,508,054,303**

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Board Designated Reserve and TNE Analysis
As of August 2016

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	135,228,414				
	Tier 1 - Logan Circle	125,291,977				
	Tier 1 - Wells Capital	125,265,429				
Board-designated Reserve		385,785,819	287,128,548	448,762,488	98,657,271	(62,976,669)
TNE Requirement	Tier 2 - Logan Circle	89,607,695	90,017,313	90,017,313	(409,618)	(409,618)
	Consolidated:	**475,393,514**	**377,145,861**	**538,779,801**	**98,247,653**	**(63,386,287)**
	Current reserve level	*1.76*	*1.40*	*2.00*		

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HN Enrollment Summary - Medi-Cal

Health Network Name	September 2016	Percentage
CHOC Health Alliance (PHC20)	156,630	20.1%
Monarch Family HealthCare (SRG68)	89,511	11.5%
Arta Western Health Network (SRG66)	78,475	10.1%
CalOptima Community Network (CN)	65,752	8.4%
Family Choice Health Network (PHC21)	49,140	6.3%
Kaiser Permanente (HMO04)	45,386	5.8%
Alta Med Health Services (SRG69)	39,432	5.1%
Prospect Medical Group (SRG63)	36,754	4.7%
United Care Medical Network (SRG67)	35,547	4.6%
Noble Mid-Orange County (SRG64)	34,519	4.4%
Talbert Medical Group (SRG65)	25,761	3.3%
AMVI Care Health Network (PHC58)	24,752	3.2%
Heritage - Regal Medical Group (HMO15)	2,871	0.4%
OC Advantage (PHC35)	812	0.1%
Total Health Network Capitated Enrollment	**685,343**	**87.9%**
CalOptima Direct (all others)	94,281	12.1%
Total Medi-Cal Enrollment	**779,624**	**100.0%**

HN Enrollment Summary - OneCare

Health Network Name	September 2016	Percentage
Monarch HealthCare (PMG53DE)	628	54.0%
AMVI/Prospect Medical Group (PMG27DE)	289	24.8%
Talbert Medical Group (PMG52DE)	105	9.0%
Family Choice Medical Group (PMG21DE)	59	5.1%
Arta Western Health Network (PMG66DE)	35	3.0%
Alta-Med (PMG69DE)	26	2.2%
United Care Medical Group (PMG67DE)	15	1.3%
Noble Mid Orange County (PMG64DE)	6	0.5%
Total OneCare Enrollment	**1,163**	**100.0%**

HN Enrollment Summary – OneCare Connect

Health Network Name	September 2016	Percentage
Monarch HealthCare (SRG53DE)	5,622	31.4%
Propect Medical Group (SRG63DB)	3,395	18.9%
CalOptima Community Network (CN)	2,038	11.4%
Family Choice Medical Group (SRG81DB)	1,996	11.1%
Talbert Medical Group (SRG52DB)	1,298	7.2%
United Care Medical Group (SRG67DB)	716	4.0%
Arta Western Health Network(SRG66DB)	701	3.9%
AMVI Care Health Network (PHC58DB)	690	3.9%
Alta-Med (SRG69DB)	581	3.2%
Noble Mid Orange County (SRG64DB)	513	2.9%
Heritage - Regal Medical Group (HMO15)	253	1.4%
OC Advantage (PHC35DB)	118	0.7%
Total OneCare Connect Enrollment	**17,921**	**100.0%**


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State Legislative Update
CalOptima Provider Advisory Committee (PAC) Meeting
October 13, 2016

Background

On August 31, 2016, the California State Legislature adjourned from the 2015/2016 Legislative Session. The last day for the Governor to sign or veto legislation was September 30, 2016. You will find a list of relevant bills for CalOptima summarized below, as well as the final action taken by the Governor.

Bill Summaries

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 most CCS benefits for approximately 11,810 CCS-enrolled children in Orange County. *Approved by the Governor on September 25, 2016*

SB 833 – Committee on Budget and Fiscal Review: Omnibus health trailer bill, which contains various fiscal changes to state-funded health programs. Most importantly for CalOptima, the bill will make changes to PACE programs by reforming the DHCS rate-setting methodology to address the unique features of PACE programs, such as drug costs, treatments, and day care activities. DHCS will be required to calculate a new upper payment limit for PACE, which will be 1) Based on utilization data, 2) Actuarially certified, and 3) Adjusted for geographic rate disparities, when appropriate. It is expected the new rate methodology will take effect by late 2017 or early 2018, subject to the current work of the actuarial workgroup, and, final approval from CMS. *Approved by the Governor on June 27, 2016*

SB 1135, Notice of Timely Access to Care Standards – Monning: Requires health plans, including Medi-Cal managed care plans, to provide information to both enrollees and providers regarding standards for timely access to care; specifically, wait times for specialty and primary care services and available interpreter services. This bill requires CalOptima to provide the aforementioned information to contracted providers no less than annually, inform enrollees upon enrollment and no less than annually, and publish the information on the CalOptima website. *Approved by the Governor on September 23, 2016*

SB 1436 – Bates: Requires a local public agency's executive salary, salary schedule, or compensation paid in the form of fringe benefits be reported orally prior to any final action taken by the legislative body or governing board. *Approved by the Governor on August 22, 2016*

AB 1696 – Holden: Expands tobacco cessation benefits for Medi-Cal managed care plans by increasing the number of quit attempts, and expanding the list of approved medication types for the approved beneficiaries. *Approved by the Governor on September 25, 2016*

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. *Vetoed by Governor on September 24, 2016*

AB 2394 – Garcia: Requires Medi-Cal health plans to provide nonmedical transportation (NMT) services for Medi-Cal beneficiaries. Expands NMT benefits for any form of public or private transportation, as well as mileage reimbursement. This bill makes changes to transportation benefits for CalOptima Medi-Cal members. *Approved by the Governor on September 25, 2016*

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:

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CAHPS Medi-Cal and OneCare Plan Level Survey Results

Provider Advisory Committee

October 13, 2016

Marsha Choo

Manager of Quality Initiatives

CAHPS (Member Experience) Surveys

Population	Purpose	Response Rate
Medi-Cal Child Plan Level Survey (DHCS Fielded)	• Parents' Experience with their MC Child's Care • NCQA Rankings and Accreditation	31.3%
Medi-Cal Adult Plan Level Survey (DHCS Fielded)	• MC Adult Member Experience • DHCS Monitoring Smoking Cessation	23.1%
OneCare Plan Level Survey	• OneCare Member Experience	36.0%

Medi-Cal: Measurements

- Overall Ratings: Single questions on the following areas:
  - Rating of Health Care
  - Rating of Personal Doctor
  - Specialist Seen Most Often
  - Rating of Program
- Composites: Multiple questions make up one composite
  - Getting Needed Care
  - Getting Care Quickly
  - How Well Doctors Communicate
  - Customer Service

Medi-Cal Child Plan Level Results

Medi-Cal Child Plan Level CAHPS

Measurement	MC Child MY 2014 Plan Level	MC Child MY 2015 Plan Level	MC Child Benchmark (percentile)
Rating of Health Care	81.5%	87.5% ↑	90th ↑
Rating of Personal Doctor	84.9%	88.4% ↑	90th ↑
Specialist Seen Most Often	86.8%	N/A*	N/A*
Rating of Program	83.3%	86.1% ↑	75th ↑
Getting Needed Care	82.4%	77.6% ↓	Below 25th
Getting Care Quickly	73.5%	85.3% ↑	Below 25th
How Well Doctors Communicate	88.2%	91.2% ↑	Below 25th
Customer Service	86.0%	86.5% ↑	Below 25th

* Sample size may be too small; ↑↓ indicates increase/decrease in score from previous year; MY = Measurement Year

Medi-Cal Child Plan Level CAHPS (cont.)

- Key Strengths
  - Q4. Got care as soon as needed when care was needed right away.
  - Q17. Personal doctor explained things.
  - Q18. Personal doctor listened carefully.
  - Q19. Personal doctor showed respect.
  - Q33. Customer service treated member with courtesy and respect.
  - Q35. Health plan forms were easy to fill out.

Medi-Cal Child Plan Level CAHPS (cont.)

- Opportunities for Improvement
  - Q6. Got checkup/routine appointment as soon as needed.
  - Q14. Ease of getting care, tests or treatment
  - Q22. Personal doctor spent enough time.
  - Q32. Customer service provided information or help.

Medi-Cal Adult Plan Level Results

Medi-Cal Adult Plan Level CAHPS

Measurement	MC Adult MY 2014 Plan Level	MC Adult MY 2015 Plan Level	MC Adult Benchmark (percentile)
Rating of Health Care	69.8%	71.7% ↑	25th ↑
Rating of Personal Doctor	76.3%	77.9% ↑	50th ↑
Specialist Seen Most Often	76.2%	78.5% ↑	25th ↑
Rating of Program	70.2%	68.1% ↓	Below 25th ↓
Getting Needed Care	72.3%	75.9% ↑	Below 25th
Getting Care Quickly	65.3%	68.0% ↑	Below 25th
How Well Doctors Communicate	87.5%	91.1% ↑	75th ↑
Customer Service	75.5%	N/A	N/A

* Sample size may be too small; ↑↓ indicates increase/decrease in score from previous year; MY= Measurement Year

Medi-Cal Adult Plan Level CAHPS (cont.)

- Key Strengths
  - Q4. Usually or always got urgent care as soon as needed
  - Q18. Personal doctor usually or always listened carefully to you
  - Q25. Usually or always got an appointment to see a specialist as soon as you needed
  - Q17. Personal doctor usually or always explained things in a way that was easy to understand
  - Q20. Personal doctor usually or always spent enough time with you
  - Q19. Personal doctor usually or always showed respect for what you had to say

Medi-Cal Adult Plan Level CAHPS (cont.)

- Opportunities for Improvement
  - Q14. Usually or always easy to get care, tests or treatment you needed
  - Q43. Take aspirin daily or every other day
  - Q25. Usually or always got an appointment to see a specialist as soon as you needed
  - Q29. Written materials/internet usually or always provided needed information about how health plan works
  - Q6. Usually or always got appointment for checkup or routine care as soon as needed

OneCare Results

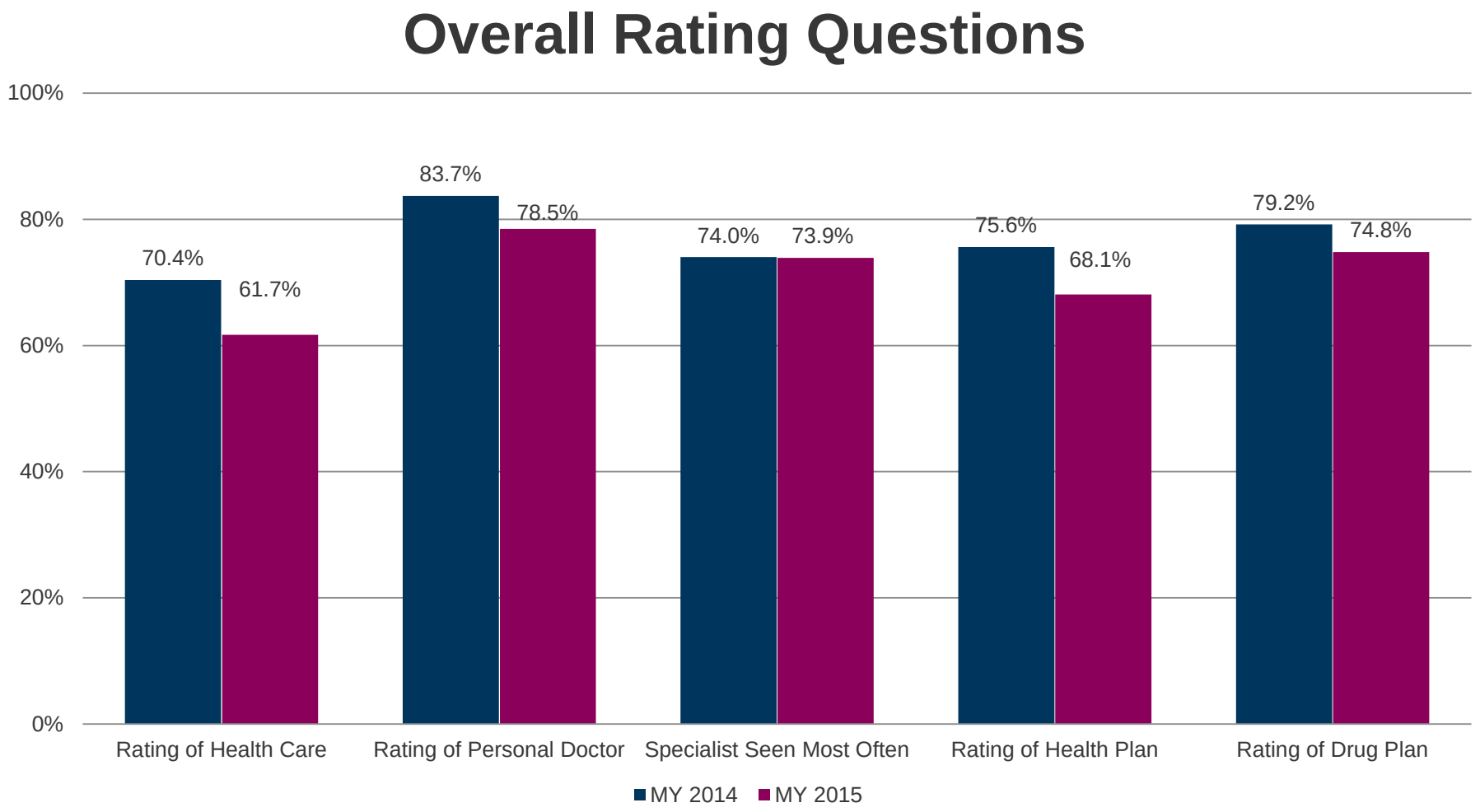
OneCare: Measurements

- Overall Ratings: Single questions on the following areas:
  - Rating of Health Care
  - Rating of Personal Doctor
  - Specialist Seen Most Often
  - Rating of Plan
  - Rating of Drug Plan

OneCare: Measurements (cont.)

- Composites: Multiple questions make up one composite
  - Getting Needed Care
  - Getting Appointments and Care Quickly
  - Doctors Who Communicate Well
  - Customer Service
  - Getting Needed Prescription Drugs
  - Getting Information from Drug Plan
  - Care Coordination

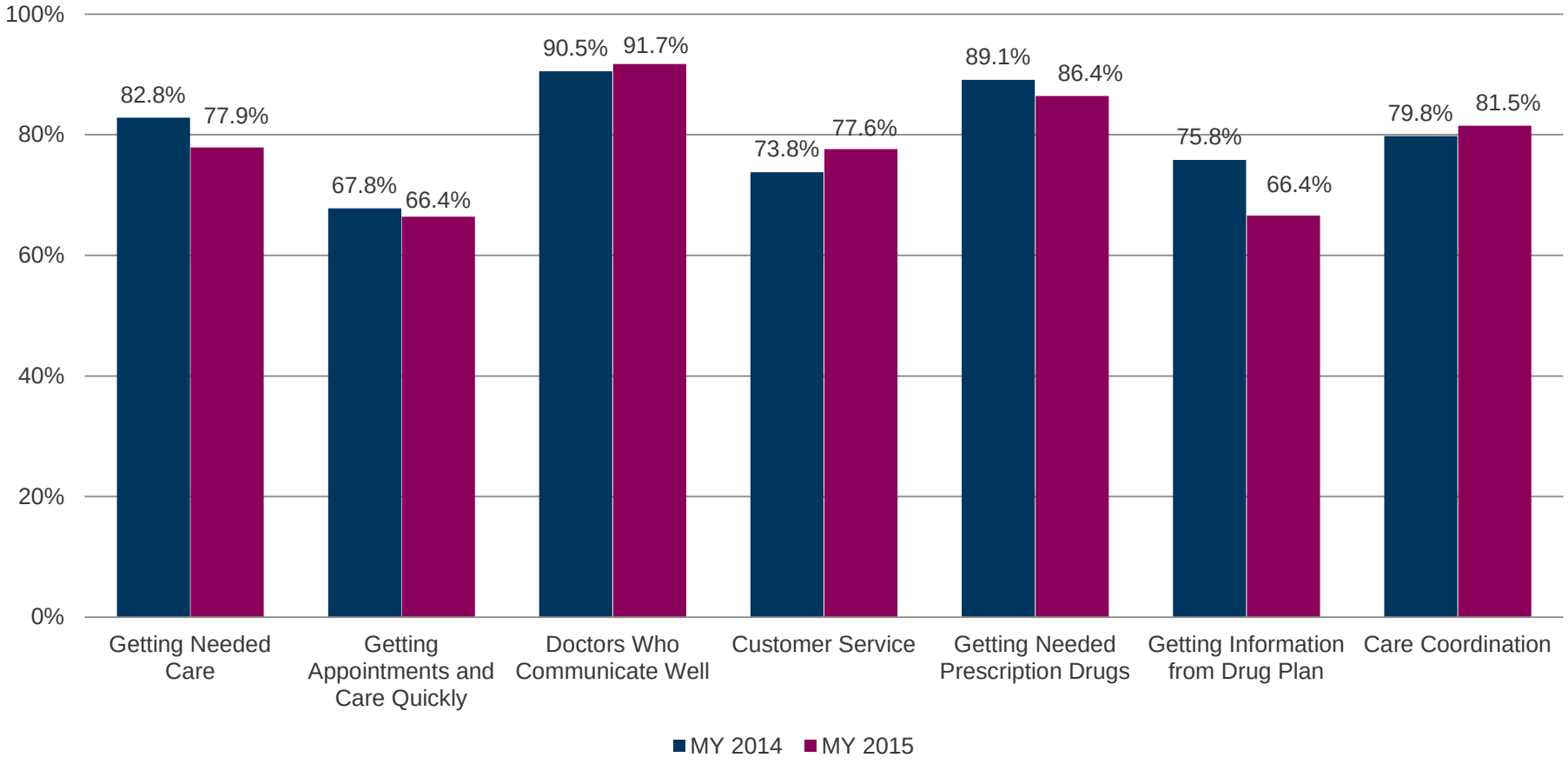
OneCare Trend Results



* Benchmarks not yet available

OneCare Trend Results (cont.)

Composite Questions



* Benchmarks not yet available

Data Activities

- Implement Clinician and Group (CG) Consumer Assessment of Healthcare Providers and Systems (CAHPS), a provider level member experience survey
- Analysis of the supplemental survey results at the clinic and provider level
- Analyze 2016 (MY 2015) plan level CAHPS results
- Explore ways to collaborate with the health networks on data collection on CG-CAHPS

Activities to Improve Member Experience

- Gather action plans on improving members experience from the health networks.
- Member experience scores were given greater weight (up from 25% to 40%) in our new Pay for Value (P4V) program for the calendar year 2016.
- Evaluate member pain points.
- Customer service post call survey (addressing first call resolution).

Activities to Improve Member Experience (cont.)

- Implement member education on referral and authorizations.
- Engage the Provider Advisory Committee ad hoc subcommittee on member experience.
- Issue request for information on provider coaching.
- Develop a member experience provider scorecard.
- Work group to address member experience on referral and authorization — review and update the prior authorization list

Next Steps

- Plan level CAHPS results will be presented at the following groups/committees: Health Network Quality Forum, Health Network Forum, Member Advisory Committee and Provider Advisory Committee, etc.
- Group level CAHPS results will be presented to the Member Experience Steering Committee.
- Health network-specific results will be presented to each health network either at the HN JOM or at the Quality Meetings.
- Provide our health networks with a list of their contracted providers with low performance on the supplemental survey.
- Explore provider coaching opportunities

CalOptima's Mission

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner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Primary Care Physician Experience Results

Provider Advisory Committee

October 13, 2016

Marsha Choo

Manager of Quality Initiatives

Background and Objectives

- CalOptima surveys physicians to measure the performance of its health care service delivery system from the perspective of the physicians it serves.
- Survey tool is developed by CalOptima.
- Survey is administered and analyzed by a contracted survey vendor.
- Results are displayed at the program level, line of business and at the network aggregate level.
- Results are compared to MY 2014, where available.

Background and Objectives (cont.)

- Survey focused on the following areas:

Customer service support	Procedures promote/impede delivery of care	Referrals and coordination of services	Communication mechanisms and materials

Methodology

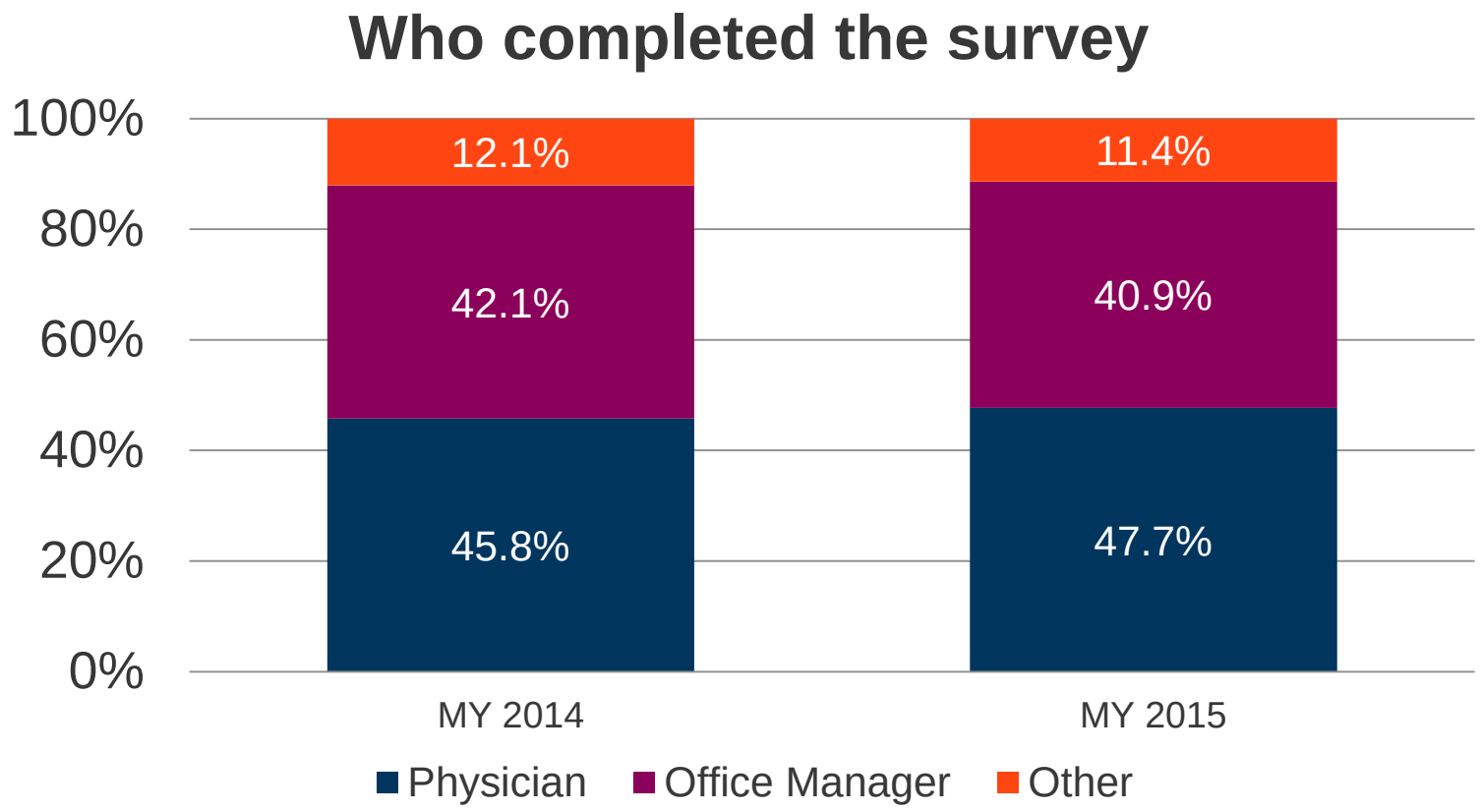
- Two survey tools
  - CalOptima Program Survey – 32.6% response rate
  - Health Networks Survey – 38.7% response rate
    - PCP received a survey for each of their contract health networks
- 1,585 providers were surveyed
- 3,365 surveys were mailed out
- Incentives given to providers who completed the survey ($25 gift card)

What's Different in 2016?

- Medi-Cal Expansion — we have more members
- Addition of OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan) (OCC) program
  - Separate reporting for OCC
  - No trending available
- MY 2015 program scores include Medi-Cal and OneCare Connect primary care providers
  - MY 2014 program scores reflect Medi-Cal program only.
- Addition of Continuity of Care questions
  - Methodology of collecting the continuity of care questions has changed — MY 2014 data for comparison purposes only (no trend)
  - Continuity of care questions as for frequency of activity rather than level of satisfaction

CalOptima Program Level Results

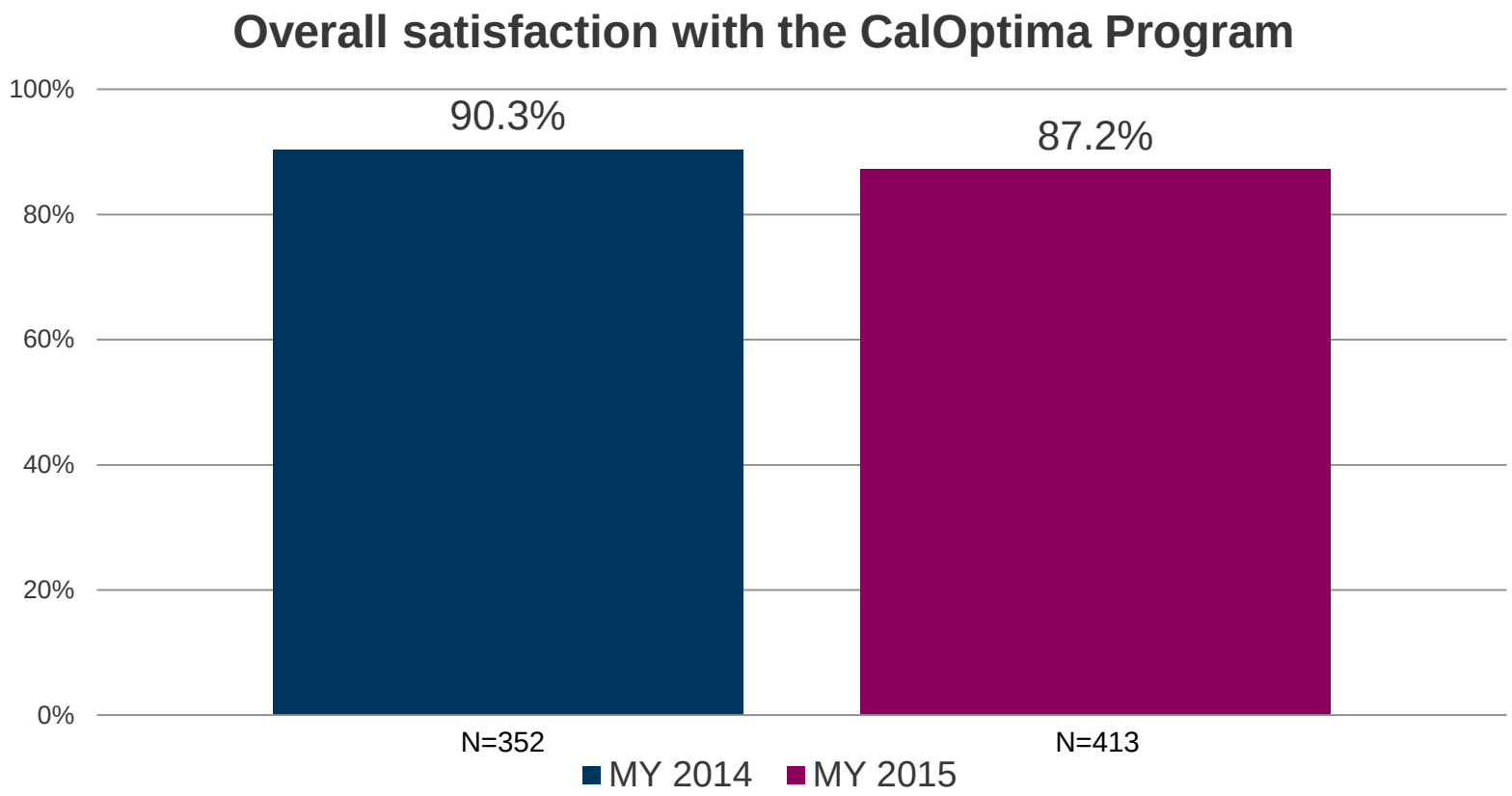
CalOptima Program Results



Respondent characteristics are similar to MY 2014.

Q18. An arrow (↑↓) indicates a significantly higher or lower score than the 2015 score. All significance testing is performed at the 95% level of confidence. N/A indicates data are not available.

CalOptima Program Results (cont.)



No statistically significant change from MY 2014 to MY 2015.

An arrow (↑↓) indicates a significantly higher or lower top-three-box score than the 2015 score. All significance testing is performed at the 95% level of confidence.

CalOptima Program Results (cont.)

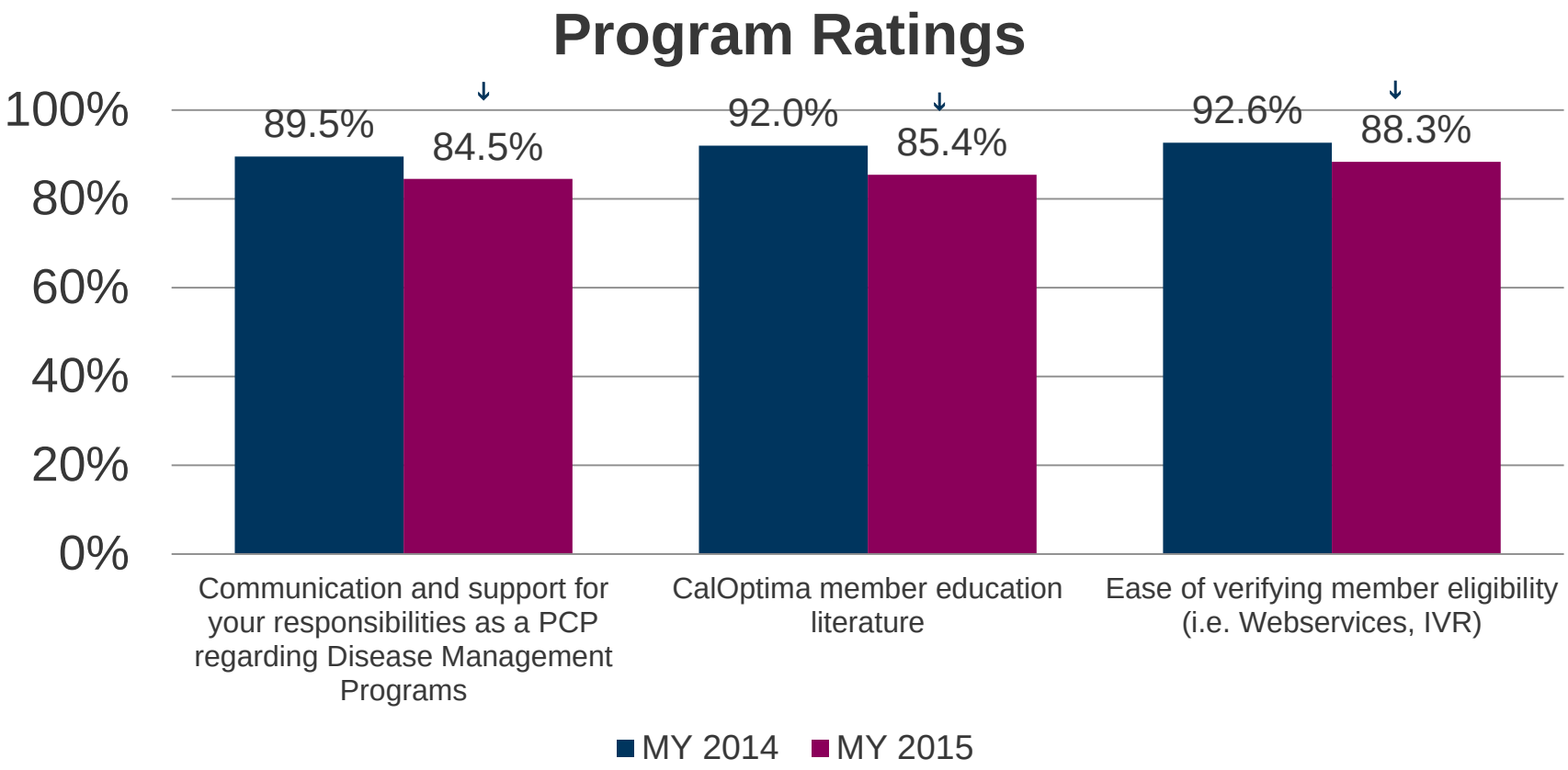
Measures with **no statistically significant** change from MY 2014 to MY 2015

Program Overall	MY 2014	MY 2015
General information available to you regarding the CalOptima program	92.6%	91.7%
Communication and support for your responsibilities as a PCP	89.1%	87.7%
CalOptima provider training and education programs (i.e. CMEs)	89.1%	87.2%
Treated with courtesy and respect by CalOptima staff	86.0%	86.4%
CalOptima is committed to working in partnership with physicians to provide quality care.	N/A	83.0%
CalOptima is responsive to questions and concerns.	77.7%	77.5%
Questions and concerns were addressed in a timely manner.	73.3%	76.3%
Provider ability to provide CalOptima with feedback on new initiatives	63.4%	64.1%

Scores in green are above 90%. Scores in red are below the 80% threshold. N/A indicates data are not available.

CalOptima Program Results (cont.)

Questions with **statistically significant change** from MY 2014 to MY 2015



An arrow (↑↓) indicates a significantly higher or lower top-three-box score than the 2015 score. All significance testing is performed at the 95% level of confidence.

CalOptima Program Results (cont.)

Continuity of Care — Behavioral Health*	MY 2014	MY 2015
Are you aware of the behavioral health services that your members are receiving?	57%	59.6%
Was the behavioral health services information sufficient and clear?	44%	54.1%
Were you provided with information about the behavioral health services your members are receiving?	43%	51.6%
Did you receive behavioral health services information in a timely manner?	36%	46.9%

Scores in red are below the 80% threshold

* Continuity of care questions use a different scale (frequency of activity rather than level of satisfaction). Survey methodology for continuity of care questions have changed from 2015–2016. Data is made available in this chart, but cannot be trended.

CalOptima Program Results (cont.)

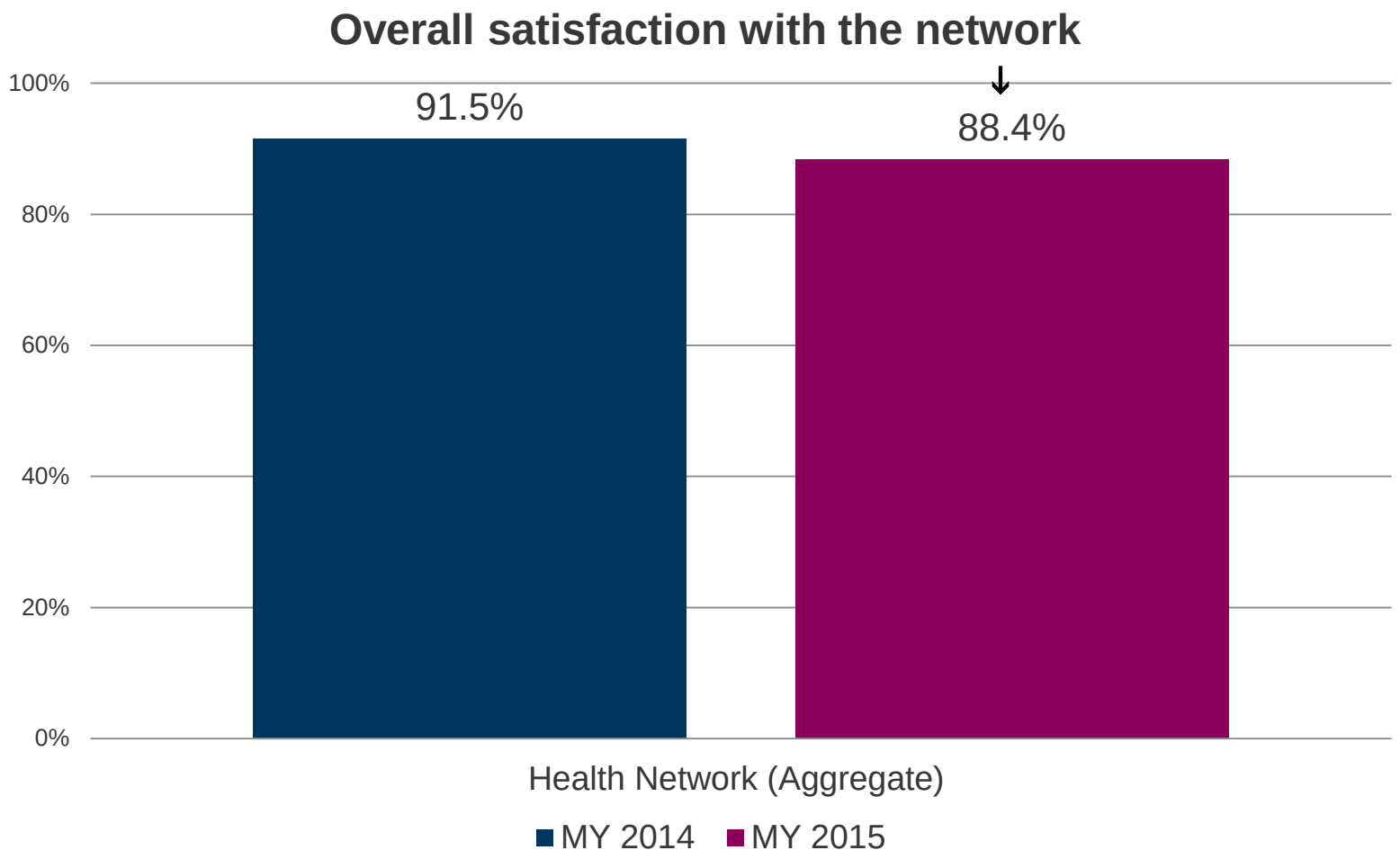
- Physician comments
  - Positive aspects
    - Good communication/information (21.1%)
    - Provides good access to care/services (15.5%)
    - Good care/services (12.9%)
  - Problems and concerns
    - Authorization/referrals/claims denial issues (21.1%)
    - Positive mentions (19.3%)
    - Poor provider services/difficult to work with (15.5%)

CalOptima Program Results: Summary

- Overall satisfaction with the CalOptima program was stable from MY 2014 to MY 2015.
  - Nearly 9 in 10 physicians are satisfied with the program and more than one-third indicated that they are completely satisfied.
- One measure was above 90%.
- Seven measures were below the 80% threshold.
  - Four of the measures are related to behavioral health continuity of care measures.
- Eight measures of the CalOptima program were stable from MY 2014 to MY 2015.
- Three measures of the CalOptima program had a statistically significant decrease in rate from MY 2014 to MY 2015.
- No trending available for five measures.
- Positive aspects: good communication and information
- Common concerns: authorization, referral and claim denial issues

Network Level Results

Network Level Results



An arrow (↑↓) indicates a significantly higher or lower top-three-box score than the 2015 score. All significance testing is performed at the 95% level of confidence.

Network Level Results (cont.)

Areas	Questions	Score Ranges
Provider relations	6	87.9%–90.8%
Communication and support	4	88.9%–91.7%
Case management	5	84.9%–90.2%
Utilization management	5	85.9%–90.6%
Reimbursement	4	86.9%–89.7%
Continuity of care*	11	60.7%–90.7%

Scores in green are above 90%. Scores in red are below the 80% threshold. N/A indicates data are not available.

* Continuity of Care questions use a different scale (frequency of activity rather than level of satisfaction). Survey methodology for continuity of care questions have changed from 2015–2016. Data is made available in this chart, but cannot be trended.

Network Level Results (cont.)

Measures above 90%

Question	MY 2014	MY 2015
Ease of obtaining interpreter services for patient office visits	91.7%	90.8%
Recredentialing process	91.8%	90.2%
Communication and support for your responsibilities as a PCP regarding Pediatric Preventive Services	91.6%	91.7%
Communication and support for your responsibilities as a PCP regarding Adult Preventive Services	N/A	90.0%
Assistance from health network staff to plan and coordinate patient's care regarding hospice	91.2%	90.2%
Access to appropriate tests and procedures in order to provide quality of care to patients	91.9%	90.6%
How frequently do you review medication with your CalOptima patient's at their appointments?	94%	90.7%

Network Level Results (cont.)

Scores with **statistically significant decrease** from previous year

Question	MY 2014	MY 2015
Assistance from the health network staff to plan and coordinate my patient's care regarding Home Health	91.6%	88.3%↓
Utilization management: Overall authorization process	90.3%	87.3%↓
Timeliness of authorization decisions: Overall satisfaction with UM process	90.6%	87.2%↓
Utilization management: Appeals/complaint process	88.8%	85.9%↓

Network Level Results (cont.)

Measures **below the 80%** threshold

Continuity of Care*	MY 2014	MY 2015
For children with special health care needs (CSHCN) members, are you receiving documentation related to services (e.g., RCOC-IFP, CCS-Care Plan, LEA-IEP)?	44%	71.0%
How often did you receive hospital admission notification?	55%	68.9%
How often did you receive ED visit notification?	44%	67.6%
How often are you able to access community resources for your patients?	47%	67.4%
Are you aware of your CalOptima patient's participation in Long-Term Services and Supports (LTSS), such as LTC, MSSP, CBAS and IHAA?	44%	66.8%
How often did you receive home health note?	50%	66.1%
How often did you receive hospital discharge notification?	45%	65.0%
How often do you receive feedback regarding your CalOptima patient's participation in disease management programs?	38%	63.1%
How often did you receive copies of specialist or consultation reports?	61%	60.7%

Scores in red are below the 80% threshold. **Bold** = areas of focus.

* Continuity of Care questions use a different scale (frequency of activity rather than level of satisfaction). Survey methodology for continuity of care questions have changed from 2015-2016. Data is made available in this chart, but cannot be trended.

Network Level Results (cont.)

- Physician comments
  - Positive aspects
    - Provides needed access to care/services (11.7%)
    - Overall satisfied (11.0%)
    - Good/enough specialists/hospitals/network mentions (10.7%)
  - Problems and concerns
    - Positive mentions (22.5%)
    - Authorization/referral/claims denial issues (22.5%)
    - Need more/better quality specialists (16.7%)

Network Level Results: Summary

- There was a statistically significant decrease in the health network (aggregate) and the Medi-Cal (MC) score on “Overall satisfaction of network.”
- Seven measures were above 90%.
- Nine measures were below the 80% threshold.
  - All nine measures were continuity of care measures.
- Sixteen measures were stable from MY 2014 to MY 2015.
- Four measures had statistically significant decreases from the previous year.
- No trending available for 16 measures.
- Trending is not available for the OneCare Connect Cal MediConnect Plan (Medicare-Medicaid Plan) (OCC) program.
- Positive aspects: provides needed access to care and services
- Common concerns: authorization, referral and claim denial issues

Next Steps

- Share the PCP satisfaction results with the health networks.
- Support health network provider experience initiatives.
- Continue to evaluate and identify actions to reduce provider pain points.
  - Access
  - Continuity of care
  - Provider complaints — trends
  - Referral/prior authorization process
- Pursue educational “team” approach to working with PCPs on barriers to care — at their site of service.

CalOptima's Mission

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


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.

CalOptima
A Public Agency
Better. Together.

PROVIDER UPDATE

September 2016 Issue

PROVIDER RESOURCE LINE
714-246-8600
providerservices@caloptima.org

PROVIDER RELATIONS REPRESENTATIVES

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WHAT'S INSIDE. . .

CALOPTIMA RATED TOP MEDI-CAL PLAN IN CALIFORNIA

National Committee for Quality Assurance (NCQA) recognizes CalOptima's overall quality

MEDICAID NCQA HEALTH INSURANCE PLAN RATINGS 2016 - 2017

CalOptima is California's top-rated Medi-Cal plan, according to the NCQA's Medicaid Health Insurance Plan Ratings 2016–2017. It is the third year in a row that NCQA has named CalOptima best overall in the state.

CalOptima received a score of 4 out of 5 — the highest score awarded to any Medi-Cal plan in California. Further, only 15 Medicaid plans of the 171 reviewed nationwide scored higher. The NCQA ratings are based on standardized, plan-reported data regarding health care quality and customer satisfaction.

"Our NCQA rating shows CalOptima's commitment to quality is steadfast," said Michael Schrader, CalOptima Chief Executive Officer. "Being California's top plan for the third year means our members can rely on CalOptima and thousands of Orange County doctors and hospitals to consistently deliver quality care."

NCQA assesses Medicaid plan quality based on 43 clinical measures related to both preventive care and treatments. Preventive measures report whether members get services to keep them healthy, such as well-child visits, immunizations and nutrition counseling. Treatment measures gauge whether members receive appropriate care in response to illnesses and chronic diseases, including diabetes and high blood pressure. NCQA also evaluates a plan based on nine customer satisfaction dimensions, such as getting care quickly and how well doctors communicate.

Provider Code Updates

Based on the Medi-Cal bulletins, CalOptima has updated the procedure codes for the subjects listed below:

- 2016 CPT-4/HCPCS Annual Update: Policy Updates
- Mepolizumab Added as Medi-Cal Benefit for Severe Asthma
- Asthma Treatment Drug Reslizumab Is a New Medi-Cal Benefit
- Intranasal Influenza Virus Vaccine Is No Longer a Medi-Cal Benefit
- Administration and Dosage Update to Medical Abortion Drugs
- Corrected Ultrasound Billing Policy for Multiple Gestations
- CLIA-Waived Benefit for HIV-1 and HIV-2 Testing Code
- ICD-10-CM Diagnosis Code Requirements Updated for Capsaicin Patch
- Diagnosis Restrictions Removed for Human Epididymis Protein
- National Correct Coding Initiative Quarterly Update for July 2016
- Acupuncture Services Are Restored

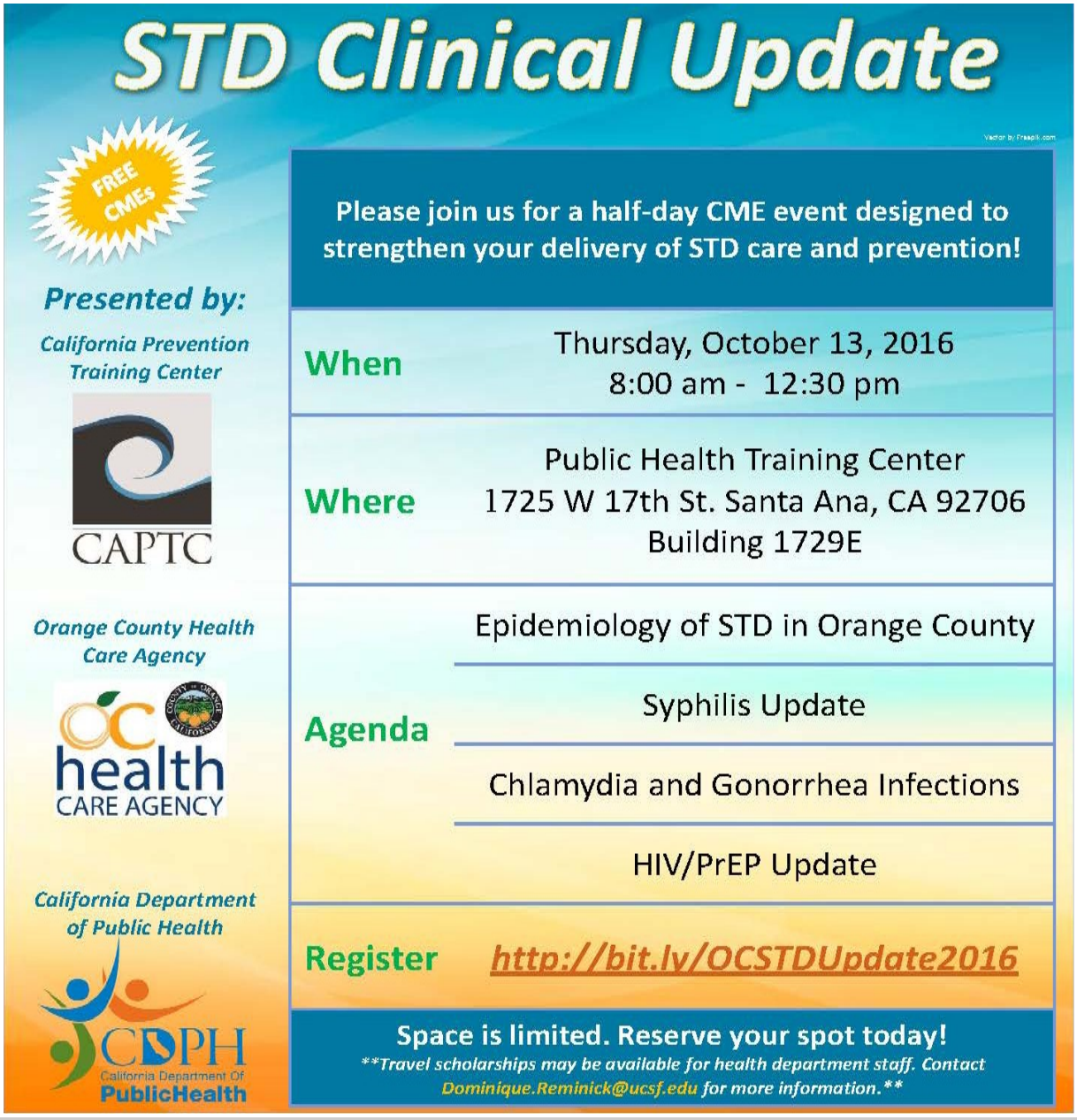
For detailed information regarding these changes, please refer to the August 2016 General Medicine bulletin on the Medi-Cal website at **Medi-Cal: Medi-Cal Update - General Medicine | August 2016 | Bulletin 506** or the Acupuncture bulletin at **Medi-Cal: Medi-Cal Update - Acupuncture August 2016 | Bulletin 491**.
For CalOptima's prior authorization required list, please refer to the CalOptima website: **www.caloptima.org/**.

Referring Members to Case Management?

Are you treating a CalOptima Medi-Cal or OneCare member, and need to know how you can refer them for case management services? Providers may refer members who are with CalOptima Medi-Cal, a health network or OneCare PMG directly for case management by:

- Contacting the member's assigned health network or PMG directly
- Contacting the Case Management department at **714-246-8686**
- Faxing a template requesting case management services to the Case Management triage inbox at **714-571-2455**
- Faxing a template requesting case management services to OneCare Clinical at **714-571-2240**
- Emailing information to the Case Management triage inbox at cmtriage@caloptima.org
- Emailing information requesting case management services to the OneCare Clinical team at OneCareClinical@caloptima.org

For more information visit the CalOptima website at www.caloptima.org.

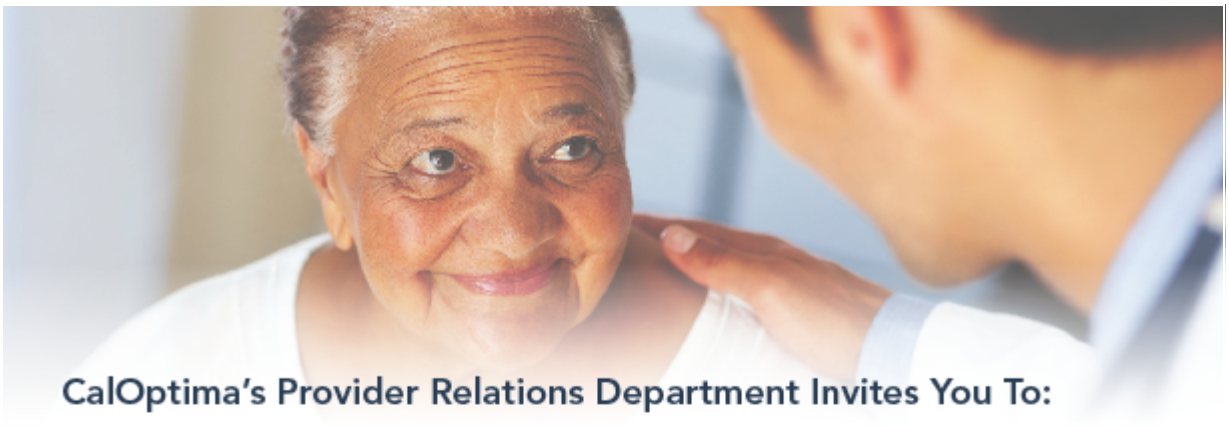


CME — Free

This activity has been planned and implemented in accordance with the accreditation requirements and policies of the Institute for Medical Quality/California Medical Association (IMQ/CMA) through the joint providership of Cardea and CAPTC. Cardea is accredited by the IMQ/CMA to provide continuing medical education for physicians. Cardea designates this live event for a maximum of 3.5 *AMA PRA Category 1 Credit(s)*™. Physicians should claim credit commensurate with the extent of their participation in the activity.

Nursing Contact Hours — Free

The California STD/HIV Prevention Training Center is approved by the California Board of Registered Nursing, Provider Number CEP 14547 for 4.2 contact hours for STD Update for Clinicians. If you are requesting nursing contact hours, you must be in attendance for the entire training. No partial credit is allowed .



CalOptima's Provider Relations Department Invites You To:

CalOptima Community Network (CCN) Lunch and Learn Meeting

TUESDAY, OCTOBER 18, 2016

Program begins at Noon and ends at 2 p.m.

CALOPTIMA

505 City Parkway West, Orange, CA 92868

Enjoy Lunch and Learn About Updates Regarding:

- Prior Authorization Best Practices
- HEDIS 2016 Results

WHO SHOULD ATTEND

Contracted providers, physicians, office managers, back office billing and authorization staff.

Please RSVP for this free event by Friday, October 14:
https://www.surveymonkey.com/r/CCN_10-18-16

This event is free, but registration is limited to one staff member per office. For more information, contact Cheryl Simmons as 714-347-5785 or csimmons@caloptima.org.

CalOptima
Community Network

Health Education: Trainings and Meetings

Title	Description	Date and Time
"We Can" Program 90-Minute Online Training	4 Sessions: We Can! Energize Our Families: Parent Program	10/3/2016 Available anytime
Media-Smart Youth: Eat, Think and Be Active	Free 1-hour webinar for those interested in implementing youth program	10/3/2016 Available anytime
Managed Health Care in California Archived Webinars	Multiple 90-minute webinars	10/3/2016 Available anytime
Available CME/CEU Recorded Webinars	Available recorded webinars with available CE/CME units form the Smoking Cessation Leadership Center	10/3/2016 Available anytime
Trainings offered by different organizations	Various training opportunities offered by different organizations. Check dates and times	10/4/2016 Available anytime
Tobacco Dependence Treatment and Behavioral Health Webinar Provides CME credits	Provides mental health and substance use disorder professionals the knowledge to assess and treat tobacco dependence in smokers with co-occurring psychiatric and/or addictive disorders	10/5/2016 Available anytime
How to Talk With Patients About Smoking Cessation and Anxiety	Free recorded webinar with 1.0 CE credit	10/5/2016 Available anytime
Screening, Brief Intervention, and Referral to Treatment (SBIRT) Training	Virtual SBIRT learning webinar	10/5/2016 Available anytime
How to Talk With Patients About Smoking Cessation and Anxiety	Free recorded webinar with 1.0 CE credit	10/19/2016 Available anytime
CAHPS Surveys: Sorting Fact From Fiction	Podcast — available anytime at: https://cahps.ahrq.gov/news-and-events/podcasts/cahps-surveys-podcast.html	10/21/2016 Available anytime

For more information regarding available trainings and meetings, contact our Health Education department by fax at **714-338-3127** or by email at healthpromotions@caloptima.org.

Quality Improvement Program Accomplishments and Progress Toward Goals

CalOptima strives to provide access to quality health care services. Every year, we inform members, providers and community partners about the goals, activities, achievements and projects within our Quality Improvement (QI) program. These projects and processes ensure that CalOptima provides access to quality health care services that offer education and tools to prevent disease, and manage chronic health conditions.

You can find a complete list of our 2015–2016 QI programs and progress in meeting goals on the CalOptima website at www.caloptima.org.

Policies and Procedures Monthly Update

The following is a list outlining changes made to CalOptima policies and procedures during **August 2016**. The full description of the policies below are finalized and available on CalOptima's website at www.caloptima.org.

Policy #	Policy Title, Description and Revisions	Policy Last Review and/or Last Revision Date
Medi-Cal Policies		
AA.1000	**Medi-Cal Glossary of Terms**	**8/1/16**
AA.1208	**Non-Monetary Member Incentives**	**3/1/16**
DD.2008	**Health Network and CalOptima Community Network Selection Process**	**4/12/16**
FF.1003	**Payment for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group**	**8/4/16**
GG.1205	**HEDIS® Data Collection and Reporting**	**7/1/14**
GG.1401	**Pharmacy Authorization Process**	**6/1/16**
GG.1410	**Appeal Process for Pharmacy Authorization**	**6/1/16**
GG.1423	**Medication Quality Assurance Program**	**6/1/16**
GG.1510	**Appeal Process for Decisions Regarding Care and Services**	**4/1/16**
GG.1619	**Delegation Oversight** [RETIRED v.10012014 – Cal MediConnect; Medi-Cal; OneCare; PACE]	**8/14/16**
HH.1107	**Fraud, Waste and Abuse Investigation and Reporting**	**6/1/16**
Medicare Policies		
CMC.1001	**OneCare Connect Glossary of Terms**	**8/1/16**
CMC.1007	**OneCare Connect Member Advisory Committee (OCC MAC)**	**8/4/16**
CMC.1811	**Leave of Absence, Long Term Care** [RETIRED v.07012015 – OneCare Connect]	**5/10/16**
CMC.3001	**Payment Arrangements to Health Networks– Capitation Payments**	**8/1/16**
CMC.3002	**Financial Security Requirements** [RETIRED v.06012015 – OneCare Connect]	**8/11/16**
CMC.4001	**Member Rights and Responsibilities**	**7/1/16**
CMC.4002	**Cultural and Linguistic Services**	**8/1/16**
CMC.4003	**Member Enrollment – Voluntary**	**7/1/16**
CMC.4004	**Member Disenrollment**	**7/1/16**

Policies and Procedures Monthly Update (Cont.)

Policy #	Policy Title, Description and Revisions	Policy Last Review and/or Last Revision Date
Medicare Policies (Cont.)		
CMC.4005	**Election Periods and Effective Dates**	**7/1/16**
CMC.4006	**Passive Enrollment**	**7/1/16**
CMC.4007	**Member Disclosures**	**8/1/16**
CMC.4008	**Member Handbook**	**8/1/16**
CMC.4009	**Member Orientation**	**7/1/16**
CMC.4010	**Health Network and Primary Care Provider Selection, Assignment, and Notification**	**8/1/16**
CMC.4011	**Notice of Change in Location and Availability of Covered Services**	**8/1/16**
CMC.5007	**Health Network Encounter Data Performance Standards**	**8/1/16**
CMC.6031	**Health Risk Assessment**	**8/1/16**
CMC.6032	**Comprehensive Care Coordination**	**8/1/16**
CMC.6033	**Behavioral Health Assessment, Referral, Coordination and Information Sharing for OneCare Connect Members**	**8/1/16**
CMC.6040	**First Tier, Downstream, and Related Entity (FDR) Model of Care – Roles and Responsibilities with Specific Personal Care Coordinator (PCC) Requirements**	**8/1/16**
CMC.9001	**Member Complaint Process**	**8/1/16**
CMC.9002	**Member Grievance Process**	**8/1/16**
CMC.9003	**Standard Appeal**	**8/1/16**
CMC.9004	**Expedited Appeal**	**8/1/16**
MA.1001	**OneCare Glossary of Terms**	**8/1/16**
MA.3002	**Financial Security Requirements**	**8/1/16**
MA.3006	**Mailing of Provider Checks** [RETIRED v.10012007 – OneCare]	**8/11/16**
MA.4007	**Member Disclosures**	**8/1/16**
MA.4008	**Evidence of Coverage**	**8/1/16**
MA.4009	**Member Orientation**	**7/1/16**
MA.5007	**Physician Medical Group Encounter Data Performance Standards**	**8/1/16**
MA.7006	**Quality Improvement Projects** [RETIRED v.02012013 – OneCare]	**4/12/16**
MA.7007	**Access and Availability**	**8/1/16**
MA.8003	**Chronic Care Programs** [RETIRED v.06012005 – OneCare]	**4/12/16**
MA.8006	**Assessing Member Experience** [RETIRED v.03012015 – OneCare Connect; OneCare]	**4/12/16**

Policies and Procedures Monthly Update (Cont.)

Policy #	Policy Title, Description and Revisions	Policy Last Review and/or Last Revision Date
Multiple Lines of Business Policies		
AA.1219b	**Provider Advisory Committee (PAC)**	**8/4/16**
EE.1103	**Provider Education & Training**	**8/1/16**
EE.1135	**Long Term Care Facility Contracting**	**8/1/16**
FF.2009	**Mailing of Provider Checks**	**8/1/16**
GG.1507	**Notification Requirements for Covered Services Requiring Prior Authorization**	**8/1/16**
GG.1508	**Authorization and Processing of Referrals**	**8/1/16**
GG.1611	**Potential Quality Issue Review Process**	**8/1/16**
GG.1629	Quality Improvement Program	**8/1/16**
GG.1634	**Quality and Performance Improvement Projects**	**4/1/16**
GG.1637	**Assessing Member Experience**	**4/1/16**
GG.1804	**Admission to, Continued Stay in, and Discharge from Out-of-Network Subacute Facility, Nursing Facility Level A (NF-A) and Level B (NF-B)**	**8/1/16**
GG.1806	**Preadmission Screening and Resident Review (PASRR)**	**6/1/16**
GG.1807	**Authorization Review Process, Long Term Care**	**4/1/16**
GG.1811	**Leave of Absence, Long Term Care**	**4/1/16**
GG.1816	**Quality Improvement Activities, Long Term Services and Supports**	**8/1/16**
HH.1106	**Pay and Educate Criteria – Provider Complaints**	**7/1/16**
HH.1106a	**CalOptima Community Network Pay and Educate Criteria – Provider Complaints** [RETIRED v.03012015 – Medi-Cal]	**7/14/16**
HH.2004	**Performance Reviews** [RETIRED v.02012013 – Medi-Cal; OneCare]	**9/1/15**
HH.3003	**Verification of Identity for Disclosure of Protected Health Information** [RETIRED v.12012012 – Medi-Cal; Healthy Families; OneCare]	**9/1/15**
PACE Policies		
PA.5040	**Participant Rights**	**8/1/16**

Important Meetings

CalOptima Board of Directors Meeting:
October 6, 2 p.m.
CalOptima Provider Advisory Committee Meeting:
October 13, 8 a.m.
CalOptima Community Network Lunch N Learn Meeting:
October 18, 12 p.m.
CalOptima Investment Advisory Committee Meeting:
October 24, 2 p.m.
CalOptima OneCare Connect Member Advisory Committee Meeting:
October 27, 3 p.m.

Visit the Provider Events and Workshops section of the CalOptima website to view the provider activities calendar and download registration forms. CalOptima's office is located at: 505 City Parkway West, Orange, CA 92868.
Unless otherwise specified, meetings are held at CalOptima.

Visit the CalOptima Website

Visit the CalOptima website at www.caloptima.org to view provider manuals and information on:

- Member Rights and Responsibilities
- QI Program and Goals
- Privacy and Confidentiality
- Pharmaceutical Management Procedures
- Cultural and Linguistic Services
- Changes to the Approved Drug List (Formulary)
- Clinical Practice Guidelines
- Complex Case Management
- Disease Management Services
- Utilization Management

www.CalOptima.org

Request hard copies by calling **714-246-8600**.