

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

**THURSDAY, NOVEMBER 10, 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 October 13, 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. Behavioral Health Transition Update
- B. Federal and State Legislative Update
- C. Intergovernmental Transfer (IGT) Expenditures Update
- D. CalOptima Strategic Plan Update
- E. Healthcare Effectiveness Data and Information Set (HEDIS) Update
- F. PAC Member Updates

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT

MINUTES

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

October 13, 2016

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, October 13, 2016 at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

Teri Miranti, PAC Chair, called the meeting to order at 8:00 a.m., and Dr. Edwards led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Donald Bruhns; Theodore Caliendo, M.D.; Alan Edwards, M.D.; Stephen N. Flood; Jena Jensen; Teri Miranti; John Nishimoto, O.D.; Mary Pham, Pharm.D, CHC; Suzanne Richards, RN, MBA, FACHE; Barry Ross, R.N., MPH, MBA; Jacob Sweidan, M.D.

Members Absent: Anjan Batra, M.D.; Pamela Kahn, R.N.; George Orras, Ph.D. FAAP; Pamela Pimentel, R.N.;

Others Present: Michael Schrader, Chief Executive Officer; Richard Helmer, M.D., Chief Medical Officer; Richard Bock, M.D., Deputy Chief Medical Officer; Ladan Khamseh, Chief Operating Officer; Chet Uma, Chief Financial Officer; Gary Crockett, Chief Counsel; Phil Tsunoda, Executive Director, Public Policy and Public Affairs; Marsha Choo, Manager, Quality Initiatives Cheryl Simmons, Staff to the PAC

MINUTES

Approve the Minutes of the September 8, 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 September 8, 2016 meeting. (Motion carried 11-0-0; Members Batra, Kahn, Orras and Pimentel absent)

PUBLIC COMMENTS

No requests for public comment were received.

On behalf of the PAC, Chair Miranti thanked out-going Chair Jena Jensen for her service as PAC Chair for the last two years.

CEO AND MANAGEMENT REPORTS

Chief Executive Officer Update

Michael Schrader, Chief Executive Officer, updated the PAC on Board actions from the October 6, 2016, Board Meeting. Mr. Schrader discussed the implementation of the Whole Child Model (WCM) for the California Children's Services (CCS) Program that was signed into law on September 25, 2016 by the Governor. Statewide, the CCS program will transfer approximately 12,000 children with serious illness or chronic medical conditions no earlier than January 1, 2018. This will transition CCS from a fee-for-service system run by counties to a benefit administered by Medi-Cal managed care plans. Stakeholder meetings are being planned and two new advisory committees will be established for this program. The advisory committees consist of a Family Advisory Committee made up of CCS parents, and a Clinical Advisory Committee led by Dr. Richard Helmer, Chief Medical Officer and other CCS providers. Both advisory committees would report to the State into a larger advisory committee at the State level.

Mr. Schrader provided an update on CalOptima's PACE Program. Due to membership growth, increased revenues and decreasing expenses on a per member per month level, the PACE Center appears much closer to the breakeven position than had been projected. It was noted that CalOptima received a rate increase from the State and CMS for calendar year 2016. Mr. Schrader also reported on the proposed expansion for the PACE program using an alternative care-setting model. This model would utilize the existing PACE Center as a hub and utilize Community Based Adult Services (CBAS) programs as additional facilities.

Mr. Schrader also informed the PAC that for the third consecutive year, the National Committee for Quality Assurance (NCQA) awarded CalOptima the designation of top Medi-Cal plan in California. Mr. Schrader thanked the PAC for their commitment to helping CalOptima reach this goal.

Mr. Schrader also noted that the 2017-2019 Strategic Plan will be discussed at the November 3, 2016 Board Meeting. The 2017-2019 Strategic Plan is scheduled to be presented to the Board for consideration at the December 2016 meeting.

Chief Financial Officer Update

Chet Uma, Chief Financial Officer, presented CalOptima's Financial Report for August 2016, as well as a review of the Health Network Enrollment Summary for the month of August.

Chief Medical Officer Update

Dr. Richard Helmer, Chief Medical Officer, provided an update on the Long Term Care (LTC) program. Dr. Helmer noted that CMS has approved CalOptima's LTC program incentive methodology. This program is part of the Cal MediConnect LTC program, and staff proposes naming it "Long Term Connect" by CalOptima. He noted that the program would be modeled

after the CalOptima Model of Care (MOC)/Care Management program, and would include a special health risk assessment for members in facilities.

Dr. Helmer also discussed the Pay For Value program and the planned transition to the new behavioral health vendor, Magellan, scheduled for January 1, 2017.

Chief Operating Officer Update

Ladan Khamseh, Chief Operating Officer, updated the PAC on OneCare and OneCare Connect plan additions. Beginning January 1, 2017, OneCare and OneCare Connect members will be able to take advantage of a gym benefit available at a wide variety of gym facilities through the county, administered by American Specialty Health. These members will also have increased taxi benefit, which is increasing from 30 rides to 60 one-way rides per year.

INFORMATION ITEMS

Federal and State Budget Update

Phil Tsunoda, Executive Director, Public Policy and Public Affairs, noted that the State Legislature and Congress have adjourned in advance of the November general election.

Consumer Assessment of Health Plans Survey (CAHPS) Medi-Cal Plan Level Survey Results/Primary Care Physician Experience Survey Results

Marsha Choo, Manager of Quality Initiatives presented results from a Medi-Cal CAHPS survey. Ms. Choo reviewed the Medi-Cal child plan level CAHPs results, the Medi-Cal adult plan level results and the OneCare results with the PAC members.

Ms. Choo also presented results from the Primary Care Physician Experience survey. She noted that physicians were surveyed to measure the performance of CalOptima's health care service delivery system from the perspective of the physicians it serves. The survey tool was developed by CalOptima and administered and analyzed by a contracted survey vendor.

After much discussion, the CAHPS Ad Hoc Committee consisting of committee members Caliendo, Miranti, Pham and Ross indicated a need for an additional ad hoc meeting to review these results and discuss steps that can be taken to raise scores above the current benchmark levels.

PAC Member Comments

Chair Miranti suggested that PAC consider whether the Chair should form an ad hoc to assist with LTC/Skilled Nursing facility issues with hard to place patients. This would allow for collaboration with all the health networks to resolve these issues.

Member Ross requested that Magellan be invited to the December 8, 2016 PAC meeting to discuss their provider network and their plan to transition members from existing providers prior to January 1, 2017.

Chair Miranti recommended that PAC members attend the Strategic Planning session at the November 3, 2016 Board meeting, and reminded members that their annual compliance training is due by November 4, 2016.

ADJOURNMENT

There being no further business before the Committee, Chair Miranti adjourned the meeting at 9:50 a.m.

/s/ Cheryl Simmons
Cheryl Simmons
Staff to the PAC

Approved: November 10, 2016

MEMORANDUM

DATE: November 3, 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

Strategic Planning Session

As previously announced, CalOptima's November Board meeting will be abbreviated to allow time for your Board to participate in a session dedicated to the agency's next three-year strategic plan. Facilitator Bobbie Wunsch has asked that each Board member prepare for the discussion by bringing answers to the following questions:

- How can CalOptima be best prepared to respond to the evolving health care environment and strengthen our position as a valued asset in our community?
- What big ideas do you have that staff should consider as they move toward implementation of the new CalOptima strategic plan and priorities?

Thank you in advance for your insight and guidance on the 2016–19 Strategic Plan.

Information Security Matter

On October 14, CalOptima notified approximately 56,000 current and former members about a security matter involving their protected health information (PHI). In August, a departing employee downloaded data, including PHI, to an unencrypted USB flash drive. Shortly after leaving the agency, the former employee returned the drive. CalOptima is cooperating with local law enforcement and health plan regulators on the investigation of this matter. While we are still investigating, CalOptima does not believe the information was shared. The downloaded PHI included member names, demographic information and other health-plan related information. Social Security numbers were also included for some of the affected members. CalOptima established a toll-free number to respond to questions. In addition, CalOptima is offering no-cost, triple-bureau credit monitoring services to affected adult members and a separate free service for affected child members, so parents can monitor whether a fraudulent credit file exists in the child's name. To protect against this type of incident in the future, CalOptima immediately implemented several additional safeguards and security standards. CalOptima was also required to inform the media, and four publications wrote articles. At this time, members are beginning to respond by calling Customer Service or enrolling in credit monitoring. I will keep your Board informed as we work to resolve the matter and strengthen our member protections even further.

Real Estate Development Rights

On November 17, your Board's Finance and Audit Committee (FAC) will receive an informational update about CalOptima's real estate development rights. A consultant engaged via Request for Proposal, Glen Allen, president of Newport Real Estate Services Inc., will make

a detailed presentation regarding the options available to CalOptima with regard to developing the land currently in use as a parking lot for 505 City Parkway West. After the FAC vets the information, the next step will be for the full Board to hear the presentation in December.

California Association of Health Plans (CAHP)

In October, CAHP held its annual conference in Palm Desert to bring together nearly 50 public and private health plans that operate in California. The conference featured more than a dozen sessions covering key industry topics. I spoke as part of a three-person panel addressing the future of Medi-Cal. Inland Empire Health Plan CEO Brad Gilbert, M.D., discussed integrating behavioral and physical health and his plan's effort to administer behavioral health directly. Toby Douglas, the former director of the Department of Health Care Services (DHCS) and now the senior vice president of Medicaid solutions for Centene, spoke about Medicaid activities in other states. I shared my vision of where Medi-Cal is going by focusing on seniors. In the past, Medi-Cal was built for moms and babies. Currently, Medi-Cal is addressing high-acuity populations with multiple chronic conditions and behavioral health issues. But the future is seniors, and I emphasized that serving seniors may require moving beyond Medi-Cal. Because everyone ages differently and most people prefer to continue living at home, seniors need to have many options before long-term care, options such as Community-Based Adult Services, In-Home Supportive Services, Program for All-Inclusive Care for the Elderly and others.

Coordinated Care Initiative (CCI)

CalOptima continues to participate in the CCI Sustainability Workgroup, a collaborative effort among CCI health plans organized by CAHP. The workgroup remains focused on demonstrating the value of the CCI and its associated Cal MediConnect plans, including CalOptima's OneCare Connect. This is of particular importance now, given that the FY 2017–18 state budget is being formulated for January, and there is attention on whether the CCI has delivered the anticipated financial savings. By statute, the CCI can be terminated if it doesn't realize cost savings. The workgroup recently launched a statewide advocacy campaign, and I will be meeting with state officials in the coming weeks to share OneCare Connect success stories. In addition, to demonstrate to the governor that broad interest in maintaining the CCI exists, the advocacy campaign also engaged stakeholders to send letters of support. In less than a week, CalOptima stakeholders generated nearly 30 letters to the governor from key influencers, such as elected officials, provider groups, community-based organizations and associations.

Whole Person Care (WPC) Pilot

In late October, DHCS approved Orange County's application to participate in the WPC pilot program, which aims to better coordinate health care and social services for the local homeless population. The program will be funded by the county, with matching federal dollars, for a total of \$23.5 million in spending over the five-year pilot. The Orange County Health Care Agency (HCA) will be the lead entity on the program, and CalOptima will be a participating entity. HCA plans to convene a WPC Collaborative to begin implementation work after the county's agreement with the state is finalized.

Board of Supervisors Recognition

On October 25, CalOptima was honored by the Orange County Board of Supervisors for our National Committee for Quality Assurance (NCQA) rating as the top Medi-Cal plan in California for the third year in a row. I was pleased to accept a resolution that highlights our agency's achievement on behalf of the Orange County residents who are our members.

Legislative Luncheon

On October 28, CalOptima welcomed nearly 50 representatives from elected offices and other stakeholder groups to a Legislative Luncheon. At the luncheon, I was presented with a special joint State Senate and State Assembly Resolution in recognition of CalOptima's NCQA rating as the top Medi-Cal plan in California. During the program, I shared information that explained the background and significance of the NCQA honor. Further, since this was the first luncheon since your new Board was installed in August, I provided details about the structure of your new Board. The program concluded with Director of Government Affairs Arif Shaikh reviewing federal and state legislation that will impact CalOptima in the near future.

Joint Medical Audit

CalOptima received notice that DHCS and Department of Managed Health Care (DMHC) will audit Medi-Cal and OneCare Connect in February 2017. The regulators intend to audit Medi-Cal for Seniors and Persons with Disabilities services and OneCare Connect for Medicaid-based services. Both audits are triannual and will be conducted by DMHC on behalf of DHCS. DMHC also stated that its audit will coincide with DHCS' annual medical audit of Medi-Cal.

Key Meetings

- CAHP Board Meeting and Dinner: The CAHP Board of Directors gathered October 11 for a meeting with featured guests Sen. Ed Hernandez, chair of the Senate Health Committee, and Assemblyman Jim Wood, chair of the Assembly Health Committee. After the meeting at dinner, I interacted further with both elected officials who are likely to play important roles in future health policy-making. While I had met with them on other occasions, the CAHP dinner provided an opportunity to reinforce that CalOptima is a leader in the state's primary health plan association.
- Hospital Association of Southern California (HASC): On October 19 at the final meeting of the HASC-sponsored Medi-Cal Task Force, the group narrowed down the priority issues to pursue at the local level. From among a list of 14 recommendations, five areas emerged as most important, including physical/behavioral health integration, workforce development, care coordination for high-acuity populations, data exchange/technology, and ongoing collaboration among hospitals, clinics, physician groups and health plans. As the next step, local HASC organizations will bring together community partners to identify areas of action, so we can expect to continue this valuable work through the Orange County HASC office.
- Department of Managed Health Care (DMHC): DMHC Director Shelley Rouillard and her team visited CalOptima on October 21. The meeting was part of DMHC's effort to engage with health plans across the state to discuss its mission to protect consumers' health care rights and ensure a stable delivery system, and highlight regulatory priorities now and in the future. One main topic was DMHC's goal to better understand risk-sharing arrangements and improve oversight of risk-bearing organizations. My general presentation about CalOptima

included discussion of our delegated model and contracting methods. I suggested that DMHC staff were welcome to learn more about our risk-sharing arrangements and oversight through on-site training, and Director Rouillard expressed interest in this opportunity. Further, she expressed appreciation for other elements of my presentation, including the discussion of the diverse backgrounds of our chief executives in areas ranging from commercial insurance and county government to regulatory agencies. In all, it was a positive meeting that positioned CalOptima as a strongly managed agency that puts quality care for members first.

- UCI Health: On October 24, as part of a continuing series of meetings, Chet Uma, Ladan Khamseh, Richard Bock, M.D., and I met with the leadership team from UCI Health, including CEO Howard Federoff, CFO Jay Sial and others. UCI leaders are interested in collaborating with CalOptima to explore ideas that address the hospital's reimbursement and capacity for Medi-Cal members.



CalOptima
Better. Together.

Financial Summary

September 2016

Chet Uma
Chief Financial Officer

FY 2016-17: Consolidated Enrollment

- September 2016 MTD:
 - Overall enrollment was 796,173 member months
 - Actual lower than budget by 4,879 or 0.6%
 - Medi-Cal: unfavorable variance of 483 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 4,365 members
 - 0.3% decrease from prior month
 - OneCare Connect: decrease of 518 from August
 - Medi-Cal: decrease of 1,580 from August
 - 3.8% or 29,065 increase in enrollment from prior year

FY 2016-17: Consolidated Enrollment

- September 2016 YTD:
 - Overall enrollment was 2,393,499 member months
 - Actual lower than budget by 5,825 or 0.2%
 - Medi-Cal: favorable variance of 6,033 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 11,691 members
 - OneCare: unfavorable variance of 192 members

FY 2016-17: Consolidated Revenues

- September 2016 MTD:

- Actual lower than budget by \$4.8 million or 1.7%

- Medi-Cal: favorable to budget by \$5.3 million

- Favorable price variance of \$5.5 million, which includes an IHSS favorable variance of \$2.4 million

- Unfavorable volume variance of \$0.1 million

- OneCare Connect: unfavorable variance of \$9.6 million

- Unfavorable price variance of \$0.6 million due to cohort experience

- Unfavorable volume variance of \$9.0 million due to lower enrollment

- OneCare: unfavorable to budget by \$0.5 million due to direct subsidy restatement

- September 2016 YTD:

- Actual lower than budget by \$8.4 million or 1.0%

- Medi-Cal: favorable to budget by \$21.6 million

- OneCare Connect: unfavorable variance of \$29.5 million

FY 2016-17: Consolidated Medical Expenses

- September 2016 MTD:
 - Actual higher than budget by \$1.9 million or 0.7%
 - Medi-Cal: unfavorable variance of \$11.6 million
 - MLTSS unfavorable variance \$9.4 million
 - IHSS \$4.2 million due to higher utilization
 - LTC unfavorable due to less than anticipated LTC members enrolled in OneCare Connect
 - Facilities unfavorable \$3.0 million due to Shared Risk Pool variance of \$2.1 million
 - OneCare Connect: favorable variance of \$9.3 million
 - Favorable volume variance of \$8.4 million
 - \$2.1 million in LTC
 - \$1.9 million in Provider Capitation
 - \$1.6 million in Prescription Drugs
 - Favorable price variance of \$0.9 million

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

- September 2016 YTD:

- Actual higher than budget by \$2.2 million or 0.3%
 - Medi-Cal: unfavorable variance of \$31.4 million
 - Unfavorable price variance of \$29.6 million
 - IHSS estimated expenses \$12.5 million higher than budget
 - Long Term Care expense \$10.4 million higher than budget
 - Facilities cost \$8.9 million over budget
 - Unfavorable volume variance of \$1.7 million
 - OneCare Connect: favorable variance of \$28.1 million
 - Favorable volume variance of \$22.5 million
 - Favorable price variance of \$5.6 million

- Medical Loss Ratio (MLR):

- September 2016 MTD: Actual: 96.9% Budget: 94.6%
- September 2016 YTD: Actual: 96.7% Budget: 95.5%

FY 2016-17: Consolidated Administrative Expenses

- September 2016 MTD:
 - Actual lower than budget by \$2.1 million or 18.3%
 - Salaries and Benefits: favorable variance of \$1.9 million driven by lower than budgeted FTE of 89
 - Other categories: favorable variance of \$0.2 million
- September 2016 YTD:
 - Actual lower than budget by \$7.6 million or 21.5%
 - Salaries and Benefits: favorable variance of \$5.2 million driven by lower than budgeted FTE of 286
 - Other categories: favorable variance of \$2.3 million
- Administrative Loss Ratio (ALR):
 - September 2016 MTD: Actual: 3.4% Budget: 4.1%
 - September 2016 YTD: Actual: 3.3% Budget: 4.2%

FY 2016-17: Change in Net Assets

- September 2016 MTD:
 - \$1.0 million surplus
 - \$2.9 million unfavorable to budget
 - Attributable to:
 - Lower than budgeted revenue of \$4.8 million
 - Higher medical expenses of \$1.9 million
 - Lower administrative expenses of \$2.1 million
 - Higher investment income of \$1.6 million
- September 2016 YTD:
 - \$2.6 million surplus
 - \$1.1 million unfavorable to budget
 - Attributable to:
 - Lower than budgeted revenue of \$8.4 million
 - Higher medical expenses of \$2.2 million
 - Lower administrative expenses of \$7.6 million
 - Higher investment income of \$1.8 million

Enrollment Summary: September 2016

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
57,834	55,078	2,756	5.0%	Aged	172,232	164,755	7,477	4.5%
623	676	(53)	(7.8%)	BCCTP	1,892	2,026	(134)	(6.6%)
48,325	47,476	849	1.8%	Disabled	145,109	142,524	2,585	1.8%
335,393	339,437	(4,044)	(1.2%)	TANF Child	1,004,569	1,015,998	(11,429)	(1.1%)
102,827	109,755	(6,928)	(6.3%)	TANF Adult	309,882	329,241	(19,359)	(5.9%)
3,303	2,685	618	23.0%	LTC	9,819	8,033	1,786	22.2%
228,770	222,451	6,319	2.8%	MCE	691,060	665,955	25,105	3.8%
777,075	777,557	(482)	(0.1%)	Medi-Cal	2,334,563	2,328,527	6,036	0.3%
17,727	22,093	(4,366)	(19.8%)	OneCare Connect	54,874	66,565	(11,691)	(17.6%)
179	175	4	2.3%	PACE	535	510	25	4.9%
1,192	1,227	(35)	(2.9%)	OneCare	3,527	3,719	(192)	(5.2%)
796,173	801,052	(4,879)	(0.6%)	CalOptima Total	2,393,499	2,399,321	(5,822)	(0.2%)

Financial Highlights: September 2016

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
796,173	801,052	(4,879)	(0.6%)	Member Months	2,393,499	2,399,324	(5,825)	(0.2%)
276,932,895	281,720,851	(4,787,956)	(1.7%)	Revenues	835,720,311	844,151,625	(8,431,314)	(1.0%)
268,383,373	266,531,225	(1,852,148)	(0.7%)	Medical Expenses	807,999,274	805,773,822	(2,225,452)	(0.3%)
9,341,536	11,428,453	2,086,917	18.3%	Administrative Expenses	27,591,433	35,153,600	7,562,168	21.5%
(792,014)	3,761,173	(4,553,187)	(121.1%)	Operating Margin	129,605	3,224,203	(3,094,598)	(96.0%)
1,779,007	143,250	1,635,757	1141.9%	Non Operating Income (Loss)	2,434,789	429,750	2,005,039	466.6%
986,993	3,904,423	(2,917,430)	(74.7%)	Change in Net Assets	2,564,394	3,653,953	(1,089,559)	(29.8%)
96.9%	94.6%	(2.3%)		Medical Loss Ratio	96.7%	95.5%	(1.2%)	
3.4%	4.1%	0.7%		Administrative Loss Ratio	3.3%	4.2%	0.9%	
<u>(0.3%)</u>	<u>1.3%</u>	(1.6%)		Operating Margin Ratio	<u>0.0%</u>	<u>0.4%</u>	(0.4%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

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

MONTH-TO-DATE			YEAR-TO-DATE			
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
(1.4)	3.0	(4.4)	Medi-Cal	(1.2)	2.3	(3.6)
(0.3)	0.0	(0.3)	OneCare	(0.1)	0.1	(0.3)
0.9	0.9	(0.1)	OCC	1.4	1.6	(0.1)
0.0	(0.2)	0.2	PACE	0.0	(0.8)	0.8
(0.8)	3.8	(4.6)	Operating	0.1	3.2	(3.1)
1.8	0.1	1.6	Inv./Rental Inc, MCO tax	2.4	0.4	2.0
1.8	0.1	1.6	Non-Operating	2.4	0.4	2.0
1.0	3.9	(2.9)	TOTAL	2.6	3.7	(1.1)

Consolidated Revenue & Expense: September 2016 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	545,322	231,753	\$ 777,075	1,192	17,727	179	796,173
REVENUES							
Capitation Revenue	133,571,873	105,444,331	\$ 239,016,205	\$ 906,303	\$ 35,927,342	\$ 1,083,046	\$ 276,932,895
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>133,571,873</u>	<u>105,444,331</u>	<u>239,016,205</u>	<u>906,303</u>	<u>35,927,342</u>	<u>1,083,046</u>	<u>276,932,895</u>
MEDICAL EXPENSES							
Provider Capitation	31,116,432	42,129,491	73,245,923	384,652	6,420,083	-	80,050,658
Facilities	27,196,915	31,354,932	58,551,846	181,928	9,961,026	170,526	68,865,327
Ancillary	-	-	-	52,020	840,696	-	892,716
Skilled Nursing	-	-	-	56,204	7,797,295	-	7,853,499
Professional Claims	9,551,621	8,141,524	17,693,145	-	-	193,374	17,886,520
Prescription Drugs	15,779,122	18,624,085	34,403,207	353,410	6,643,608	78,236	41,478,462
Quality Incentives	-	-	-	-	354,840	-	354,840
Long-term Care Facility Payments	39,576,802	6,315,960	45,892,763	-	-	42,818	45,935,581
Contingencies	-	-	-	-	-	-	-
Medical Management	2,868,487	-	2,868,487	24,763	1,036,097	387,481	4,316,829
Reinsurance & Other	(348,553)	948,643	600,090	2,129	58,785	87,938	748,942
Total Medical Expenses	<u>125,740,826</u>	<u>107,514,636</u>	<u>233,255,462</u>	<u>1,055,105</u>	<u>33,112,431</u>	<u>960,375</u>	<u>268,383,373</u>
Medical Loss Ratio	94.1%	102.0%	97.6%	116.4%	92.2%	88.7%	96.9%
GROSS MARGIN	7,831,047	(2,070,305)	5,760,743	(148,802)	2,814,911	122,671	8,549,522
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Employee Benefits	-	-	5,063,139	80,260	721,472	87,430	5,952,301
Professional Fees	-	-	131,037	12,346	92,486	1,938	237,808
Purchased Services	-	-	697,296	21,043	136,042	4,041	858,422
Printing and Postage	-	-	238,907	1,659	42,696	90	283,351
Depreciation and Amortization	-	-	445,978	-	-	2,014	447,992
Other Expenses	-	-	1,123,157	263	33,244	378	1,157,042
Indirect Cost Allocation, Occupancy Expense	-	-	(564,864)	29,493	937,491	2,499	404,619
Total Administrative Expenses	-	-	<u>7,134,650</u>	<u>145,064</u>	<u>1,963,432</u>	<u>98,390</u>	<u>9,341,536</u>
Admin Loss Ratio			3.0%	16.0%	5.5%	9.1%	3.4%
INCOME (LOSS) FROM OPERATIONS			(1,373,907)	(293,866)	851,479	24,281	(792,014)
INVESTMENT INCOME			-	-	-	-	1,785,993
NET RENTAL INCOME			-	-	-	-	4,158
OTHER INCOME			111	-	-	-	111
CHANGE IN NET ASSETS			<u>\$ (1,385,052)</u>	<u>\$ (293,866)</u>	<u>\$ 851,479</u>	<u>\$ 24,281</u>	<u>\$ 986,993</u>
BUDGETED CHANGE IN ASSETS			3,002,498	38,405	942,012	(221,741)	3,904,423
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(4,387,549)</u>	<u>(332,271)</u>	<u>(90,533)</u>	<u>246,022</u>	<u>(2,917,430)</u>

Consolidated Revenue & Expense: September 2016 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	1,872,273	462,290	\$ 2,334,563	3,527	54,874	535	2,393,499
REVENUES							
Capitation Revenue	511,025,792	209,956,483	\$ 720,982,275	\$ 3,786,574	\$ 107,714,292	\$ 3,237,171	\$ 835,720,311
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>511,025,792</u>	<u>209,956,483</u>	<u>720,982,275</u>	<u>3,786,574</u>	<u>107,714,292</u>	<u>3,237,171</u>	<u>835,720,311</u>
MEDICAL EXPENSES							
Provider Capitation	138,022,700	84,177,000	222,199,699	1,163,320	21,346,410	-	244,709,429
Facilities	111,168,345	66,183,805	177,352,149	878,355	29,624,827	668,212	208,523,543
Ancillary	-	-	-	133,979	2,262,985	-	2,396,963
Skilled Nursing	-	-	-	121,209	18,014,897	-	18,136,106
Professional Claims	36,471,262	15,609,385	52,080,647	-	-	545,498	52,626,145
Prescription Drugs	70,032,629	34,617,688	104,650,316	1,251,166	24,680,604	273,017	130,855,103
Quality Incentives	-	-	-	-	1,098,740	-	1,098,740
Long-term Care Facility Payments	122,032,119	12,348,805	134,380,925	-	-	28,011	134,408,935
Contingencies	-	-	-	-	-	-	-
Medical Management	8,776,649	-	8,776,649	69,532	2,940,686	1,094,795	12,881,661
Reinsurance & Other	(127,535)	1,921,099	1,793,565	12,379	293,602	263,103	2,362,648
Total Medical Expenses	<u>486,376,169</u>	<u>214,857,782</u>	<u>701,233,950</u>	<u>3,629,939</u>	<u>100,262,749</u>	<u>2,872,635</u>	<u>807,999,274</u>
Medical Loss Ratio	95.2%	102.3%	97.3%	95.9%	93.1%	88.7%	96.7%
GROSS MARGIN	24,649,624	(4,901,299)	19,748,325	156,635	7,451,542	364,535	27,721,037
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Employee Benefits	-	-	15,851,504	93,057	2,230,540	268,311	18,443,412
Professional Fees	-	-	512,735	47,227	274,541	8,815	843,318
Purchased Services	-	-	1,969,430	65,377	420,397	9,281	2,464,485
Printing and Postage	-	-	617,346	4,843	164,479	532	787,199
Depreciation and Amortization	-	-	972,666	-	-	6,043	978,709
Other Expenses	-	-	2,862,022	1,572	99,834	16,581	2,980,009
Indirect Cost Allocation, Occupancy Expense	-	-	(1,814,067)	88,481	2,812,473	7,415	1,094,301
Total Administrative Expenses	-	-	<u>20,971,636</u>	<u>300,556</u>	<u>6,002,264</u>	<u>316,977</u>	<u>27,591,433</u>
Admin Loss Ratio	-	-	2.9%	7.9%	5.6%	9.8%	3.3%
INCOME (LOSS) FROM OPERATIONS	-	-	(1,223,311)	(143,921)	1,449,279	47,558	129,605
INVESTMENT INCOME	-	-	-	-	-	-	2,432,917
NET RENTAL INCOME	-	-	-	-	-	-	12,669
OTHER INCOME	-	-	459	-	-	-	459
CHANGE IN NET ASSETS	-	-	<u>\$ (1,234,108)</u>	<u>\$ (143,921)</u>	<u>\$ 1,449,279</u>	<u>\$ 47,558</u>	<u>\$ 2,564,394</u>
BUDGETED CHANGE IN ASSETS	-	-	2,316,077	106,496	1,556,299	(754,669)	3,653,953
VARIANCE TO BUDGET - FAV (UNFAV)	-	-	<u>(3,550,185)</u>	<u>(250,418)</u>	<u>(107,020)</u>	<u>802,228</u>	<u>(1,089,559)</u>

Balance Sheet:

As of September 2016

ASSETS

Current Assets

Operating Cash	\$262,324,977
Catastrophic Reserves	11,631,071
Investments	1,513,326,449
Capitation receivable	234,956,079
Receivables - Other	17,952,559
Prepaid Expenses	11,434,421

Total Current Assets	<u>2,051,625,556</u>
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Capital Assets Furniture and equipment	28,851,790
Leasehold improvements	12,967,181
505 City Parkway West	46,707,144
	<u>88,526,114</u>
Less: accumulated depreciation	<u>(33,396,458)</u>
Capital assets, net	<u>55,129,657</u>

Other Assets Restricted deposit & Other	283,186
Board-designated assets	
Cash and cash equivalents	8,977,633
Long term investments	<u>467,086,587</u>
Total Board-designated Assets	<u>476,064,220</u>
Total Other Assets	<u>476,347,406</u>

Deferred outflows of Resources - Pension Contributions	3,787,544
Deferred outflows of Resources - Difference in Experience	1,215,473

TOTAL ASSETS & OUTFLOWS	<u>2,588,105,636</u>
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LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	\$12,824,182
Medical claims liability	606,370,807
Accrued payroll liabilities	10,648,887
Deferred revenue	807,306,921
Deferred lease obligations	254,352
Capitation and withholds	<u>449,380,688</u>
Total Current Liabilities	<u>1,886,785,836</u>

Other employment benefits liability	28,128,517
Net Pension Liabilities	8,755,170
Long Term Liabilities	150,000

TOTAL LIABILITIES	<u>1,923,819,523</u>
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Deferred inflows of Resources - Excess Earnings	502,900
Deferred inflows of Resources - changes in Assumptions	1,651,640

Tangible net equity (TNE)	91,182,287
Funds in excess of TNE	570,949,286

Net Assets	<u>662,131,573</u>
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TOTAL LIABILITIES, INFLOWS & FUND BALANCES	<u>2,588,105,636</u>
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Board Designated Reserve and TNE Analysis

As of September 2016

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Market - Low	Market - High
	Tier 1 - Payden & Rygel	135,408,667				
	Tier 1 - Logan Circle	125,473,000				
	Tier 1 - Wells Capital	125,410,994				
Board-designated Reserve						
		386,292,661	284,976,271	446,187,081	101,316,390	(59,894,420)
TNE Requirement	Tier 2 - Logan Circle	89,771,559	91,182,287	91,182,287	(1,410,728)	(1,410,728)
Consolidated:		476,064,220	376,158,558	537,369,368	99,905,662	(61,305,148)
	Current reserve level	1.77	1.40	2.00		

HN Enrollment Summary - Medi-Cal

Health Network Name	October 2016	Percentage
CHOC Health Alliance (PHC20)	156,175	19.9%
Monarch Family HealthCare (SRG68)	89,801	11.5%
Arta Western Health Network (SRG66)	78,344	10.0%
CalOptima Community Network (CN)	67,566	8.6%
Family Choice Health Network (PHC21)	49,502	6.3%
Kaiser Permanente (HMO04)	45,633	5.8%
Alta Med Health Services (SRG69)	39,935	5.1%
Prospect Medical Group (SRG63)	36,619	4.7%
United Care Medical Network (SRG67)	35,835	4.6%
Noble Mid-Orange County (SRG64)	34,625	4.4%
Talbert Medical Group (SRG65)	25,622	3.3%
AMVI Care Health Network (PHC58)	24,524	3.1%
Heritage - Regal Medical Group (HMO15)	3,195	0.4%
OC Advantage (PHC35)	846	0.1%
Total Health Network Capitated Enrollment	688,223	87.9%
CalOptima Direct (all others)	94,976	12.1%
Total Medi-Cal Enrollment	783,198	100.0%

HN Enrollment Summary - OneCare

Health Network Name	October 2016	Percentage
Monarch HealthCare (PMG53DE)	651	53.4%
AMVI/Prospect Medical Group (PMG27DE)	310	25.4%
Talbert Medical Group (PMG52DE)	107	8.8%
Family Choice Medical Group (PMG21DE)	62	5.1%
Arta Western Health Network (PMG66DE)	37	3.0%
Alta-Med (PMG69DE)	29	2.4%
United Care Medical Group (PMG67DE)	18	1.5%
Noble Mid Orange County (PMG64DE)	5	0.4%
Total OneCare Enrollment	1,219	100.0%

HN Enrollment Summary – OneCare Connect

Health Network Name	October 2016	Percentage
Monarch HealthCare (SRG53DE)	5,578	31.8%
Propect Medical Group (SRG63DB)	3,348	19.1%
Family Choice Medical Group (SRG81DB)	1,960	11.2%
CalOptima Community Network (CN)	1,946	11.1%
Talbert Medical Group (SRG52DB)	1,270	7.2%
United Care Medical Group (SRG67DB)	706	4.0%
Arta Western Health Network(SRG66DB)	665	3.8%
AMVI Care Health Network (PHC58DB)	660	3.8%
Alta-Med (SRG69DB)	577	3.3%
Noble Mid Orange County (SRG64DB)	492	2.8%
Heritage - Regal Medical Group (HMO15)	245	1.4%
OC Advantage (PHC35DB)	113	0.6%
Total OneCare Connect Enrollment	17,560	100.0%



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Managed Behavioral Health Organization Update

**Provider Advisory Committee
November 10, 2016**

**Donald Sharps, MD
Director, Behavioral Health Services**

Status Update

- On September 1, 2016, the CalOptima Board approved Magellan as the selected managed behavioral health organization (MBHO).
- On October 3, 2016, after the contract was signed, implementation began.
- On January 1, 2017, Magellan will go live.

Key Implementation Steps

- Network development
- Continuity of care
- CalOptima Behavioral Health Line

Medi-Cal Network Development

- Magellan has an existing Medicare provider network and a commercial Autism provider network in Orange County.
- Regarding **Medi-Cal Network Development progress**
 - Approximately 65 percent of current MBHO's Medi-Cal providers are currently contracted with Magellan's network.
 - For those providers, their 2016 MBHO claims represent ~ 76 percent of current MBHO's Medi-Cal members.
 - Approximately 85 percent of current MBHO's active ABA cases are seen by providers currently in Magellan commercial network.
- Harry Best, MBA, CPA
 - Senior Director, National Provider Network Management

Continuity of Care (COC)

- Most members are anticipated to be able to retain their existing providers.
- CalOptima is committed to pursuing COC for all members who meet the criteria as outlined in the All Plan Letter 15-019 and CalOptima Policy GG.1325.
- Honor all existing/ongoing COC agreements that are already in place.
- Beneficiary notice will be mailed to those who might need to change providers at least 30 days prior to January 1, 2017

CalOptima Behavioral Health (BH) Line

- Single toll-free number for all CalOptima members
 - 855-877-3885
- Process to call for referrals will remain the same
- Calling toll-free number is a one-step process for eligibility verification, screening, and referral to providers
- No change in BH benefits for Medi-Cal or Duals
- Magellan will establish a dedicated call center in Orange County which will include care management support for CalOptima members and providers

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



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IGT Update & Expenditure Plan

**Provider Advisory Committee
November 10, 2016**

**Cheryl Meronk
Director, Strategic Development**

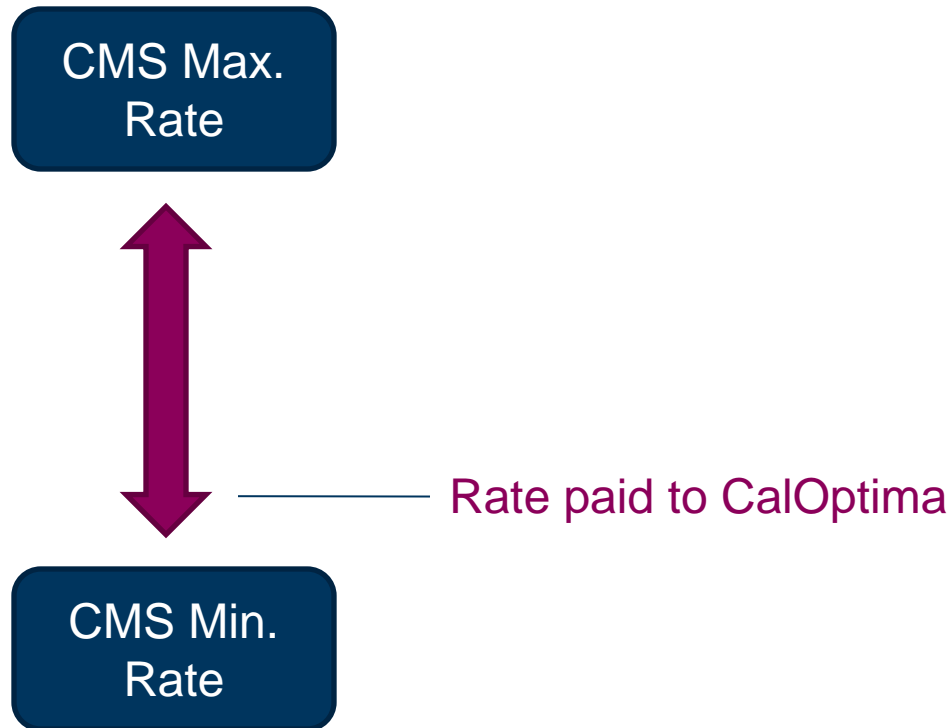
Intergovernmental Transfers (IGT)

Background

- Medi-Cal program is funded by state and federal funds
- IGT process enables CalOptima to secure additional federal revenue to increase California's low Medi-Cal managed care capitation rates
- Funds must be used to deliver enhanced services for the Medi-Cal population

Low Medi-Cal Managed Care Rates

- CMS approves a rate range for Medi-Cal managed care
- California pays near the bottom of the range



IGT Funds Availability and Process

- Available pool of dollars based on difference paid to CalOptima and the maximum rate
- Access to IGT dollars is contingent upon eligible government entities contributing dollars to be used as match for federal dollars
- Funds secured through cooperative transactions among eligible governmental funding entities, CalOptima, DHCS and CMS

CalOptima Share Totals for IGT 1–5

IGTs	CalOptima Share
IGT 1	\$12.52 M
IGT 2	\$8.60 M
IGT 3	\$4.88 M
IGT 4	\$6.96 M
IGT 5	≈\$15.00 M
Total	\$47.96 M*

**Estimated total*

IGT 1 Status*

Project	Budget	Balance	Notes
Personal Care Coordinators	\$3,850,000	\$110,000	Complete by 2/28/2017
Case Management System	\$2,099,000	\$3,500	Completed
Strategies to Reduce Readmissions	\$533,585	\$443,000	Complete by 12/1/2016
Program for High-Risk Children	\$500,000	\$500,000	Complete by 10/31/2018
Telemedicine	\$1,100,000	\$1,100,000	To be reallocated
Case Management System Consulting	\$866,415	\$218,000	Complete by 12/31/2017
OCC PCC Program	\$3,550,000	\$2,085,000	Complete by 2/28/2017
Total	\$12.5 M	\$4.4 M	Total Reallocation Amount: \$1.1 M

*As of 8/31/2016

IGT 2 Status*

Project	Budget	Balance	Notes
Facets System Upgrade & Reconfiguration	\$1,250,000	\$265,000	Complete by 12/31/2016
Security Audit Remediation	\$101,000	\$0	Completed
Continuation of COREC	\$1,000,000	\$517,000	Complete by 6/30/2017
OCC PCC Program	\$2,400,000	\$2,400,000	Complete by 3/31/2018
Children's Health/ Safety Net Services	\$1,300,000	\$126,000	Complete by 5/31/2017
Wraparound Services	\$1,400,000	\$487,000	Complete by 11/1/2017
Recuperative Care	\$500,000	\$318,500	Complete by 3/1/2017
Provider Network Management Solution	\$500,000	\$500,000	To be reallocated
Project Management	\$100,000	\$17,000	Complete by 9/30/2016
PACE EHR System	\$50,000	\$1,000	Complete by 12/31/2016
Total	\$8.6 M	\$4.6 M	Total Reallocation Amount: \$0.5 M

*As of 8/31/2016

IGT 3 Status*

Project	Budget	Balance	Notes
Pay for Performance for PCPs	\$4,200,000	\$4,200,000	To be reallocated
Recuperative Case (Phase 2)	\$500,000	\$500,000	Complete by 6/30/2018
Project Management	\$165,000	\$165,000	Complete by 12/31/2017
Total	\$4.8 M	\$4.8 M	Total Reallocation Amount: \$4.2 M

*As of 8/31/2016

IGT 4 Status*

Project	Budget	Balance	Notes
Unallocated Funds	\$6,960,000	\$6,960,000	To be allocated
Total	\$6.9 M	\$6.9 M	Total Allocation Amount: \$6.9 M

*As of 8/31/2016

IGT 5 Status*

Project	Budget	Balance	Notes
Unallocated Funds	≈\$15,000,000	≈\$15,000,000	To be allocated
Total	≈\$15 M	≈\$15 M	Total Allocation Amount: ≈\$15 M

**Not yet received*

Total Funds to Reallocate or Allocate

IGT	Funds Available
IGT 1	\$1.1 M
IGT 2	\$0.5 M
IGT 3	\$4.2 M
IGT 4	\$6.9 M
IGT 5	≈\$15.0 M
Total	\$27.7 M*

**Estimate dependent on total IGT 5 amount*

IGT Approved Funding Categories*

Adult Mental Health

Children's Mental Health

Childhood Obesity

Strengthening the Safety Net

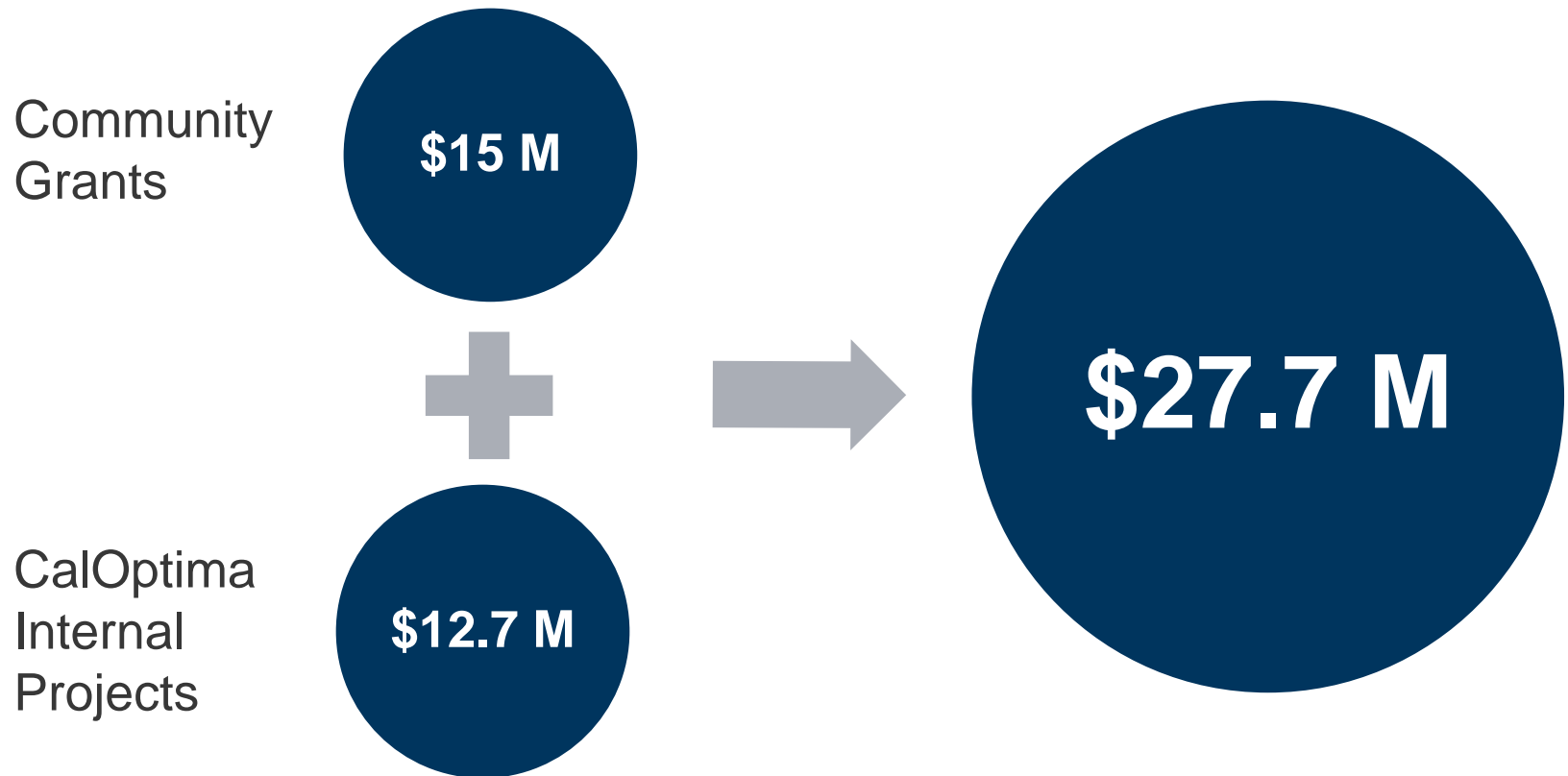
Improving Children's Health

Pilot Program Planning & Implementation

**IGTs 4 and 5 only*

Purpose of IGT Funds

- Funds must be used to deliver enhanced services for the Medi-Cal population



External Community Grant Support

- Orange County's Medi-Cal delivery system relies heavily on safety net system
 - Community health centers
 - Community-based organizations
- Support helps to fill gaps in services and improve health outcomes for CalOptima members
 - Improve health equity
 - Address social determinants of health
 - Improve access to services

Recommended External Community Grants Expenditure and RFP Process

Funding Category	Amount	RFP Project Examples
Adult Mental Health	\$3 M	Expand access to rehabilitation/day services; promote substance use prevention; increase homeless support services in the community; improve coordination of services
Children's Mental Health	\$3 M	Advance screening and assessment of mental health; broaden community-based education and support; expand access to services
Strengthening the Safety Net	\$3 M	Improve quality through expanded access to services and prevention screenings (e.g., breast/cervical cancer, HPV, etc.); improve data integration and reporting for clinics; expand access to specialty care
Childhood Obesity	\$3 M	Promote nutrition education, prevention and intervention services as well as physical activity through school-based programs, parent education and provider offices; provide healthy food access
Improving Children's Health	\$3 M	Increase vaccinations; launch asthma management programs; increase nutrition education; provide healthy food access

IGT Timeline

Date	Activity
September 15	FAC Update and Review
September 21	QAC Update and Review
November 10 and 17	PAC/MAC/OCC MAC Review
November 14	IGT Ad Hoc
December 1	Board of Directors IGT Anticipated Expenditure Plan Presentation
January–June 2017	Development and Release of Community Grant RFPs

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Strategic Planning Update

Provider Advisory Committee Meeting
November 10, 2016

Cheryl Meronk
Director, Strategic Development

Mission and Vision Remain Constant

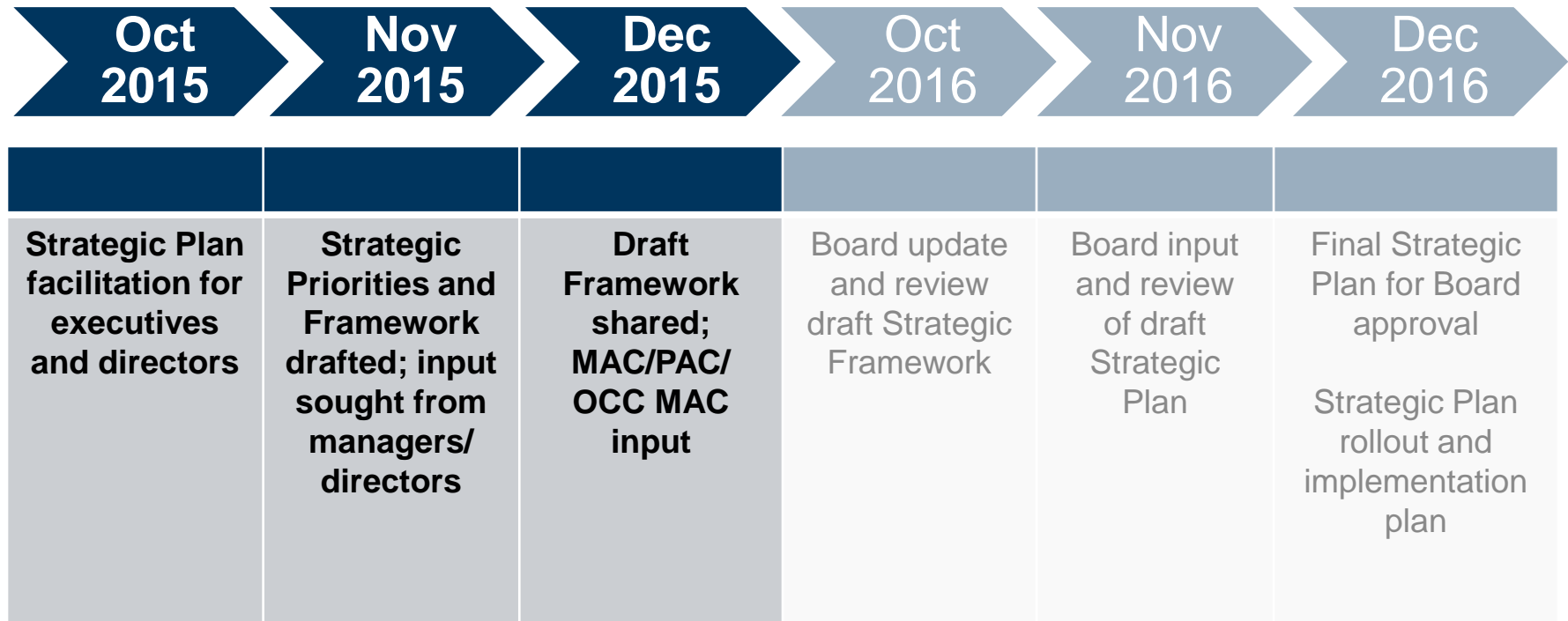
Mission

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

Vision

To be a model public agency and community health plan that provides an integrated and well-coordinated system of care to ensure optimal health outcomes for all our members

2017–19 Strategic Planning Timeline



2017–19 Strategic Planning Inputs

**Enrollment Data
by Network, LOB**

**Advisory
Committee
Feedback (Ad Hoc)**

**Employee
Engagement Data**

**Leadership Input
(SWOT)**

**Community Needs
Assessment**

**Current Mission,
Vision, Values and
Plan**

**Health Care
Environment
(payment reform,
growth, care
delivery changes)**

Ad Hoc Feedback

- Collaborate directly with providers, including considering direct pay-for-performance initiatives where appropriate
- Ensure the Provider Advisory Committee (PAC) is considered a key stakeholder in the objectives on provider collaboration
- Ensure that “expanding access” is incorporated into objectives for provider/plan collaboration
- Ensure CalOptima is a thought partner in the evaluation of community-based or provider pilots by sharing data to support evaluation and impact analysis
- Continue to seek direct member engagement and input into proposed pilots, programs and services
- Collaborate with community-based organizations on advocacy issues impacting members, providers and the community

Draft Strategic Framework

Innovation

Pursue innovative programs and services to optimize member access to care

1. Delivery System Innovation
2. Program Integration
3. Program Incubation

Value

Maximize the value of care for members by ensuring quality in a cost effective way

1. Data Analytics
2. Pay for Value
3. Cost Effectiveness

Partnerships and Engagement

Engage providers and community partners in improving the health status and experience of our members

1. Provider Collaboration
2. Member Engagement
3. Community Partnerships
4. Shared Advocacy

BUILDING BLOCKS

Workforce Performance

Attract and retain an accountable and high performing workforce capable of strengthening systems and processes

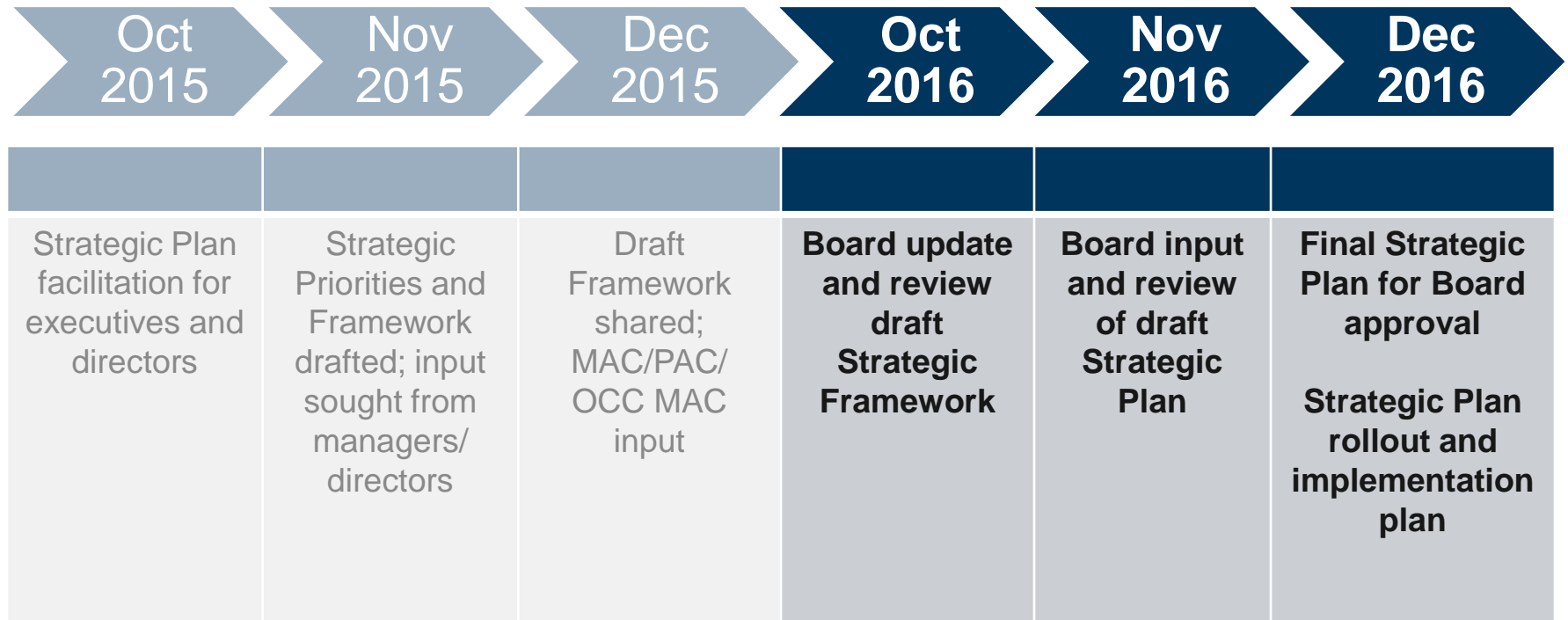
Financial Strength

Provide effective financial management and planning to ensure long-term financial strength

Board Discussion

- How can CalOptima be best prepared to respond to the evolving health care environment and strengthen our position as a valued asset in our community?
- What big ideas do you have that staff should consider as they move toward implementation of the new CalOptima strategic plan and priorities?

2017–19 Strategic Planning Timeline



Next Steps

- Board approval of final Strategic Plan
- Staff development of Year 1 implementation plan
- Communication and rollout





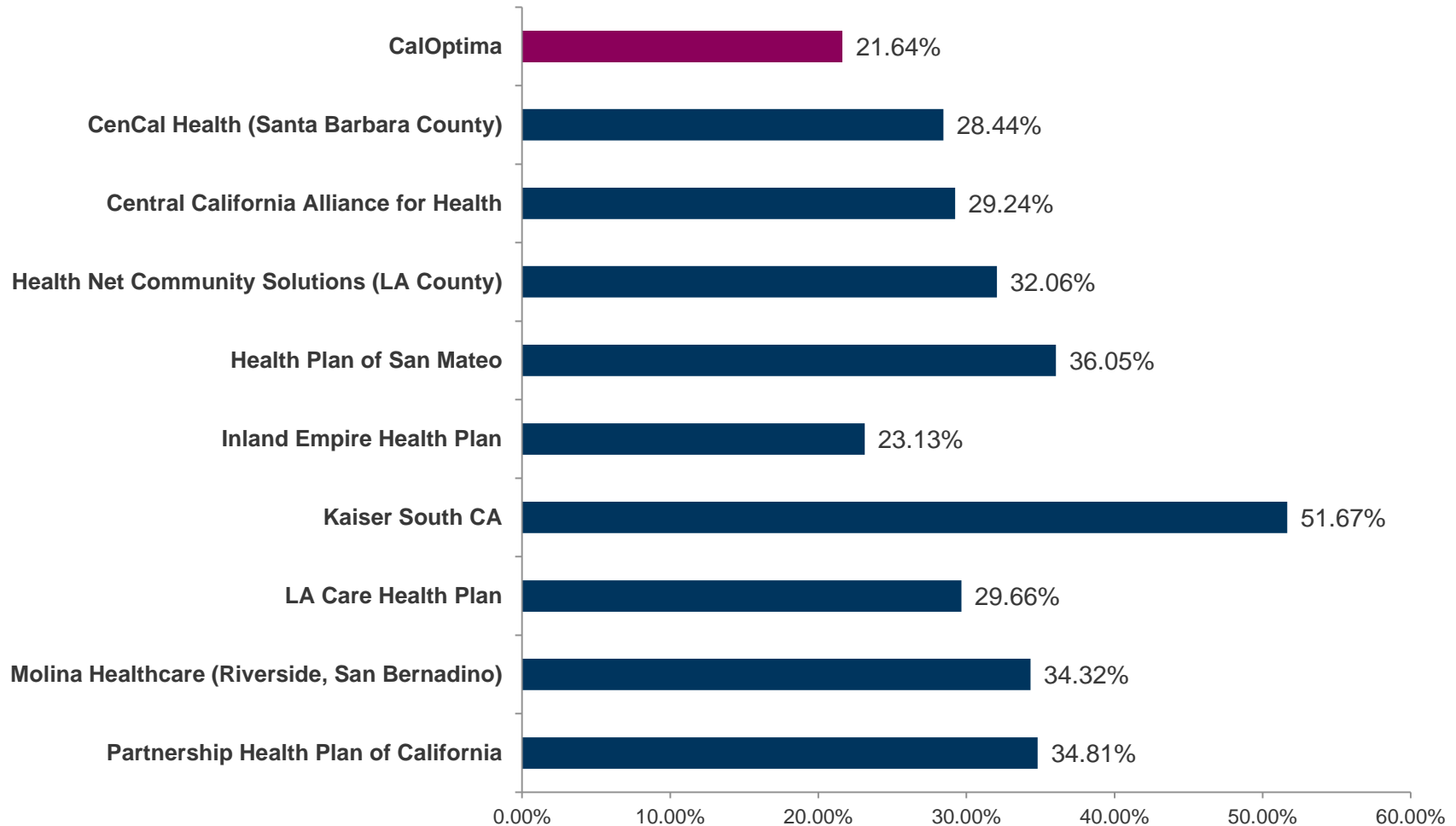
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HEDIS 2016 California Plan Performance Comparison

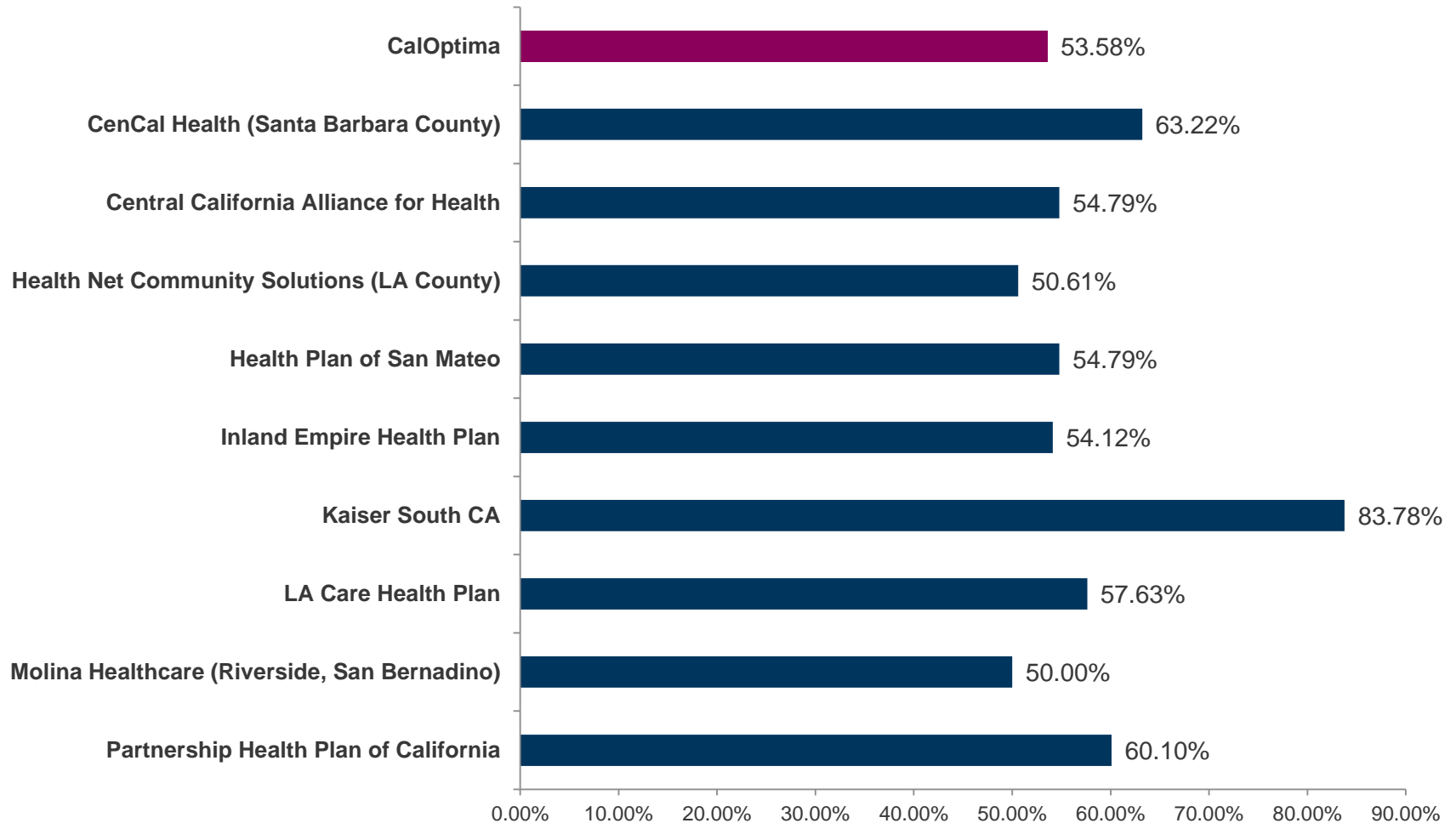
**Provider Advisory Committee
November 10, 2016**

**Irma Munoz
HEDIS Project Manager, Quality Analytics**

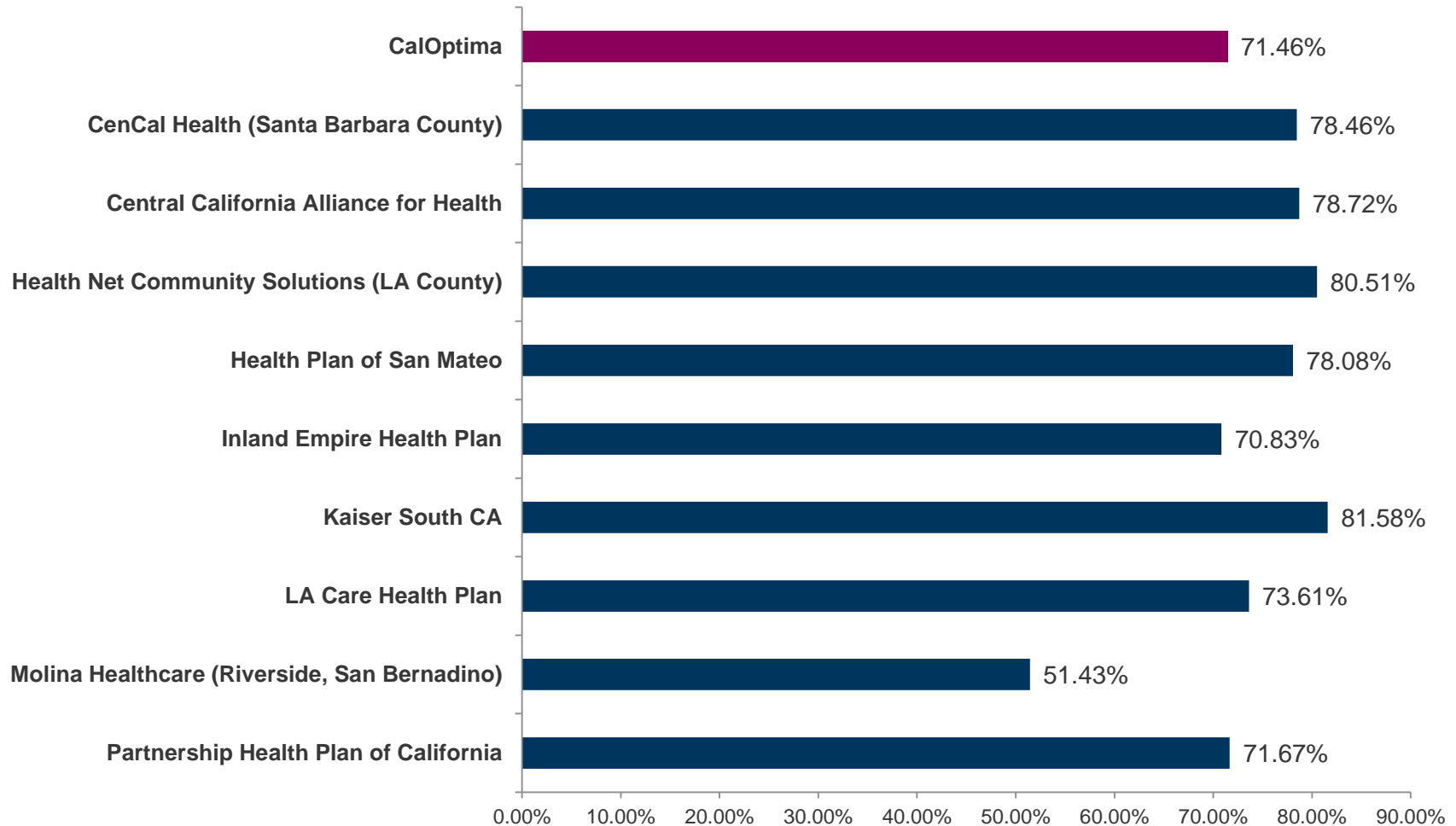
Avoidance of Antibiotic Treatment for Adults with Acute Bronchitis (AAB)



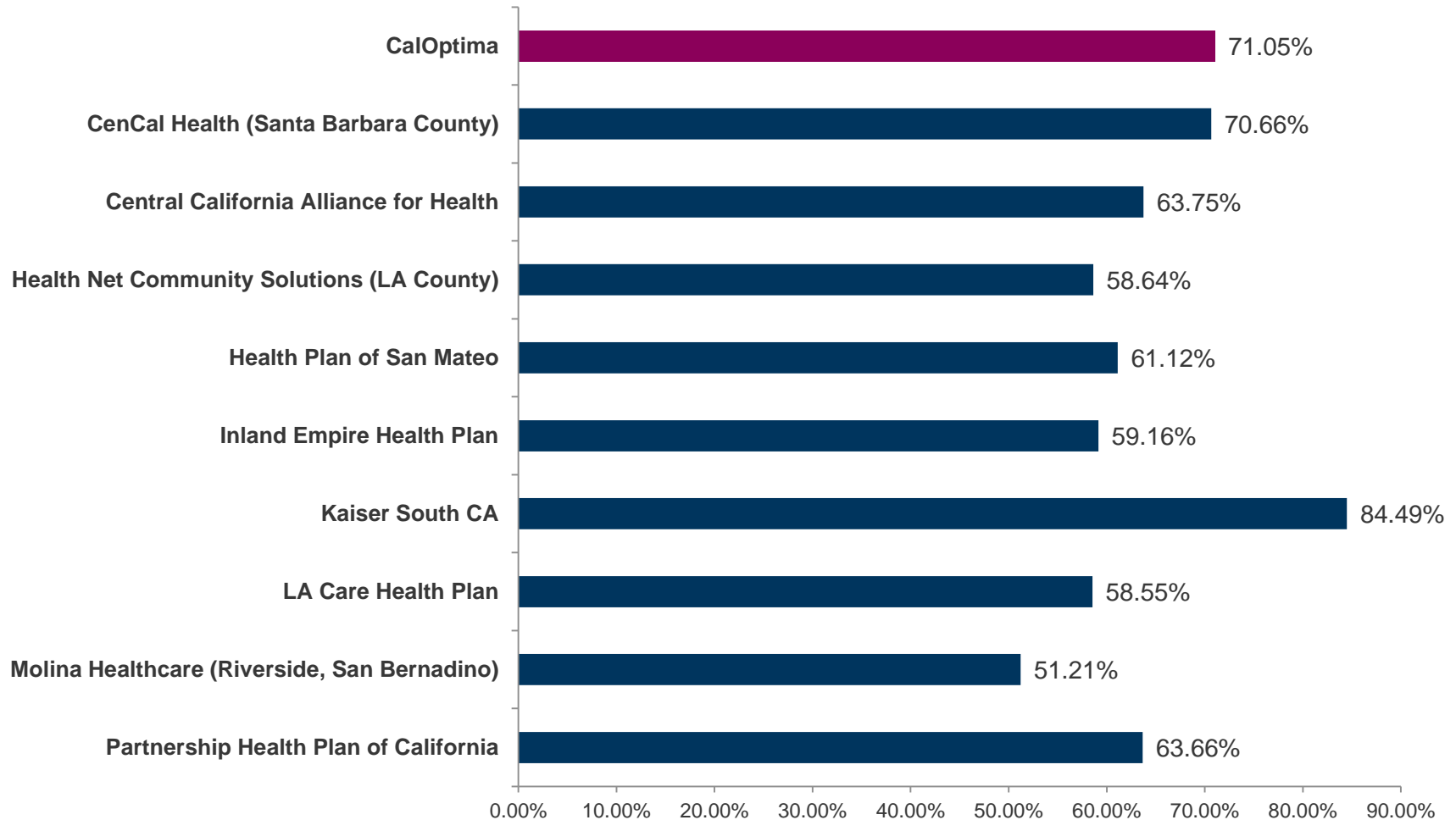
Cervical Cancer Screening (CCS)



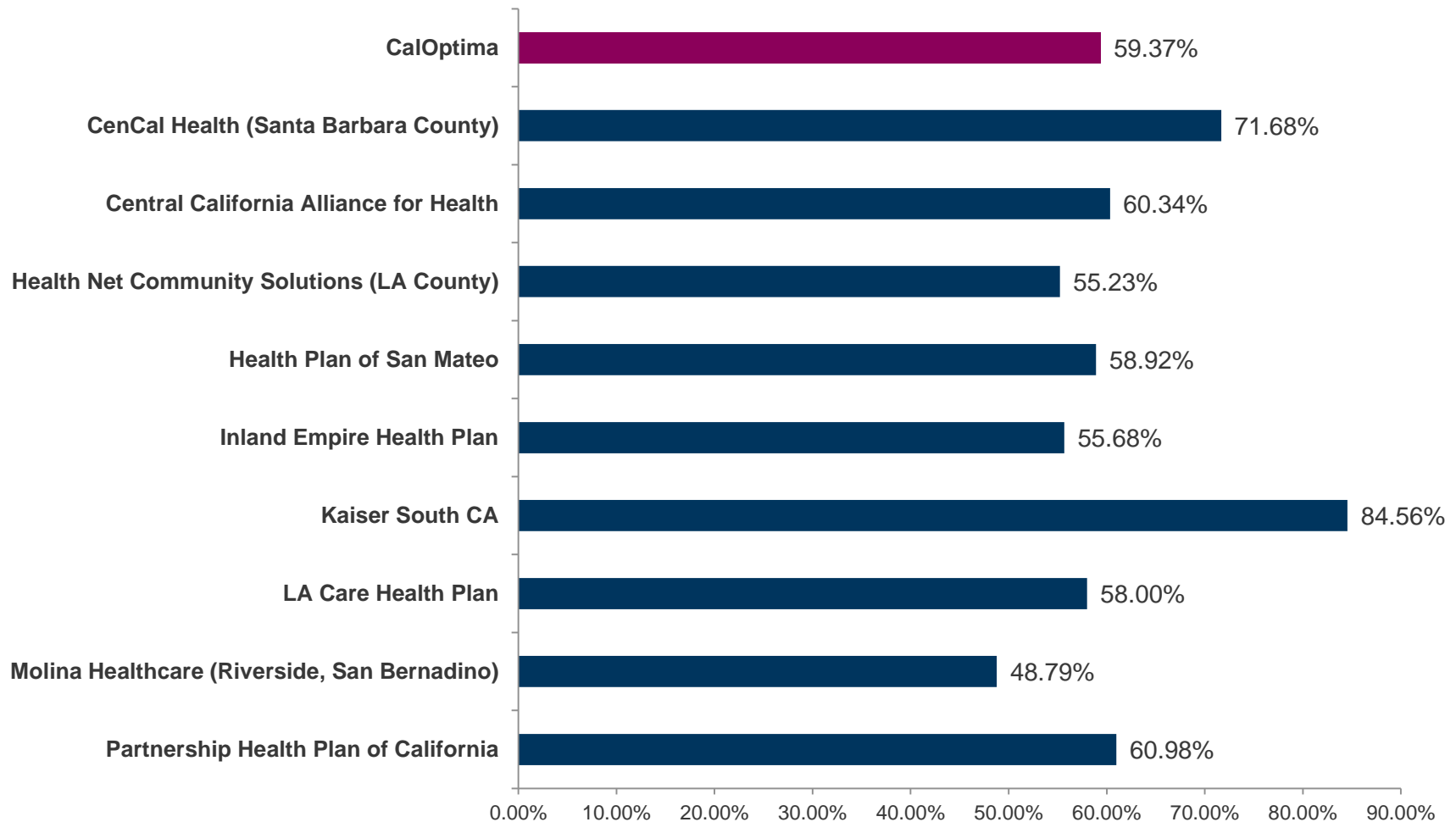
Childhood Immunization Status — Combo 3 (CIS-3)



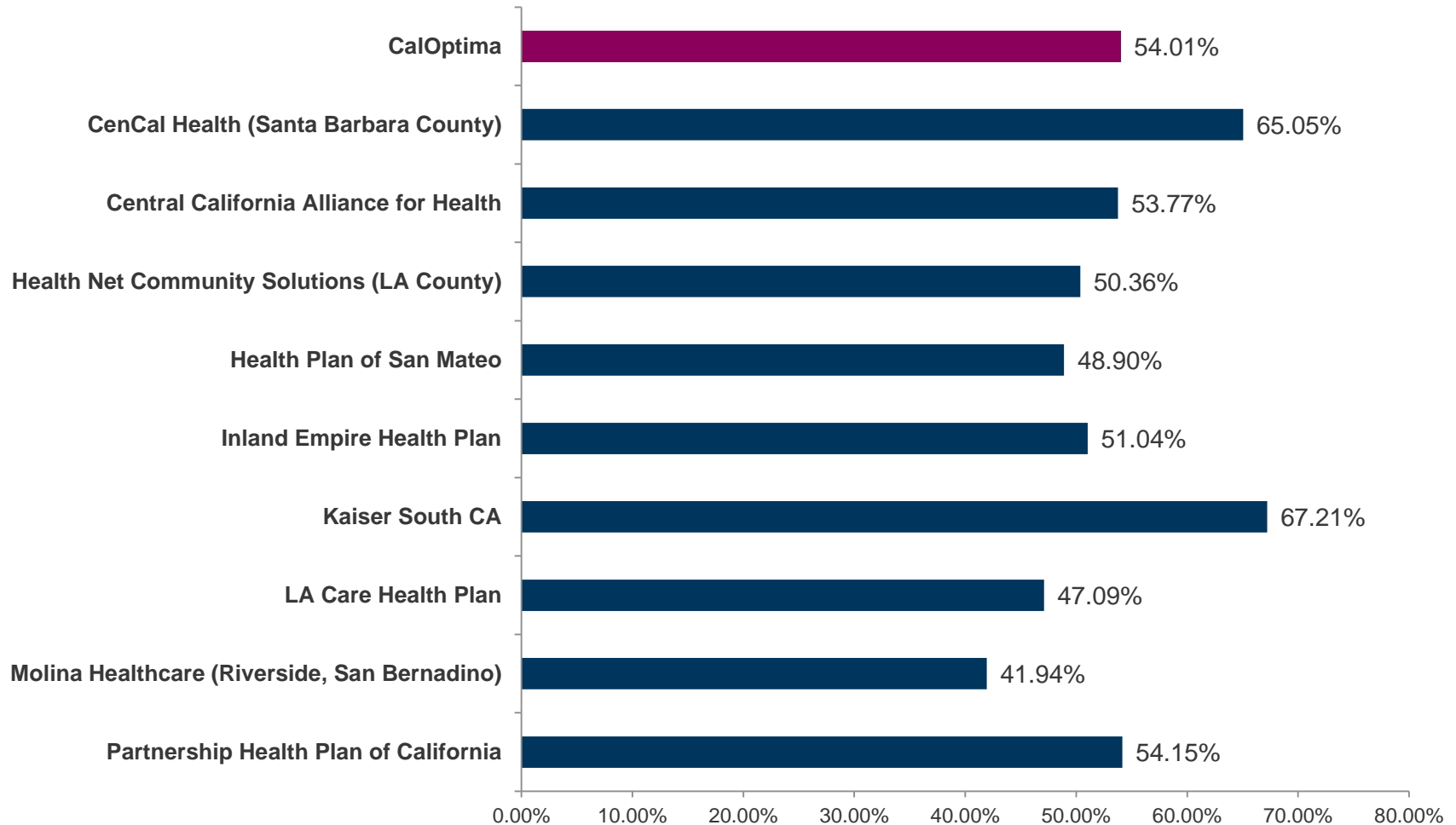
Comprehensive Diabetes Care — Blood Pressure Controlled (CDC-BP)



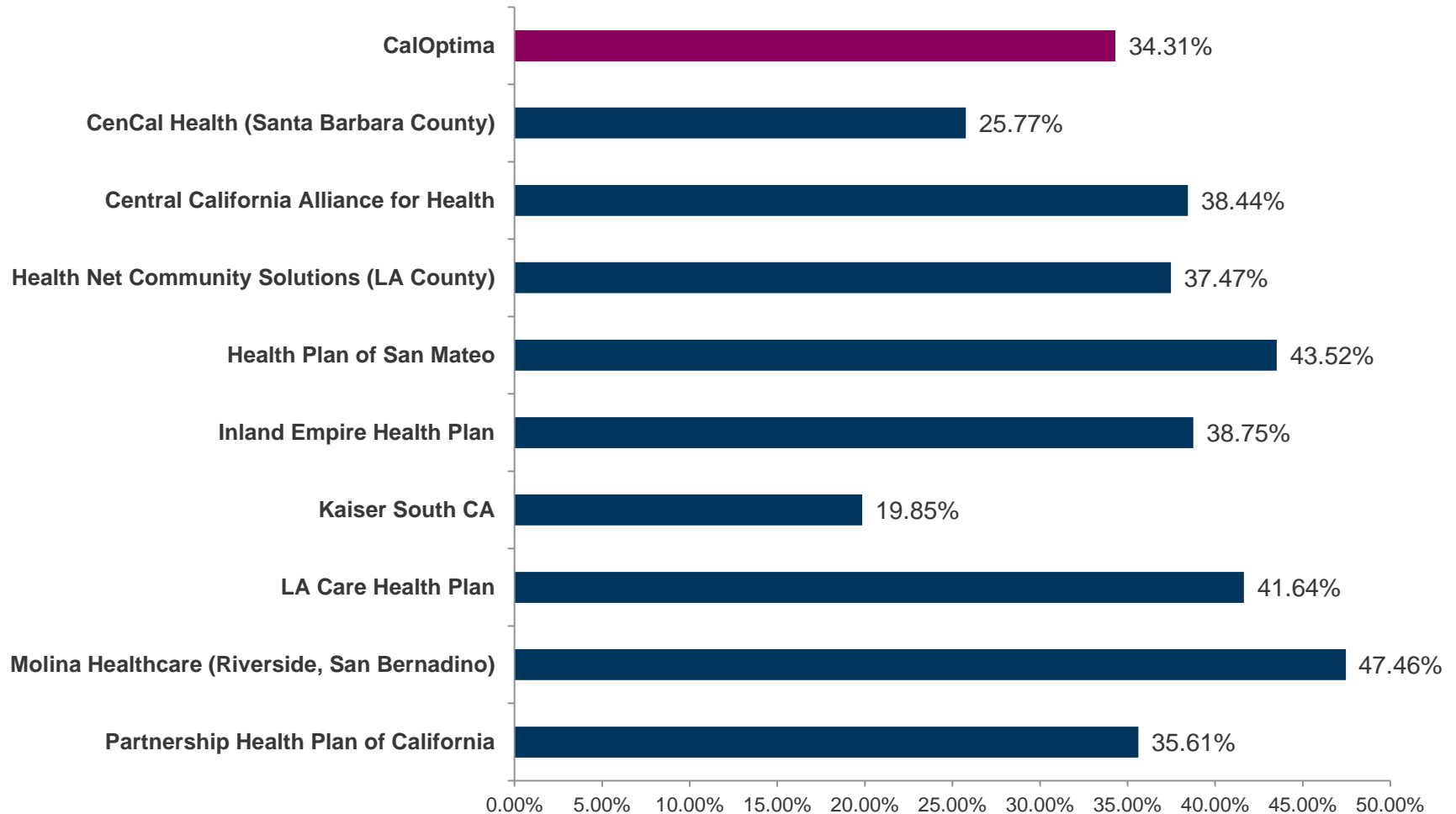
Comprehensive Diabetes Care — Eye Exam (CDC-Eye)



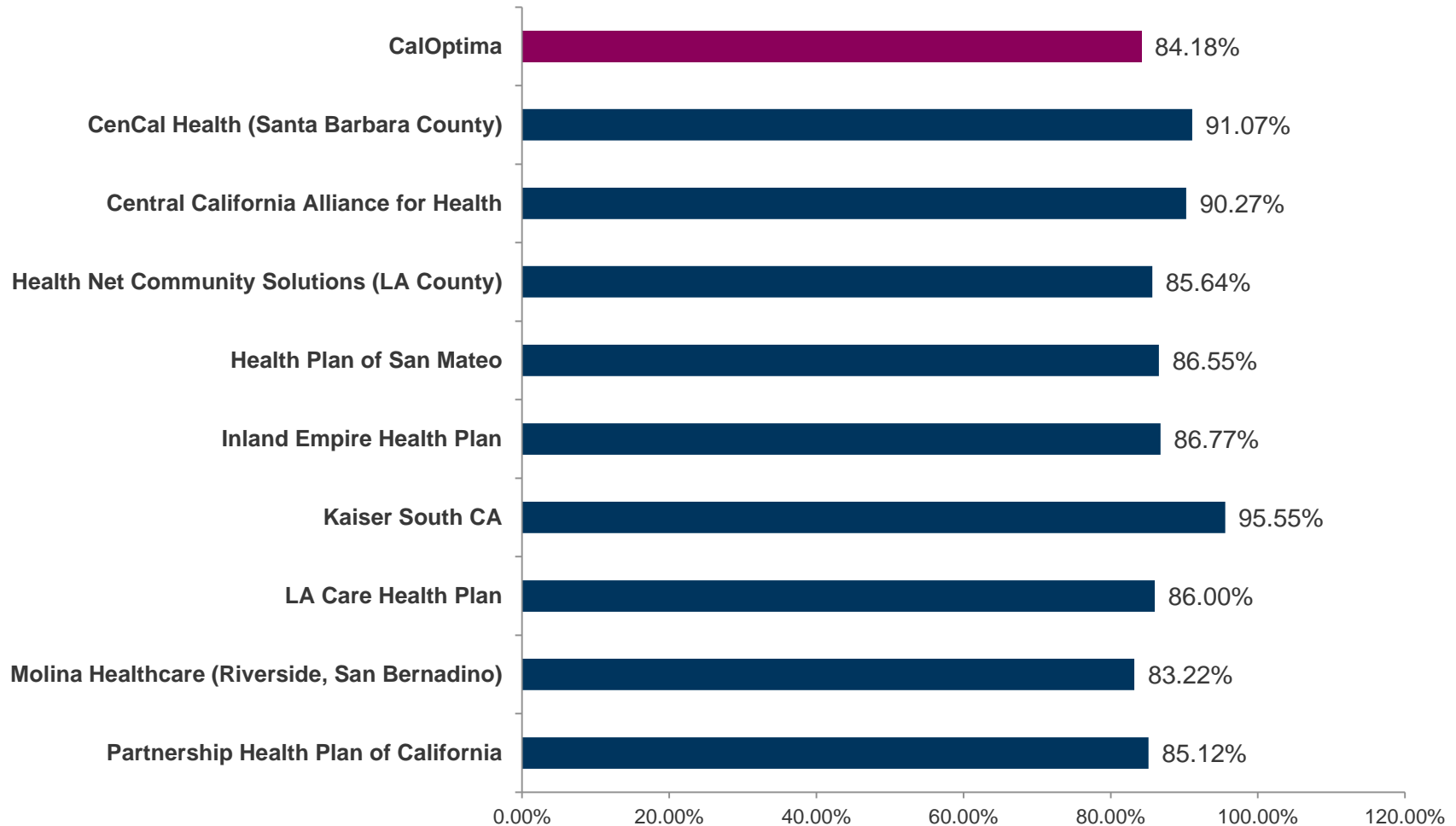
Comprehensive Diabetes Care — HbA1c <8.0% (CDC-H8)



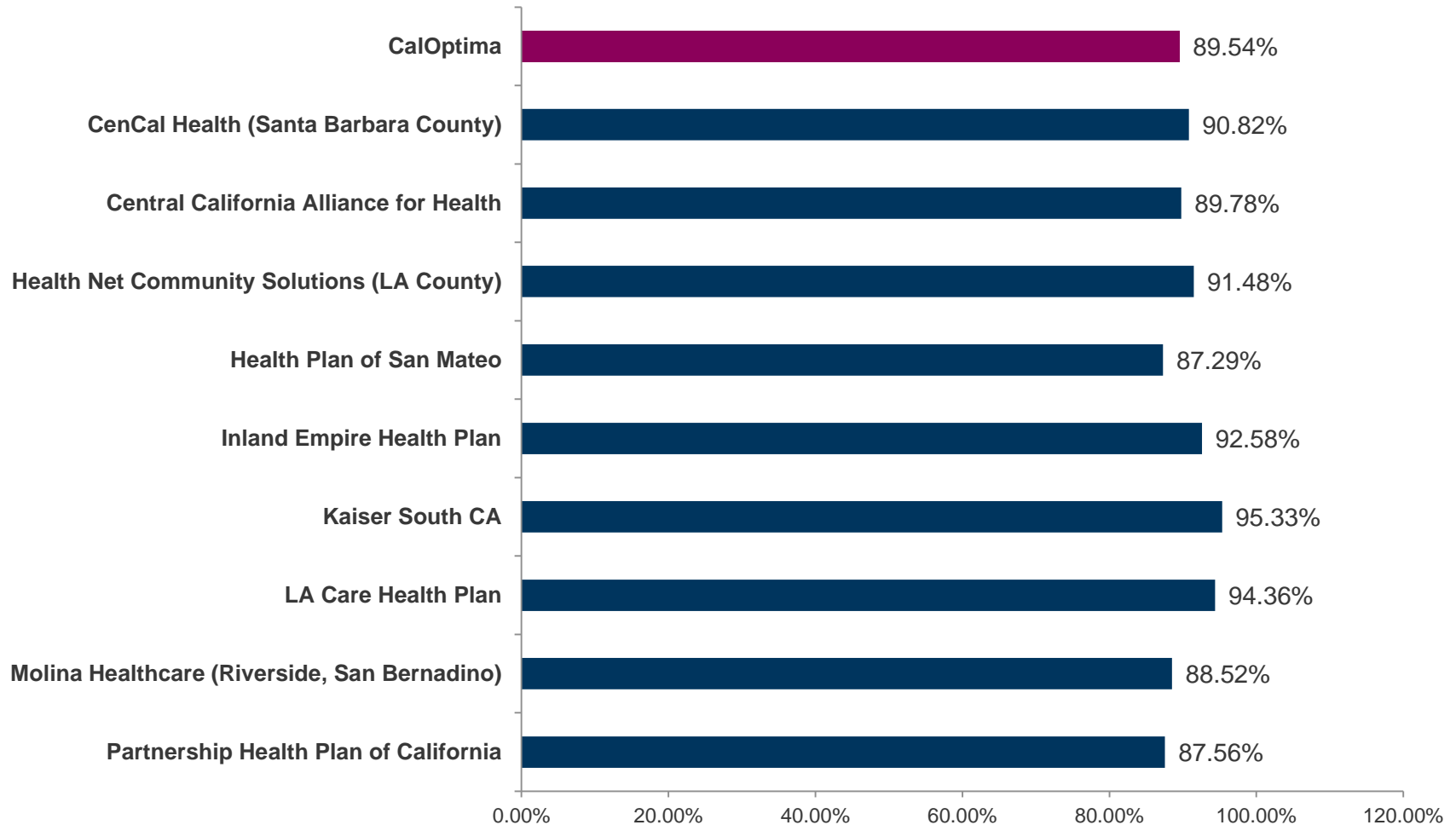
Comprehensive Diabetes Care — HbA1c Poor Control >9.0% (CDC-H9)



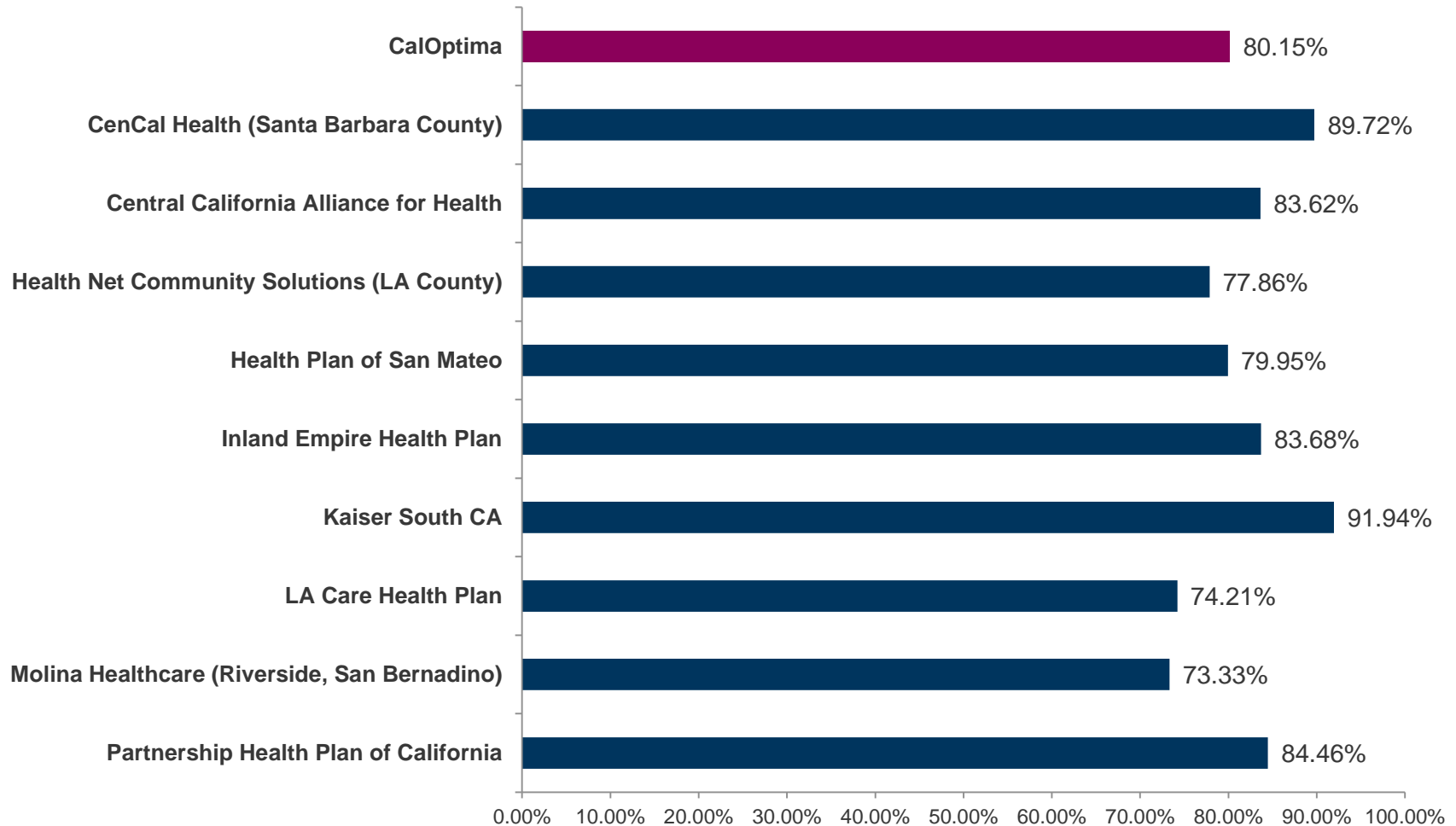
Comprehensive Diabetes Care — HbA1c Testing (CDC-HT)



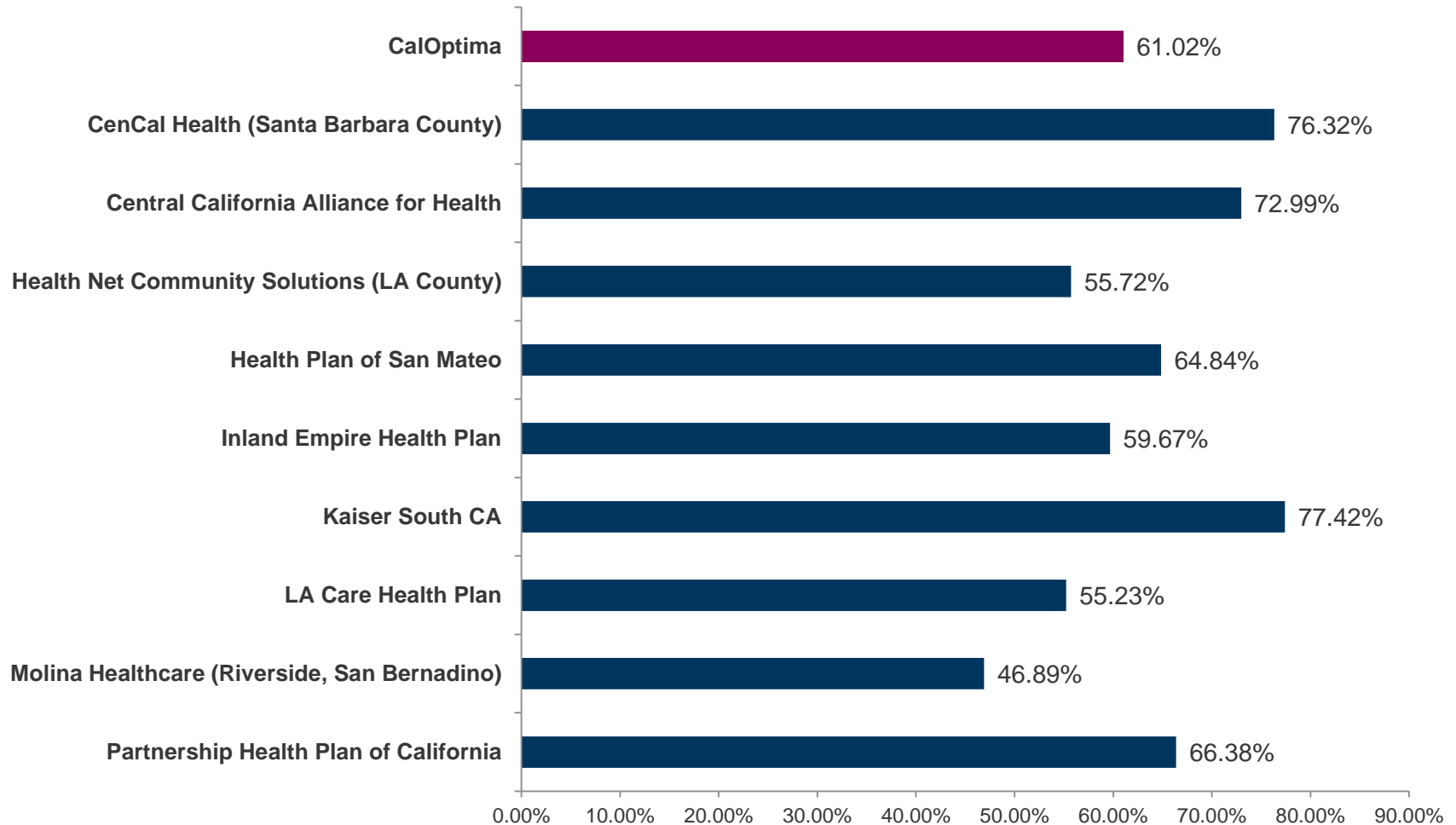
Comprehensive Diabetes Care — Nephropathy (CDC-N)



Prenatal and Postpartum Care — Prenatal Care (PPC-pre)



Prenatal and Postpartum Care — Postpartum Care (PPC-post)



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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Quality Initiatives — Medi-Cal Focused Measures

**Provider Advisory Committee
November 10, 2016**

**Mimi Cheung
Supervisor, Quality Analytics**

Medi-Cal Focused Measures

- Avoidance of Antibiotic Treatment in Adults with Acute Bronchitis (AAB)
- Cervical Cancer Screening (CCS)
- Comprehensive Diabetes Care (CDC)
- Prenatal/Postpartum Care (PPC)
 - Postpartum
- Well-Care Visits 3–6 years (WC34)

Medi-Cal Measures Under the Minimum Performance Level (MPL)

Measures	MPL	CalOptima Prospective Rates (Sept, 2016)	Initiatives	Timeline
Avoidance of Antibiotic Treatment in Adults with Acute Bronchitis (AAB) [Currently below MPL 2016]	22.0%	22.46%	<ul style="list-style-type: none"> • Provider office outreach and trainings • Deep data dives 	<ul style="list-style-type: none"> • Quarter 4
Cervical Cancer Screening (CCS)* [Currently below MPL 2016] Hybrid measure * Pay 4 Value (P4V)	54.33%	45.0%	<ul style="list-style-type: none"> • Targeted Interactive Voice Recording (IVR) calls • Targeted mailings • Provider office staff incentive • Personal Care Coordinator (PPC) outreach 	<ul style="list-style-type: none"> • Quarter 4

Medi-Cal Measures Approaching MPL

Measures	MPL	CalOptima Prospective Rates (Sept, 2016)	Initiatives	Timeline
Comprehensive Diabetes Care (CDC) — HbA1c Testing* [Approaching MPL] Hybrid measure	83.19%	70.80%	<ul style="list-style-type: none"> • Reminder mailings for members to get yearly HbA1c testing • Targeted member incentive • Targeted provider outreach – Quality/Performance Improvement Projects (QIP/PIP) • CE on diabetes in ethnic communities 	<ul style="list-style-type: none"> • Quarter 3 • Quarter 3 • Q3,'16–Q2,'17 • Quarter 3
Comprehensive Diabetes Care (CDC) — HbA1c Poor Control (>9) [Lower is better, approaching MPL] Hybrid measure	49.89%	75.16%	<ul style="list-style-type: none"> • Reminder mailings for members to get yearly HbA1c testing • CE on diabetes • Disease Management telephonic member outreach by health coaches • DM diabetes newsletter 	<ul style="list-style-type: none"> • Quarter 3 • Quarter 3 • Ongoing • Ongoing

Medi-Cal Measures Approaching MPL (cont.)

Measures	MPL	CalOptima Prospective Rates (Sept, 2016)	Initiatives	Timeline
Comprehensive Diabetes Care — HbA1c Adequate Control (<8) [Approaching MPL] Hybrid measure	40.00%	20.60%	<ul style="list-style-type: none"> • Reminder mailings for members to get yearly HbA1c testing • Targeted provider outreach (QIP/PIP) • CE on diabetes • DM newsletters • Share best practices 	<ul style="list-style-type: none"> • Quarter 3 • Q3 '16–Q2 '17 • Quarter 3 • Quarter 3 • Quarter 4
Comprehensive Diabetes Care — Eye Exams* [Approaching MPL] Hybrid measure * P4V	47.06%	32.02%	<ul style="list-style-type: none"> • CE on diabetes in ethnic communities • DM telephonic member outreach by health coaches • DM newsletters 	<ul style="list-style-type: none"> • Quarter 3 • Quarter 3 • Quarter 3

Medi-Cal Measures Approaching MPL (cont.)

Measures	MPL	CalOptima Prospective Rates (Sept, 2016)	Initiatives	Timeline
Comprehensive Diabetes Care — Medical Attention for Nephropathy [On Track] Hybrid measure	77.95%	84.40%	<ul style="list-style-type: none"> • Reminder mailings for members to get yearly HbA1c testing • Targeted provider outreach (QIP/PIP) • CE on diabetes • DM newsletters • Share best practices 	<ul style="list-style-type: none"> • Quarter 3 • Q3 '16–Q2 '17 • Quarter 3 • Quarter 3 • Quarter 4
Comprehensive Diabetes Care — Blood Pressure Control (<140/90) Hybrid measure	56.45%	15.22%	<ul style="list-style-type: none"> • CE on diabetes • DM distribution of blood pressure cuffs • DM telephonic member outreach by health coaches • DM newsletters 	<ul style="list-style-type: none"> • Quarter 3 • Ongoing • Ongoing • Quarter 3

Medi-Cal Measures Approaching MPL (cont.)

Measures	MPL	CalOptima Prospective Rates (Sept, 2016)	Initiatives	Timeline
Prenatal/Postpartum Care (PPC) — Prenatal [Approaching MPL] Hybrid measure	77.44%	72.70%	<ul style="list-style-type: none"> • Bi-weekly prenatal/postpartum mailings • Text-4-Baby • Deep data dive 	<ul style="list-style-type: none"> • Ongoing • Ongoing • In process
Prenatal/Postpartum Care (PPC) — Postpartum [Approaching MPL] Hybrid measure	55.47%	44.10%	<ul style="list-style-type: none"> • Bi-weekly prenatal/postpartum mailings • Text-4-Baby • Deep data dive 	<ul style="list-style-type: none"> • Ongoing • Ongoing • In process
Well-Child 3-6 Years (WC34)* [Approaching MPL] Hybrid measure *P4V	65.54%	54.95%	<ul style="list-style-type: none"> • Healthy You newsletters • Prenatal/postpartum packet inserts 	<ul style="list-style-type: none"> • Ongoing • Ongoing

How Can Providers Help?

- Promote preventive health measures
 - Well-care visits for children 3-6 years
 - Cervical Cancer Screening
 - Breast Cancer Screening
- Promote clinical measures
 - Appropriate Prescribing of Antibiotics
 - Avoid prescribing antibiotics for adults diagnosed with acute bronchitis
 - Comprehensive Diabetes Care
 - A1c Testing
 - HbA1c control
 - Eye Exams
 - Blood Pressure monitoring

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Medi-Cal

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OneCare (HMO SNP)

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OneCare Connect

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PACE

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**PROVIDER ADVISORY COMMITTEE VOTING MEMBERS
FY 2016–2017**

CONSTITUENCY REPRESENTED/TERM	PAC MEMBER NAME and ADDRESS	CONTACT INFORMATION
TRADITIONAL/SAFETY NET Term: 7/1/15–6/30/17 Member since 2013	Jena Jensen Chief Government Relations Officer CHOC Children's 1201 W. La Veta Ave. Orange, CA 92868	Work Phone: 714-509-4206 Fax: 714-509-9023 Email: jjensen@choc.org Assistant: Stephanie Romo Work Phone: 714-509-8354 Email: sromo@choc.org
ALLIED HEALTH SERVICES Term: 7/1/15–6/30/18 Member since 2009 Previous term: 2009-2015	Pamela Pimentel, RN Chief Executive Officer MOMS Orange County 1128 W. Santa Ana Blvd. Santa Ana, CA 92703	Work Phone: 714-352-3423 Fax: 714-972-2620 Email: ppimentel@momsorangecounty.org Assistant: Cheryl Battiston Work Phone: 714-352-3415 Email: cbattiston@momsorangecounty.org
BEHAVIORAL/MENTAL HEALTH Term: 7/1/15-06/30/18 Member since 12/03/15	George Orras, PhD President and Chief Executive Officer Windstone Behavioral Health 151 Kalmus Dr., Suite K3 Costa Mesa, CA 92626	Work Phone: 714-384-3870 ext. 220 Fax: 714-844-4834 Email: gorris@windstonebehavioral.com Assistant: Katie Whitaker Work Phone: 714-384-3870 x266 Email: kwhitaker@windstonebehavioral.com
COMMUNITY HEALTH CENTERS Term: 7/1/15–6/30/17 Member since 2011	Barry Ross, RN, MPH, MBA Vice President, Healthy Communities St. Jude Neighborhood Health Centers 101 E. Valencia Mesa Dr. Fullerton, CA 92835	Work Phone: 714-992-3996 Fax: 714-992-3029 Email: barry.ross@stjoe.org
HEALTH NETWORK Term: 7/1/15–6/30/18 Member since 2015	Chair * Teri Miranti Executive Director of Government Programs Monarch HealthCare 11 Technology Drive MS 15 Irvine, CA 92618	Work Phone: 949-923-3310 Fax: 949-923-3596 Email: tmiranti@mhealth.com Assistant: Diane Moore Work Phone: 949-453-4302 Email: dmoore@mhealth.com

CONSTITUENCY REPRESENTED/TERM	PAC MEMBER NAME and ADDRESS	CONTACT INFORMATION
HOSPITAL Term: 7/1/15–6/30/17 Member since 2014	Vice-Chair * Suzanne Richards, MBA, FACHE CEO, KPC Healthcare, Inc. and CEO, Orange County Global Medical Center (Western Medical Center & Santa Ana) 1301 N. Tustin Ave. Santa Ana, CA 92705	Work Phone: 714-953-3652 Fax: 714-953-3613 Email: Suzanne.Richards@ihhioc.com Assistant: Maggie Irias Work Phone: 714-325-9241 Email: Margrett.Irias@ihhioc.com
LONG-TERM SERVICES AND SUPPORT Term: 7/1/16–6/30/19 Member since 2012	Stephen N. Flood Chief Operations Officer New Orange Hills Inc 5017 E. Chapman Ave. Orange, CA 92869	Work Phone: 714-997-7090 Fax: 714-919-1038 Email: sflood@neworangehills.com
LONG-TERM SERVICES AND SUPPORT Term: 7/1/16–6/30/19 Member since 2016	Donald Bruhns 1406 S. Amberwick Lane Anaheim, CA 92804	Work Phone: Cell Phone: 805-551-2336 Fax: 714-826-5046 Email: Donald@renewhg.com
NON-PHYSICIAN MEDICAL PRACTITIONER Term: 7/1/16–6/30/19 Member since 2016	John H. Nishimoto, O.D. M.B.A, F.A.A.O 2575 Yorba Linda Blvd. Fullerton, CA 92831	Work Phone: 714-449-7409 Cell Phone: 714-788-3570 Fax: 714-992-7809 Email: jnishimoto@ketchum.edu
NURSE Term: 7/1/15–6/30/18 Member since 2015	Pamela Kahn, MPH, BS, RN Coordinator, Health & Wellness OC Department of Education 200 Kalmus Dr. Costa Mesa, CA 92626	Work Phone: 714-327-1057 Cell Phone: 714-668-7937 Email: pkahn@ocde.us Assistant: Rocio Vitko Work Phone: 714-327-1062 Email: rvitko@ocde.us
ORANGE COUNTY HEALTH CARE AGENCY Standing Seat Member since 2006	Alan Edwards, MD Medical Director Health Care Agency/Behavioral Health 405 W. Fifth St., Suite 479 Santa Ana, CA 92701	Work Phone: 714-568-5756 Fax: 714-834-6575 Email: aedwards@ochca.com Assistant: Roslyn Walton Email: rwalton@ochca.com

CONSTITUENCY REPRESENTED/TERM	PAC MEMBER NAME and ADDRESS	CONTACT INFORMATION
PHARMACY Term: 7/1/16–6/30/19 Member since 2014	Mary Pham, Pharm.D, CHC Consultant Center for Inherited Blood Disorders (CIBD) 2670 N. Main St., Suite 150 Santa Ana, CA 92705	Work Phone: 714-586-5336 Fax: 714-600-4791 Email: mpham@c3dibd.org
PHYSICIAN Term: 7/1/14–6/30/19 Member since 2010	Theodore Caliendo, MD Pediatrician & Neonatologist Pediatric Practice in Mission Viejo 27800 Medical Center Rd., Suite 204 Mission Viejo, CA 92691	Work Phone: 949-364-3532 Fax: 949-347-7645 Email: tj@drkaliendo.com Assistant: Sylvia Caliendo Email: syl@drkaliendo.com
PHYSICIAN Term: 7/1/16–6/30/19 Member since 2016	Anjan Batra, MD, MBA, FHRS Professor, Division Chief and Vice Chair of Pediatrics University of California, Irvine 1140 W. La Veta Ave., Suite 750 Orange, CA 92868	Cell Phone: 949-307-2143 Fax: 714-581-4420 Email: abatra@uci.edu Assistant: Debbie McCart Phone: 714-581-4403 Email: mccartd@uci.edu
PHYSICIAN Term: 7/1/15–6/30/17 Member since 2009	Jacob Sweidan, MD, FAAP Pediatrician & Neonatologist Medical Group of Orange County Inc 12665 Garden Grove Blvd., Suite 713 Garden Grove, CA 92843	Work Phone: 714-754-4033 Fax: 714-537-2176 Email: jacobsweidanmd@gmail.com
CalOptima Staff to the PAC	Cheryl Simmons Project Manager and CalOptima Staff to the PAC CalOptima 505 City Parkway West Orange, CA 92868	Work Phone: 714-347-5785 Fax: 714-571-2479 Email: csimmons@caloptima.org Cell: 813-731-0762

***Denotes Chair and Vice Chair of the Provider Advisory Committee**