

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

**THURSDAY, APRIL 12, 2018
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 February 8, 2018 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee.

B. Approve Minutes of the March 8, 2018 Special Meeting of the CalOptima's Board of Director's Member Advisory Committee (MAC), OneCare Connect MAC Advisory Committee (OCC MAC) and the Provider Advisory Committee (PAC) Joint Meeting.

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 Operating Officer \(COO\) Update](#)
- C. [Chief Financial Officer \(CFO\) Update](#)
- D. [Network Operations Update](#)
- E. [Federal and State Legislative Update](#)

VII. INFORMATION ITEMS

- A. [2017-19 Strategic Plan Update](#)
- B. [March 8, 2018 MAC, OCC MAC and PAC Joint Meeting Debrief](#)
- C. [PAC Goals and Objectives](#)
- D. [PAC Member Updates](#)

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT

MINUTES

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

February 8, 2018

A Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee (PAC) was held on Thursday, February 8, 2018, 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 8:10 a.m., and Member Jensen led the Pledge of Allegiance.

ESTABLISH QUORUM

Members Present: Teri Miranti, Chair; Suzanne Richards, MBA, FACHE, Vice Chair; Anjan Batra, M.D.; Donald Bruhns; Theodore Caliendo, M.D.; Mary Hale; Jena Jensen; Craig G. Myers; George Orras, Ph.D., FAAP; Jacob Sweidan, M.D.

Members Absent: Steve Flood; Pamela Kahn, R.N.; John Nishimoto, O.D; Mary Pham, Pharm.D., CHC; Pamela Pimentel, R.N.;

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Richard Bock, M.D., Deputy Chief Medical Officer; Phil Tsunoda, Executive Director, Public Policy and Public Affairs; Cheryl Simmons, Staff to the PAC

Chair Miranti welcomed new PAC member Mary Hale, Deputy Agency Director, Orange County Health Care Agency (OCHCA). Member Hale now occupies the OCHCA standing seat.

MINUTES

Approve the Minutes of the December 14, 2017 Regular Meeting of the CalOptima Board of Directors' Provider Advisory Committee

Action: On motion of Member Dr. Sweidan, seconded and carried, the Committee approved the minutes of the December 14, 2017 meeting. (Motion carried 10-0-0; Members Flood, Kahn, Nishimoto, Pham and Pimentel absent)

PUBLIC COMMENTS

No requests for public comment were received.

CEO AND MANAGEMENT REPORTS

Chief Executive Officer Update

Michael Schrader, Chief Executive Officer, discussed the impact to CalOptima of a possible government shutdown, and noted that the federal Department of Health and Human Services has a contingency plan that covers Medicare and Medicaid, and the Children's Health Insurance Program (CHIP) funding. Mr. Schrader also discussed adjustments to the Medi-Cal rates for the Expansion population. While specific guidance from the Department of Health Care Services (DHCS) is not yet available, Medi-Cal health plan financial leaders expect the FY 2018-19 Medi-Cal Expansion rates to be similar to the Classic rate for adult Temporary Assistance for Needy Families (TANF) members.

Mr. Schrader reported that, due to Proposition 56 tobacco tax revenues, the DHCS provided CalOptima with an estimate of supplemental capitation payments for providers based on specific procedure codes used by primary care physicians and psychiatrists. Additionally, tobacco tax dollars are improving Denti-Cal benefits and reimbursement.

Chief Operating Officer Update

Ladan Khamseh, Chief Operations Officer, discussed changes to the PM 160 Form, and reviewed the Whole Child Model Stakeholder meeting, noting that six additional events are planned for members during February. Ms. Khamseh provided an update on the recruitment underway for the California Children Services (CCS) Advisory Committee. Applications will be accepted through February 28, 2018. Ms. Khamseh shared that CalOptima is planning to delegate responsibility to the health networks to pay for Children's Health and Disability Prevention (CHDP) through claims payments; staff will keep the PAC informed of progress on this change.

Chair Miranti reordered the agenda to hear the Federal and State Budget update.

Federal and State Budget Update

Phil Tsunoda, Executive Director, Public Policy and Public Affairs, noted the 2017 Year-End Federal Activity: Medicaid Impacts and the Governor's 2018-19 Budget Proposal Analysis and CalOptima Impacts were in the member packets.

Chief Medical Officer Update

Richard Bock, M.D., Deputy Chief Medical Officer, reported that CalOptima is seeking volunteers to serve on the CCS Clinical Advisory Committee that will convene in the Fall of 2018. Dr. Bock also reviewed the transition of behavioral health from Magellan to CalOptima and noted that the transfer of service went smoothly.

INFORMATION ITEMS

Tele Health in Pediatric Cardiology Presentation

PAC Member Anjan Batra, presented on the advances in Tele Health Pediatric Cardiology. Dr. Batra, a Pediatric Cardiologist, Professor, Division Chief and Vice Chair of Pediatrics for the University of Irvine (UCI), reported that the Pediatric Resident physicians at UCI had developed a telemedicine-based application E-Consult App for smart phones, which resulted in a 40% reduction in wait times for patients and their parents, a 46% reduction in face-to-face visits, and provided rapid responses to clinical questions in under 3 days. The E-Consult App allowed members to video chat with a cardiologist to provide pediatric care, review medical records, listen to their heart rhythms and sounds via their smart phone. Dr. Batra also noted that the use of the E-Consult App allows physicians to interpret the data from anywhere in the world, especially for members with limited access to specialists due to distance.

PAC Member Updates

Chair Miranti reminded the members to provide input on the PAC Report to the Board for inclusion in the next report. She also reminded the members that nominations for the following open PAC seats will be accepted beginning March 1, 2018 through March 30, 2018: Allied Health, Behavioral Health, Health Network and Nurse Representatives. Nominations for PAC Chair and Vice Chair will also be accepted. Chair Miranti solicited volunteers for a nomination ad hoc to convene in April to review applications for open PAC seats. Members Hale, Jensen, and Sweidan agreed to serve on the ad hoc. Candidate recommendations will be considered at the May PAC meeting.

Chair Miranti reviewed the March 8, 2018 Agenda for the Joint Member, OneCare Connect Member and PAC Advisory Committee's meeting that was formulated at the January 11, 2018 joint ad hoc meeting. She reminded the PAC that the Joint Meeting was scheduled for March 8, 2018.

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: April 12, 2018

MINUTES

**SPECIAL JOINT MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS'
MEMBER ADVISORY COMMITTEE,
ONECARE CONNECT
CAL MEDICONNECT PLAN (MEDICARE-MEDICAID PLAN)
MEMBER ADVISORY COMMITTEE AND
PROVIDER ADVISORY COMMITTEE**

March 8, 2018

A Special Joint Meeting of the CalOptima Board of Directors' Member Advisory Committee (MAC), OneCare Connect Member Advisory Committee (OCC MAC) and Provider Advisory Committee (PAC) was held on Thursday, March 8, 2018, at the CalOptima offices located at 505 City Parkway West, Orange, California.

CALL TO ORDER

Sally Molnar, MAC Chair, called the meeting to order at 8:04 a.m., and PAC Chair Teri Miranti led the Pledge of Allegiance.

ESTABLISH QUORUM

Member Advisory Committee

Members Present: Sally Molnar, Chair; Patty Mouton, Vice Chair; Suzanne Butler, Sandy Finestone, Connie Gonzalez, Donna Grubaugh, Jaime Muñoz, Iliia Rolon, Christina Sepulveda, Velma Shivers, Sr. Mary Therese Sweeney, Christine Tolbert, Mallory Vega, Lisa Workman

Members Absent: All members present

OneCare Connect Member Advisory Committee

Members Present: Gio Corzo, Chair; Patty Mouton, Vice Chair; Sandy Finestone, Sara Lee, Richard Santana, Amber Nowak (non-voting)

Members Absent: Ted Chigaros, Christine Chow, Josefina Diaz, John Dupies, Kristin Trom; Jyothi Atluri (non-voting); Adam Crits (non-voting); Erin Ulibarri (non-voting)

Provider Advisory Committee

Members Present: Teri Miranti, Chair; Suzanne Richards, Vice Chair; Anjan Batra, M.D.; Donald Bruhns; Theodore Caliendo, M.D.; Steve Flood; Jena Jensen; Pamela Kahn, R.N.; Craig Myers; John Nishimoto, O.D; George Orras, Ph.D., FAAP; Mary Pham, Pharm.D., CHC; Pamela Pimentel, R.N.; Jacob Sweidan, M.D.

Members Absent: Mary Hale

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Gary Crockett, Chief Counsel; Dr. Richard Bock, Deputy Chief Medical Officer; Tracy Hitzeman, Executive Director, Clinical Operations; Michelle Laughlin, Executive Director, Provider Network Operations; Sesha Mudunuri, Executive Director, Operations; Kelly Rex-Kimmet, Interim Executive Director, Quality Analytics; Becki Melli, Program Specialist; and Cheryl Simmons, Project Manager

OCC MAC Chair Gio Corzo noted that the OCC MAC did not reach quorum.

PUBLIC COMMENTS

No requests for public comment were received.

Chief Executive Officer Report

Michael Schrader, Chief Executive Officer, reported that the County of Orange relocated 700 homeless individuals from the Santa Ana riverbed to motels. CalOptima personal care coordinators and Orange County Health Care Agency (HCA) staff will visit the motels to assess the health care needs of CalOptima members. Coordinated efforts are underway for a long-term solution. Mr. Schrader reported that the transition from California Children's Services' (CCS) to the Whole-Child Model (WCM) is on target. CalOptima's scheduled transition to the WCM is January 1, 2019. Mr. Schrader also reported that CalOptima's behavioral health transition has gone smoothly and has improved members' access to behavioral health services.

INFORMATION ITEMS

Orange County's Opioid Epidemic

Sandra Fair, Administrative Manager, Orange County Health Care Agency, presented an update on Orange County's opioid usage, including prescriptions, opioid-related emergency department (ED) visits and morbidity/mortality statistics. The HCA, along with community stakeholders, are focusing on prevention, harm reduction, treatment and recovery. Stakeholder and community planning sessions will begin in October 2018 and be held through January 2019. Upon completion of the community stakeholder meetings, a final report will be issued.

Orange County Coalition for Behavioral Health Presentation

Marshall Moncrief, Regional Executive Director, Institute for Mental Health and Wellness, Providence St. Joseph Health, Southern California Region, presented an overview of the Orange County Coalition for Behavioral Health. Mr. Moncrief reported that numerous public and private health care entities have convened to develop a coordinated system of care to improve mental and behavioral health care outcomes in Orange County. Three workgroups have been formed: 1) System of Care; 2) Infrastructure; and 3) Funding. Mr. Moncrief invited the Committee members to participate in these workgroups.

Healthcare Effectiveness Data and Information Set (HEDIS) Performance

Kelly Rex-Kimmet, Interim Executive Director, Quality Analytics, provided an update on CalOptima's efforts to improve targeted underperforming HEDIS measures. CalOptima has implemented several member and provider quality initiatives. Although the findings are preliminary, the incentives appear to have improved some of the HEDIS scores.

Member Access to Providers

Several Committee members raised concerns regarding the difficulty members face in accessing providers and shared anecdotal accounts from members and providers regarding the difficulty in finding specialists who are culturally sensitive and can address rare or complex conditions. In addition, it was noted that members sometimes experience difficulty understanding the authorization and referral process.

ADJOURNMENT

There being no further business before the Committees, the meeting adjourned at 10:34 a.m.

/s/ Cheryl Simmons

Cheryl Simmons
Staff to the PAC

Approved: April 12, 2018

Becki Melli
Staff to the MAC and OCC MAC

MEMORANDUM

DATE: April 5, 2018
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

Homeless Members Receive Support Toward Better Health

CalOptima is among the organizations engaged in the evolving situation surrounding the homeless population relocated from the Santa Ana Flood Control Channel to local motels. As of March 23, CalOptima had received referrals of 266 people from the Orange County Health Care Agency, and 181 are enrolled members. We directed nonmembers to Social Services Agency with the hope that they gain eligibility for possible coverage. For our members, we have completed needs screenings for 72, outreached to 52 with response pending, received declines of assistance from 9 and been unable to contact 48. Among those who were screened, many were referred to providers for behavioral or physical health needs, or referred to case management. CalOptima personal care coordinators are encouraged by their interactions, reporting success stories such as a member now scheduled for a needed surgery, another member who found employment and members generally keeping their appointments. CalOptima will continue working diligently to provide support to this vulnerable group as Orange County forges a more permanent housing solution.

Community-Based Physicians Approved at PACE, Boosting Access and Choice

Great news! CalOptima made another big stride in our effort to maximize access to and choice within the Program of All-Inclusive Care for the Elderly (PACE). The Centers for Medicare & Medicaid Services (CMS) approved our waiver request to allow community-based physicians to deliver primary care services for PACE participants, effective April 12, 2018. This change will offer potential participants the option to receive care from their existing community-based physicians, which will enhance enrollment and uphold quality and choice.

Comprehensive Medi-Cal Audit Completed, Results Anticipated This Month

From February 26–March 9, the Department of Health Care Services (DHCS) conducted its annual audit of CalOptima’s Medi-Cal plan, covering the period of February 1, 2017–January 31, 2018. The audit evaluated CalOptima’s compliance with its contract and regulations in the areas of utilization management, case management and care coordination, access and availability, member rights and responsibilities, quality improvement system, organization and administration of CalOptima, facility site reviews, and medical records review. We anticipate receiving a draft audit report and formal exit conference in April.

Radio Coverage Highlights CalOptima Programs for Community, Seniors

To increase awareness of our investment in the community and service to seniors, CalOptima leaders taped two 30-minute radio programs that will air this month. Director of Strategic Development Cheryl Meronk and I spoke about the Member Health Needs Assessment (MHNA) results as guests on OC Talk Radio, with host Claudia Shambaugh. They highlighted the value of the MHNA's comprehensive information about our member population. PACE Medical Director Miles Masatsugu, M.D., and PACE Director Elizabeth Lee were featured on the Angels Radio AM830 Community Cares program with Tammy Trujillo. They discussed PACE as a positive option for our growing senior population, offering coordinated care and greater independence.

Meetings Engage Others in “Better. Together.” Efforts

CalOptima had a busy month of engagement with members, providers and community stakeholders as well as industry association leaders and health plan peers. Please see below for selected meeting summaries:

CalOptima-Hosted Meetings

- **Whole-Child Model (WCM) Family Events**

CalOptima has an industry-leading approach to community engagement, and our recent series to connect with families whose children receive California Children's Services (CCS) shows our commitment. Families were invited to attend one of six events about the CCS transition to WCM. Nearly 90 family members or representatives attended the meetings, which were held in six cities across Orange County both during the day and in the evening. The meetings were conducted in English but interpreters were on hand for Korean, Vietnamese and Spanish speakers. Thankful for the information, parents received answers to their many questions. Reflecting our leadership in stakeholder engagement, CalOptima was asked to share details about our process at the DHCS CCS Advisory Group this month.

- **Advisory Committee Joint Meeting**

CalOptima's advisory committees—Member Advisory Committee, OneCare Connect Member Advisory Committee and Provider Advisory Committee—came together on March 8 for a successful joint meeting. The agenda included four topics of interest across all three committees: Orange County's opioid epidemic, behavioral health, quality/HEDIS and member access to providers.

- **Applied Behavior Analysis (ABA) Provider Meeting**

On March 12, CalOptima hosted our first meeting with ABA providers following the January 1 transition to CalOptima's direct administration of the Behavioral Health benefit. Of the five meetings with ABA providers held over the past year, this one had the largest attendance with about 50 individuals. The transition has gone smoothly, and the agenda covered ways to further streamline operational processes related to referrals, authorizations and claims.

- **Community Alliances Forum**

A capacity crowd of more than 200 community partners gathered on March 21 to learn all about our MHNA results and CalOptima's plans to offer community grants. The popular forum included two CalOptima speakers offering details about the findings as well as three external speakers reacting to the groundbreaking information contained in the report.

External Meetings

- **California Association of Health Plans (CAHP) Board Meeting**

Through my role as a CAHP Board member, CalOptima has visibility of major health plan policy issues at the state level. At a Board meeting on March 13, CAHP leaders discussed concerns about single-payer system proposals and support for creating a state-based individual mandate, the subjects of two recent association press releases. CAHP is researching the implications of a single-payer system and studying alternative ways to expand coverage building on the successes of the Affordable Care Act. CAHP is also working on efforts to stabilize the health care system for those who purchase coverage on their own.

- **DHCS All-Plan CEO Meeting**

On March 14, I attended DHCS' All-Plan CEO Meeting in Sacramento. An important issue at the meeting was the upcoming shift of responsibility from the Regional Centers to managed care plans for behavioral health therapy for children without autism. This will impact several hundred children in Orange County, so to ensure a smooth transition, CalOptima asked DHCS for a six-month phase-in by birth month. The meeting also addressed the payments available via the Proposition 56 tobacco tax. CalOptima will be making retroactive supplemental payments for certain physician services for FY 2017–18.

- **Medicaid Health Plans of America (MHPA) Board Meeting**

On March 16–17, I attended the MHPA CEO dinner and Board meeting. In addition to CalOptima, MHPA members include Centene, UnitedHealthcare, Aetna, some Blue Cross and/or Blue Shield plans, WellCare, L.A. Care, and Inland Empire Health Plan among others. MHPA is focused on national health care reform, and the Board's efforts are aimed at proposals that maximize coverage and lower costs.



A Public Agency

CalOptima
Better. Together.

Financial Summary

February 2018

Greg Hamblin
Chief Financial Officer

FY 2017-18: Consolidated Enrollment

- February 2018 MTD:
 - Overall enrollment was 794,578 member months
 - Actual lower than budget by 9,401 or 1.2%
 - Medi-Cal: unfavorable variance of 8,694 members
 - TANF unfavorable variance of 14,452 members
 - SPD favorable variance of 2,249 members
 - Medi-Cal Expansion (MCE) favorable variance of 3,343 members
 - Long-Term Care (LTC) favorable variance of 166 members
 - OneCare Connect: unfavorable variance of 653 members
 - 379 decrease from prior month
 - Medi-Cal: decrease of 349 from January
 - OneCare Connect: decrease of 53 from January
 - OneCare: increase of 14 from January
 - PACE: increase of 9 from January

FY 2017-18: Consolidated Enrollment

- February 2018 YTD:

- Overall enrollment was 6,328,459 member months
 - Actual lower than budget by 94,408 or 1.5%
 - Medi-Cal: unfavorable variance of 91,750 members or 1.5%
 - TANF unfavorable variance of 102,268 members
 - SPD unfavorable variance of 10,639 members
 - MCE favorable variance of 19,767 members
 - LTC favorable variance of 1,390 members
 - OneCare Connect: unfavorable variance of 2,809 members or 2.3%
 - OneCare: favorable variance of 179 members or 1.7%
 - PACE: unfavorable variance of 28 members or 1.5%

FY 2017-18: Consolidated Revenues

- February 2018 MTD:
 - Actual higher than budget by \$6.5 million or 2.6%
 - Medi-Cal: favorable to budget by \$5.3 million or 2.3%
 - Unfavorable volume variance of \$2.5 million
 - Favorable price variance of \$7.8 million due to:
 - \$4.5 million of FY18 Applied Behavior Analysis (ABA) revenue
 - \$1.3 million of prior year ABA revenue
 - \$3.9 million due to Managed Care Organization (MCO) tax, Coordinated Care Initiative (CCI), member mix, and recognition of previously deferred revenue, offset by:
 - (\$1.9) million of FY18 Hepatitis C revenue

FY 2017-18: Consolidated Revenues (cont.)

- February 2018 MTD:
 - OneCare Connect: favorable to budget by \$1.0 million or 3.9%
 - Unfavorable volume variance of \$1.0 million due to lower enrollment
 - Favorable price variance of \$2.0 million due to FY18 rate adjustment
 - OneCare: favorable to budget by \$209.1 thousand or 14.5%
 - Unfavorable volume variance of \$50.0 thousand
 - Favorable price variance of \$259.0 thousand due to rate increase
 - PACE: favorable to budget by \$89.9 thousand or 5.3%
 - Unfavorable volume variance of \$40.4 thousand
 - Favorable price variance of \$130.3 thousand

FY 2017-18: Consolidated Revenues (cont.)

- February 2018 YTD:

- Actual higher than budget by \$72.9 million or 3.4%
 - Medi-Cal: favorable to budget by \$61.9 million or 3.2%
 - Unfavorable volume variance of \$28.1 million
 - Favorable price variance of \$90.0 million due to:
 - \$27.7 million of FY18 In-Home Supportive Services (IHSS) Dual and Non-Dual revenue
 - \$24.0 million of ABA
 - \$22.1 million of LTC revenue from Non-LTC
 - \$6.6 million of prior year CCI and IHSS revenue
 - \$3.9 million due to MCO tax, CCI, member mix, and recognition of previously deferred revenue, offset by:
 - \$6.2 million due to release of prior year reserve offset by:
 - (\$12.0) million of Hepatitis C revenue

FY 2017-18: Consolidated Revenues (cont.)

- February 2018 YTD:
 - OneCare Connect: favorable to budget by \$11.5 million or 5.3%
 - Unfavorable volume variance of \$4.8 million
 - Favorable price variance of \$16.3 million due to 15% rate increase
 - OneCare: Unfavorable to budget by \$1.2 million or 10.5%
 - Favorable volume variance of \$0.2 million
 - Unfavorable price variance of \$1.4 million
 - Due to Part D and Hierarchical Condition Category (HCC) reconciliation
 - PACE: favorable to budget by \$0.7 million or 5.8%
 - Unfavorable volume variance of \$0.2 million
 - Favorable price variance of \$0.9 million due to Part D true-up

FY 2017-18: Consolidated Medical Expenses

- February 2018 MTD:
 - Actual higher than budget by \$13.6 million or 5.8%
 - Medi-Cal: unfavorable variance of \$12.9 million
 - Favorable volume variance of \$2.3 million
 - Unfavorable price variance of \$15.2 million
 - Professional Claims unfavorable variance of \$8.1 million due to Behavioral Health Treatment (BHT) expenses of \$4.7 million, Crossover expenses of \$1.9 million and claim expenses of \$1.4 million
 - Managed Long-Term Services and Support (MLTSS) unfavorable variance of \$5.0 million due to LTC expenses
 - Prescription Drugs unfavorable variance of \$2.5 million due increase in PMPM cost
 - OneCare Connect: unfavorable variance of \$0.5 million
 - Favorable volume variance of \$1.0 million
 - Unfavorable price variance of \$1.5 million

FY 2017-18: Consolidated Medical Expenses (cont.)

- February 2018 YTD:

- Actual higher than budget by \$91.0 million or 4.4%

- Medi-Cal: unfavorable variance of \$86.8 million

- Favorable volume variance of \$26.8 million

- Unfavorable price variance of \$113.7 million

- MLTSS expenses unfavorable variance of \$49.5 million

- Professional Claims expenses unfavorable variance of \$30.0 million

- Provider Capitation expenses unfavorable variance of \$22.9 million

- OneCare Connect: unfavorable variance of \$6.3 million

- Favorable volume variance of \$4.5 million

- Unfavorable price variance of \$10.8 million

- Medical Loss Ratio (MLR):

- February 2018 MTD: Actual: 95.6% Budget: 92.7%

- February 2018 YTD: Actual: 96.2% Budget: 95.2%

FY 2017-18: Consolidated Administrative Expenses

- February 2018 MTD:

- Actual lower than budget by \$2.5 million or 21.3%
 - Purchased Services: favorable variance of \$0.8 million
 - Salaries, wages and benefits: favorable variance of \$0.8 million
 - Other categories: favorable variance of \$0.9 million

- February 2018 YTD:

- Actual lower than budget by \$20.3 million or 20.8%
 - Purchased Services: favorable variance of \$8.5 million
 - Salaries, wages and benefits: favorable variance of \$6.1 million
 - Other categories: favorable variance of \$5.8 million

- Administrative Loss Ratio (ALR):

- February 2018 MTD: Actual: 3.5% Budget: 4.6%
- February 2018 YTD: Actual: 3.5% Budget: 4.5%

FY 2017-18: Change in Net Assets

- February 2018 MTD:

- \$2.8 million surplus
- \$4.4 million unfavorable to budget
 - Higher than budgeted revenue of \$6.5 million
 - Higher than budgeted medical expenses of \$13.6 million
 - Lower than budgeted administrative expenses of \$2.5 million
 - Higher than budgeted investment and other income of \$0.2 million

- February 2018 YTD:

- \$19.3 million surplus
- \$11.6 million favorable to budget
 - Higher than budgeted revenue of \$72.9 million
 - Higher than budgeted medical expenses of \$91.0 million
 - Lower than budgeted administrative expenses of \$20.3 million
 - Higher than budgeted investment and other income of \$9.3 million

Enrollment Summary: February 2018

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
67,084	64,575	2,509	3.9%	Aged	505,895	505,703	192	0.0%
615	618	(3)	(0.5%)	BCCTP	4,892	4,944	(52)	(1.1%)
48,551	48,808	(257)	(0.5%)	Disabled	379,451	390,230	(10,779)	(2.8%)
319,629	329,101	(9,472)	(2.9%)	TANF Child	2,573,655	2,636,615	(62,960)	(2.4%)
98,552	103,532	(4,980)	(4.8%)	TANF Adult	791,129	830,437	(39,308)	(4.7%)
3,434	3,268	166	5.1%	LTC	27,534	26,144	1,390	5.3%
240,198	236,855	3,343	1.4%	MCE	1,911,601	1,891,834	19,767	1.0%
778,063	786,757	(8,694)	(1.1%)	Medi-Cal	6,194,157	6,285,907	(91,750)	(1.5%)
14,936	15,589	(653)	(4.2%)	OneCare Connect	121,495	124,304	(2,809)	(2.3%)
245	251	(6)	(2.4%)	PACE	1,840	1,868	(28)	(1.5%)
1,334	1,382	(48)	(3.5%)	OneCare	10,967	10,788	179	1.7%
794,578	803,979	(9,401)	(1.2%)	CalOptima Total	6,328,459	6,422,867	(94,408)	(1.5%)

Financial Highlights: February 2018

Month-to-Date

Actual	Budget	\$ Variance	% Variance
794,578	803,979	(9,401)	(1.2%)
261,878,995	255,360,836	6,518,159	2.6%
250,302,470	236,684,189	(13,618,281)	(5.8%)
9,287,051	11,796,720	2,509,669	21.3%
2,289,474	6,879,927	(4,590,453)	(66.7%)
461,958	231,157	230,801	99.8%
2,751,432	7,111,084	(4,359,652)	(61.3%)

95.6%	92.7%	(2.9%)
3.5%	4.6%	1.1%
<u>0.9%</u>	<u>2.7%</u>	(1.8%)
100.0%	100.0%	

Year-to-Date

	Actual	Budget	\$ Variance	% Variance
Member Months	6,328,459	6,422,867	(94,408)	(1.5%)
Revenues	2,236,305,095	2,163,395,390	72,909,705	3.4%
Medical Expenses	2,150,749,532	2,059,776,607	(90,972,925)	(4.4%)
Administrative Expenses	77,467,294	97,808,104	20,340,810	20.8%
Operating Margin	8,088,270	5,810,679	2,277,591	39.2%
Non Operating Income (Loss)	11,195,572	1,892,030	9,303,542	491.7%
Change in Net Assets	19,283,842	7,702,709	11,581,133	150.4%

Medical Loss Ratio	96.2%	95.2%	(1.0%)
Administrative Loss Ratio	3.5%	4.5%	1.1%
Operating Margin Ratio	<u>0.4%</u>	<u>0.3%</u>	0.1%
Total Operating	100.0%	100.0%	

Consolidated Performance Actual vs. Budget: February (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>
1.7	7.1	(5.4)	Medi-Cal	1.3	7.7	(6.4)
0.3	(0.3)	0.7	OCC	5.9	(0.7)	6.6
(0.1)	0.0	(0.1)	OneCare	(0.1)	(1.0)	0.9
<u>0.3</u>	<u>0.1</u>	<u>0.2</u>	PACE	<u>0.9</u>	<u>(0.2)</u>	<u>1.1</u>
2.3	6.9	(4.6)	Operating	8.1	5.8	2.3
<u>0.5</u>	<u>0.2</u>	<u>0.2</u>	Inv./Rental Inc, MCO tax	<u>11.2</u>	<u>1.9</u>	<u>9.3</u>
0.5	0.2	0.2	Non-Operating	11.2	1.9	9.3
2.8	7.1	(4.4)	TOTAL	19.3	7.7	11.6

Consolidated Revenue & Expense: February 2018 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	537,865	240,198	778,063	14,936	1,334	245	794,578
REVENUES							
Capitation Revenue	\$ 94,338,016	\$ 138,393,375	\$ 232,731,391	\$ 25,718,108	\$ 1,648,064	\$ 1,781,432	\$ 261,878,995
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>94,338,016</u>	<u>138,393,375</u>	<u>232,731,391</u>	<u>25,718,108</u>	<u>1,648,064</u>	<u>1,781,432</u>	<u>261,878,995</u>
MEDICAL EXPENSES							
Provider Capitation	37,300,422	49,829,930	87,130,352	11,332,541	477,670	-	98,940,562
Facilities	23,808,442	16,175,062	39,983,504	3,646,984	584,873	209,886	44,425,247
Ancillary	-	-	-	659,384	-	-	770,751
Skilled Nursing	-	-	-	-	11,256	-	11,256
Professional Claims	12,928,965	8,807,485	21,736,450	-	-	345,667	22,082,117
Prescription Drugs	18,025,357	18,703,902	36,729,259	5,207,207	451,465	158,070	42,546,001
Quality Incentives	-	-	-	-	-	-	-
MLTSS Facility Payments	32,282,816	2,623,112	34,905,928	1,783,834	-	478	36,690,240
Medical Management	1,894,035	416,882	2,310,917	955,820	39,628	508,318	3,814,683
Reinsurance & Other	517,417	306,031	823,447	88,390	7,000	102,777	1,021,614
Total Medical Expenses	<u>126,757,453</u>	<u>96,862,404</u>	<u>223,619,856</u>	<u>23,674,160</u>	<u>1,683,258</u>	<u>1,325,195</u>	<u>250,302,470</u>
Medical Loss Ratio	134.4%	70.0%	96.1%	92.1%	102.1%	74.4%	95.6%
GROSS MARGIN	(32,419,437)	41,530,971	9,111,535	2,043,947	(35,194)	456,237	11,576,525
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits	-	-	5,335,356	709,020	19,060	91,099	6,154,535
Professional fees	-	-	144,248	24,713	13,667	15,476	198,104
Purchased services	-	-	508,160	189,509	29,669	13,635	740,973
Printing and Postage	-	-	299,678	13,633	1,723	1,455	316,489
Depreciation and Amortization	-	-	392,708	-	-	2,074	394,783
Other expenses	-	-	1,081,986	66,358	(665)	10,598	1,158,278
Indirect cost allocation, Occupancy expense	-	-	(411,453)	692,184	40,057	3,101	323,889
Total Administrative Expenses	-	-	<u>7,350,684</u>	<u>1,695,416</u>	<u>103,512</u>	<u>137,438</u>	<u>9,287,051</u>
Admin Loss Ratio	-	-	3.2%	6.6%	6.3%	7.7%	3.5%
INCOME (LOSS) FROM OPERATIONS	-	-	1,760,850	348,531	(138,706)	318,798	2,289,474
INVESTMENT INCOME	-	-	-	-	-	-	476,407
NET GRANT INCOME	-	-	(14,480)	-	-	-	(14,480)
OTHER INCOME	-	-	30	-	-	-	30
CHANGE IN NET ASSETS	-	-	<u>\$ 1,746,401</u>	<u>\$ 348,531</u>	<u>\$ (138,706)</u>	<u>\$ 318,798</u>	<u>\$ 2,751,432</u>
BUDGETED CHANGE IN ASSETS	-	-	7,127,624	(333,111)	(48,064)	133,478	7,111,084
VARIANCE TO BUDGET - FAV (UNFAV)	-	-	<u>(5,381,223)</u>	<u>681,642</u>	<u>(90,642)</u>	<u>185,320</u>	<u>(4,359,652)</u>

Consolidated Revenue & Expense: February 2018 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	4,282,556	1,911,601	6,194,157	121,495	10,967	1,840	6,328,459
REVENUES							
Capitation Revenue	\$ 1,125,847,746	\$ 861,568,791	\$ 1,987,416,538	\$ 225,767,644	10,024,655	\$ 13,096,259	\$ 2,236,305,095
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,125,847,746</u>	<u>861,568,791</u>	<u>1,987,416,538</u>	<u>225,767,644</u>	<u>10,024,655</u>	<u>13,096,259</u>	<u>2,236,305,095</u>
MEDICAL EXPENSES							
Provider Capitation	307,280,862	401,412,762	708,693,624	90,246,280	874,012	-	799,813,916
Facilities	203,277,671	144,640,850	347,918,521	24,646,149	3,854,759	2,388,146	378,807,574
Ancillary	-	-	-	4,984,314	415,740	-	5,400,054
Skilled Nursing	-	-	-	-	150,940	-	150,940
Professional Claims	73,579,386	67,649,022	141,228,409	-	-	2,842,748	144,071,157
Prescription Drugs	147,589,478	144,253,074	291,842,552	41,537,134	3,590,886	996,041	337,966,613
MLTSS Facility Payments	386,374,773	20,336,671	406,711,445	35,172,699	-	17,988	441,902,132
Medical Management	15,371,526	5,708,484	21,080,010	7,999,029	413,822	4,226,889	33,719,750
Reinsurance & Other	4,413,532	2,400,621	6,814,153	1,253,586	58,285	791,371	8,917,396
Total Medical Expenses	<u>1,137,887,229</u>	<u>786,401,484</u>	<u>1,924,288,713</u>	<u>205,839,190</u>	<u>9,358,444</u>	<u>11,263,183</u>	<u>2,150,749,532</u>
Medical Loss Ratio	101.1%	91.3%	96.8%	91.2%	93.4%	86.0%	96.2%
GROSS MARGIN	(12,039,483)	75,167,307	63,127,825	19,928,454	666,210	1,833,075	85,555,564
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			43,600,355	6,174,607	191,381	625,392	50,591,735
Professional fees			1,135,093	224,724	119,349	38,508	1,517,674
Purchased services			5,136,122	1,315,845	151,130	58,978	6,662,075
Printing and Postage			2,448,968	543,364	60,177	24,969	3,077,478
Depreciation and Amortization			3,245,528	-	-	17,178	3,262,707
Other expenses			9,121,353	353,457	(696)	107,659	9,581,773
Indirect cost allocation, Occupancy expense			(2,972,710)	5,455,316	240,944	50,303	2,773,853
Total Administrative Expenses			<u>61,714,710</u>	<u>14,067,313</u>	<u>762,285</u>	<u>922,987</u>	<u>77,467,294</u>
Admin Loss Ratio			3.1%	6.2%	7.6%	7.0%	3.5%
INCOME (LOSS) FROM OPERATIONS			1,413,115	5,861,141	(96,075)	910,089	8,088,270
INVESTMENT INCOME			-	-	-	-	11,239,695
NET RENTAL INCOME			-	-	-	-	54,103
NET GRANT INCOME			(99,025)	-	-	-	(99,025)
OTHER INCOME			799	-	-	-	799
CHANGE IN NET ASSETS			<u>\$ 1,314,889</u>	<u>\$ 5,861,141</u>	<u>\$ (96,075)</u>	<u>\$ 910,089</u>	<u>\$ 19,283,842</u>
BUDGETED CHANGE IN ASSETS			7,707,945	(749,648)	(983,457)	(164,161)	7,702,709
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(6,393,056)</u>	<u>6,610,789</u>	<u>887,382</u>	<u>1,074,250</u>	<u>11,581,133</u>

Balance Sheet: As of February 2018

ASSETS

Current Assets

Operating Cash	\$283,200,783
Investments	634,781,560
Capitation receivable	359,077,237
Receivables - Other	21,880,326
Prepaid Expenses	5,353,229
Total Current Assets	<u>1,304,293,135</u>

Capital Assets Furniture and equipment	34,039,048
Building/Leasehold improvements	6,935,990
505 City Parkway West	<u>49,433,337</u>
	90,408,376
Less: accumulated depreciation	<u>(39,393,921)</u>
Capital assets, net	<u>51,014,455</u>

Other Assets Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	26,611,226
Long term investments	<u>508,661,489</u>
Total Board-designated Assets	<u>535,272,715</u>
Total Other Assets	<u>535,572,715</u>

Deferred outflows of Resources - Pension Contributions	5,234,198
Deferred outflows of Resources - Difference in Experience	1,072,771
Deferred outflows of Resources - Excess Earnings	<u>5,270,171</u>

TOTAL ASSETS & OUTFLOWS **1,902,457,445**

LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	\$32,674,949
Medical claims liability	874,596,664
Accrued payroll liabilities	10,483,522
Deferred revenue	117,046,671
Deferred lease obligations	146,252
Capitation and withholds	<u>87,426,035</u>
Total Current Liabilities	<u>1,122,374,094</u>

Other employment benefits liability	29,964,894
Net Pension Liabilities	15,936,213
Long Term Liabilities	<u>100,000</u>

TOTAL LIABILITIES **1,168,375,202**

Deferred inflows of Resources - Excess Earnings	-
Deferred inflows of Resources - Changes in Assumptions	1,340,010
Tangible net equity (TNE)	87,052,777
Funds in excess of TNE	<u>645,689,457</u>

Net Assets **732,742,234**

TOTAL LIABILITIES, INFLOWS & FUND BALANCES **1,902,457,445**

Board Designated Reserve and TNE Analysis As of February 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	146,441,586				
	Tier 1 - Logan Circle	146,336,556				
	Tier 1 - Wells Capital	145,829,513				
Board-designated Reserve						
		438,607,655	295,784,615	459,857,783	142,823,040	(21,250,128)
TNE Requirement	Tier 2 - Logan Circle	96,665,060	87,052,777	87,052,777	9,612,283	9,612,283
Consolidated:		535,272,715	382,837,392	546,910,560	152,435,323	(11,637,845)
	<i>Current reserve level</i>	<i>1.96</i>	<i>1.40</i>	<i>2.00</i>		

HN Enrollment Summary - Medi-Cal

Health Network Name	MARCH 2018	% of Total MCAL	% of HN Enrollment
CHOC Health Alliance (PHC20)	149,876	19.5%	22.6%
Monarch Family HealthCare (HMO16)	83,068	10.8%	12.5%
CalOptima Community Network (CN)	74,839	9.7%	11.3%
Arta Western Health Network (SRG66)	67,474	8.8%	10.2%
Family Choice Health Network (PHC21)	47,080	6.1%	7.1%
Alta Med Health Services (SRG69)	46,110	6.0%	7.0%
Kaiser Permanente (HMO04)	45,762	6.0%	6.9%
Prospect Medical Group (HMO17)	34,710	4.5%	5.2%
United Care Medical Network (SRG67)	32,911	4.3%	5.0%
Noble Mid-Orange County (SRG64)	26,932	3.5%	4.1%
Talbert Medical Group (SRG65)	23,796	3.1%	3.6%
AMVI Care Health Network (PHC58)	23,136	3.0%	3.5%
Heritage - Regal Medical Group (HMO15)	5,254	0.7%	0.8%
OC Advantage (PHC35)	2,161	0.3%	0.3%
Total Health Network Capitated Enrollment	663,108	86.3%	100.0%
CalOptima Direct (all others)	105,118	13.7%	
Total Medi-Cal Enrollment	768,226	100.0%	

HN Enrollment Summary – OneCare Connect

Health Network Name	MARCH 2018	Percentage
Monarch HealthCare (HMO16DB)	4,812	32.2%
Propect Medical Group (HMO17DB)	2,730	18.2%
Family Choice Medical Group (SRG81DB)	1,839	12.3%
CalOptima Community Network (CN)	1,744	11.7%
Talbert Medical Group (SRG52DB)	1,097	7.3%
Arta Western Health Network(SRG66DB)	533	3.6%
Alta-Med (SRG69DB)	523	3.5%
United Care Medical Group (SRG67DB)	492	3.3%
Noble Mid Orange County (SRG64DB)	449	3.0%
AMVI Care Health Network (PHC58DB)	440	2.9%
Heritage - Regal Medical Group (HMO15)	205	1.4%
OC Advantage (PHC35DB)	97	0.6%
Total OneCare Connect Enrollment	14,961	100.0%

HN Enrollment Summary - OneCare

Health Network Name	MARCH 2018	Percentage
Monarch HealthCare (PMG53DE)	679	50.8%
AMVI/Prospect Medical Group (PMG27DE)	307	23.0%
Talbert Medical Group (PMG52DE)	115	8.6%
Family Choice Medical Group (PMG21DE)	75	5.6%
Arta Western Health Network (PMG66DE)	72	5.4%
Alta-Med (PMG69DE)	50	3.7%
United Care Medical Group (PMG67DE)	25	1.9%
Noble Mid Orange County (PMG64DE)	13	1.0%
Total OneCare Enrollment	1,336	100.0%





CalOptima
Better. Together.

2017–2019 Strategic Plan: Year 1 Progress Report

Provider Advisory Committee

April 12, 2018

Michael Schrader

Chief Executive Officer

Strategic Priorities and Building Blocks

Innovation

Pursue innovative programs and services to optimize member access to care

Value

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

Partnerships and Engagement

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

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

Innovation

- PACE expansion
 - Service Area Expansion into South Orange County
 - Alternative Care Setting model with satellite sites
 - Community-based physicians
 - Nurse practitioners for primary care services
- Palliative care program
 - Services to help members near the end of life
- California Children's Services transition
 - Better integrated care for children with complex conditions via the Whole-Child Model
- Non-medical transportation
 - Reliable access to medical appointments

Value

- Top rating for Medi-Cal
 - NCQA for the fourth year
 - DHCS for the second year
- Pay for Value program for CalOptima Community Network
 - Incentives affecting 600 PCPs, 3,500 specialists and 70,000 members
- Cal MediConnect advocacy
 - Extension until December 2019 based on early trends of lower cost and higher quality
- Member Health Needs Assessment
 - Data from more than 6,000 members about health care and social services needs, to effectively target future programs

Partnerships and Engagement

- Homeless members
 - Recuperative care pilot program
 - Now part of county's Whole-Person Care program
- Opioid abuse
 - Interventions with prescribers and retail pharmacies
- Adolescent depression screenings
 - Physician incentives for depression screenings of 12-year-olds
- Health care safety net
 - More capacity of medical, dental and behavioral health services at community health centers

Building Blocks

Workforce Performance

- Employer of Choice
- Collaborative Culture
- Operational Excellence

Financial Strength

- Strategic Goal Alignment
- Fiscal Management

2017–18 Legislative Tracking Matrix

FEDERAL BILLS

Bill Number (Author)	Bill Summary	Bill Status	CalOptima Action/Position
H.R. 1625 Royce	<p>Spending Bill: Funds the federal government for the remainder of the 2018 budget year, through September 30. The bill includes:</p> <ul style="list-style-type: none"> • \$1.3 trillion in overall spending • \$77.9 billion for HHS (almost 20% increase from what the administration requested) • \$3.6 billion for opioid-addiction and mental health services (an increase of \$2.55 billion or 244%) <p>Of note, the bill did not include any stabilization measures for the individual market, such as the cost-sharing reduction payments or a federal reinsurance program.</p>	03/22/18 Signed into law	Watch
H.R. 1892 Larson	<p>Continuing Resolution (CR):</p> <ul style="list-style-type: none"> • Establishes a two-year budget framework and continues current federal spending levels until March 23, 2018. • Permanently reauthorizes Dual Eligible Special Needs Plans (including CalOptima's OneCare program). • Extends reauthorization for the Children's Health Insurance Program (CHIP) until 2027. • Extends the Community Health Center Fund (CHCF) for two years. 	02/09/2018 Signed into law	Sent letter of support for CHIP, D-SNP and CHCF
H.R. 195 Russell	<p>Continuing Resolution (CR): Extends current federal discretionary spending until February 8, 2018. Also authorizes CHIP funding for six years, until 2023, and gradually phases down the enhanced federal matching rate – 88/12 federal/state, to the regular CHIP rate – 65/35 federal/state in FY 2021.</p>	01/22/2018 Signed into law	Sent letter of support for CHIP
H.R. 1 Brady	<p>Tax Cuts and Jobs Act: Amends portions of the Internal Revenue Code that address corporate and individual tax rates and deductions. It also eliminates the Affordable Care Act's (ACA) individual mandate, effective December 31, 2018.</p>	12/22/2017 Signed into law	Watch
H.R. 3922 Walden	<p>Five Year CHIP Re-authorization: Would extend federal CHIP funding, which expired on September 30, 2017, for five years. Would retain the current ACA mandated state/federal CHIP matching rate (88/12 for California) for two years, reduce it by 11.5 percent for one year (76.5/23.5), and revert to pre-ACA levels for two years (65/35). Also includes spending offsets such as increasing Medicare premiums for beneficiaries who make more than \$500,000 annually, requires Medicaid beneficiaries to report lottery winnings as income, and decreases funding for the ACA-enacted Prevention and Public Health Fund.</p>	<p>11/03/2017 Passed House, referred to Senate</p> <p>02/09/2018 10-year reauthorization of CHIP funding included as part of H.R. 1892 (Larson)</p>	Sent letter of support for CHIP re-authorization
H. Concurrent Resolution 71 Black	<p>FY 18 Budget Resolution: The annual budget resolution sets the budgetary framework for the upcoming fiscal year and allows the majority party to pass reconciliation legislation, which requires 51 votes to pass the Senate rather than the normal 60-vote threshold. While the budget resolution is non-binding and does not appropriate federal dollars, it does outline spending priorities for the remainder of the unfunded fiscal year (December 9, 2017 - September 30, 2018).</p>	10/26/2017 Passed House and Senate (Budget resolutions do not require a Presidential signature)	Watch

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	CalOptima Action/Position
H.R. 601 Lowey	Continuing Resolution (CR): Extends current federal discretionary spending (\$1.24 trillion overall) and raises the debt ceiling through December 8, 2017. This bill ensures funding for federal agencies such as the U.S. Department of Health and Human Services (HHS) continues at approximately \$65 billion per year. Mandatory spending (\$2.54 trillion overall) for programs such as Medicare (\$646 billion/year) and Medicaid (\$545 billion/year) continues at previous levels, less a small percentage, as required by the terms of the Budget Control Act of 2011.	09/08/2017 Signed into law	Watch
Bipartisan Health Care Stabilization Act of 2017 Alexander/Murray	Marketplace Stabilization: Would fund cost-sharing reductions (CSRs) – federal payments to marketplace insurers to reduce deductibles and co-pays for consumers earning between 139-250% of the federal poverty level (FPL) who have a “silver” level plan – through 2019. Also, would increase flexibility and streamline the state waiver approval process, among other changes. While this bill does not impact Medicaid directly, it is of interest to CalOptima because of its impact on the health care system, and, because it is common for Medicaid members to “churn” between Medicaid and the individual market.	10/19/2017 Draft bill text released	Watch
H.R. 4957 Sanchez	Alzheimer’s Care: Among other provisions, would establish Alzheimer’s models of care based on a comprehensive continuum of care, similar to care delivery in the Program of All-Inclusive Care for the Elderly (PACE).	02/09/2018 Referred to Subcommittee on Health	Watch
S. 1804 Sanders	Medicare for All: Would replace the current U.S. health care system with a single-payer system, known as “Medicare for All.” This system would provide comprehensive health care services for all U.S. residents, sunset the current Medicare and Medicaid programs, as well as most forms of private insurance, and enroll all eligible individuals into the new universal plan.	09/13/2017 Referred to Senate Committee on Finance	Watch
H.R. 676 Ellison	Medicare for All: Similar to S. 1804, would replace the current U.S. health care system with a single-payer system, known as “Medicare for All.” This system would provide comprehensive health care services for all U.S. residents, sunset the current Medicare and Medicaid programs as well as most forms of private insurance. The program would be funded via existing sources of government revenues for health care and by increasing personal income taxes on the top five percent of income earners, among other measures.	01/24/2018 Referred to House Committee on Energy and Commerce	Watch

STATE BILLS

Bill Number (Author)	Bill Summary	Bill Status	CalOptima Action/Position
RN 1802014 Trailer Bill – 340B Drug Program	<p>340B Drug Purchasing Program: Would prohibit the use of 340B discounted drugs in Medi-Cal starting July 1, 2019, pending approval from CMS. Section 340B of the Public Health Service Act allows certain hospitals and clinics to purchase pharmaceuticals at discounted prices.</p> <p>The federal and state governments have found inconsistencies with the program's implementation. According to the Department of Health Care Services (DHCS), these inconsistencies create a substantial administrative burden on the state. As such, the Department's proposed trailer bill language seeks to prohibit the use of 340B drugs in Medi-Cal. In the event that CMS does not grant the state permission to entirely exclude 340B drugs from Medi-Cal, the state will seek CMS approval for limiting the use of 340B drugs in Medi-Cal.</p>	<p>01/16/2018 Trailer bill language published on the Department of Finance Website</p>	Watch
AB 1963 Waldron	<p>Opioid Treatment: Would increase provider reimbursement rates for Medication-Assisted Treatments (MAT). MAT requires that patients receive counseling, behavioral therapies, and recovery support services in combination with prescribed medication, such as buprenorphine/naloxone, methadone, buprenorphine, and naltrexone. These therapies have proven to be very effective in treating opioid addiction. There is a significant shortage of providers certified to administer MAT treatments. Depending on how the reimbursement structure is set up, a rate increase could potentially help CalOptima expand access to MAT services in Orange County.</p>	<p>04/10/18 Passed Assembly Health Committee and referred to Appropriations Committee</p> <p>01/30/2018 Introduced</p>	Watch
AB 2741 Burke	<p>Opioid Treatment: Would prohibit providers from prescribing more than a five-day opioid supply to a minor, except in the case of pain associated with cancer, palliative or hospice care, and chronic pain.</p>	<p>04/10/18 Passed Assembly Business and Professions Committee and referred to Health Committee</p> <p>02/16/2018 Introduced</p>	Watch
AB 2331 Weber	<p>Medi-Cal Eligibility Redetermination: Would allow developmentally disabled Medi-Cal beneficiaries receiving services at regional centers to go through the eligibility redetermination process every 36 months, instead of every 12 months. Current law requires counties to redetermine Medi-Cal eligibility every 12 months for all beneficiaries.</p>	<p>04/17/18 Scheduled to be heard in Assembly Health Committee</p> <p>02/13/2018 Introduced</p>	Watch
AB 1998 Rodriguez	<p>Opioid Treatment: Would institute stricter prescription controls related to opioids, generally limiting opioid prescriptions to amounts sufficient for not more than three days.</p>	<p>04/17/18 Scheduled to be heard in Assembly Health Committee</p> <p>02/01/2018 Introduced</p>	Watch

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	CalOptima Action/Position
AB 2430 Arambula	Medi-Cal Eligibility for Seniors: Would adjust the income threshold for seniors eligible for Medi-Cal under the Aged and Disabled Federal Poverty Level Program from 123% FPL to 138% FPL, bringing it in line with other Medi-Cal programs for adult beneficiaries. Currently, seniors with income levels above 123% FPL are only eligible for Medi-Cal if they pay an added out of pocket expense known as “share of cost.” Under share of cost, beneficiaries must take full responsibility for health care expenses up to a predetermined amount (share of cost) for the month in which they receive services. Once they meet their share of cost, Medi-Cal pays for any additional covered services for that month. This bill aims to ensure that low-income seniors have access to Medi-Cal at the same income level as most other adult beneficiaries, without incurring extra financial burdens.	04/04/18 Passed Assembly Health Committee and referred to Appropriations 02/14/18 Introduced	Watch
SB 945 Atkins	Breast and Cervical Cancer Treatment Program (BCCTP): Would remove the 18 to 24-month cap on coverage under the state Breast and Cervical Cancer Treatment Program (BCCTP), which would allow members to remain in the program and CalOptima to continue receiving adequate reimbursement for their treatment. Currently, DHCS administers BCCTP, which provides cancer treatment coverage to individuals diagnosed with breast and/or cervical cancer that meet certain screening and income eligibility criteria. Current law limits the treatment coverage for breast cancer to 18 months and to 24 months for cervical cancer for individuals enrolled in the state BCCTP program.	04/25/2018 Scheduled to be heard by the Senate Health Committee 01/29/2018 Introduced	Watch
AB 2275 Arambula	Medi-Cal Oversight: Would create new quality requirements for Medi-Cal managed care plans, which would be a significant departure from the state’s current quality assurance and performance improvement program and could potentially require CalOptima to extensively modify its reporting processes.	04/17/18 Scheduled to be heard in Assembly Health Committee 02/13/2018 Introduced	Watch
SB 974 Lara	Medi-Cal Eligibility: Extends full scope Medi-Cal coverage to eligible individuals of all ages, regardless of immigration status.	04/05/18 Passed Senate Health Committee and referred to Appropriations 02/01/2018 Introduced	Watch
AB 2203 Gray	Medi-Cal Rates: Beginning July 1, 2019, would require DHCS to increase Medi-Cal primary care provider rates to the rate paid for those services under the federal Medicare program.	04/10/18 Passed Assembly Health Committee and referred to Appropriations Committee 02/12/2018 Introduced	Watch

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	CalOptima Action/Position
AB 2416 Wood	Medi-Cal Managed Care Plans and Covered California: Would require Medi-Cal managed care plans to offer products on the California Health Benefit Exchange, also known as Covered California, in counties where only two or fewer plans are available for purchase through the Exchange.	3/23/18 Amended and re-referred to Assembly Health Committee	Watch
AB 2472 Wood	Medi-Cal Public Purchasing Option Waiver: Would require DHCS to apply for a federal waiver that would allow individuals whose income is greater than 138% FPL to purchase Medi-Cal coverage through a public purchasing option.	04/24/18 Scheduled to be heard in Assembly Health Committee 3/23/18 Amended and re-referred to Assembly Health Committee	Watch
AB 3175 Rubio	Child Life Specialist: Would require that services provided by certified child life specialists be covered under the California Children's Services (CCS) program. CCS provides diagnostic and treatment services, medical case management, and physical and occupational therapy services to children under age 21 with specialized health care conditions such as cystic fibrosis, hemophilia, cerebral palsy, heart disease, cancer, traumatic injuries, among others. CCS-eligible children living in select counties, including Orange County, will transition from fee-for-service to Medi-Cal managed care as part of the Whole Child Model (WCM), established as part of SB 586 (Chapter 625, Statutes of 2016) . In Orange County, the CCS WCM transition is scheduled to take place in January 2019. Certified child life specialists are allied health care professionals that support children and families coping with the stress and uncertainty of life altering healthcare crises. They provide psychosocial assessment and support to both patients and their families, among other services.	04/17/18 Scheduled to be heard in Assembly Health Committee 02/16/18 Introduced	Watch
SB 906 Beall	Medi-Cal Mental Health Services Peer Certification: Would require DHCS to establish a statewide certification program for peer and family support specialists and to include this as a service to be reimbursed under the Medi-Cal program. Among other responsibilities, a peer and family support specialist would provide individualized support services to members with mental health care needs and substance use disorders.	03/14/28 Passed Senate Health Committee and Referred to Senate Appropriations Committee 01/17/2018 Introduced	
SB 399 Portantino	Behavioral Health: Would make changes to current law related to the treatment of Autism Spectrum Disorder, such that managed care plans would be required to cover certain treatment protocols that are not currently covered, such as the Developmental Individual-difference Relationship (DIR) model and Floortime. These therapies are intended to be spontaneous play sessions between a child with autism and an adult.	01/29/2018 Passed Senate, referred to Assembly	Watch
AB 205 Wood	Mega-Reg: Implements certain provisions of the CMS Medicaid managed care rules (Mega-Reg) by making changes at the state level regarding Medi-Cal managed care plans. Specifically, this bill changes the grievance and appeals process for plans by lengthening the amount of time members have to request a state fair hearing from 90 days to 120 days. It also establishes new time and distance standards for members to access primary and specialty care services.	10/13/2017 Signed into law	Watch

2017–18 Legislative Tracking Matrix (continued)

Bill Number (Author)	Bill Summary	Bill Status	CalOptima Action/Position
SB 171 Hernandez	Mega-Reg: Implements certain provisions of the CMS Medicaid managed care rules (Mega-Reg) by making changes at the state level regarding Medi-Cal managed care plans. Specifically, this bill changes the way public hospitals, such as University of California Irvine (UCI) Medical Center, receive supplemental payments and creates a new, across-the-board Medical Loss Ratio (MLR) standard for Medi-Cal managed care plans.	10/13/2017 Signed into law	Watch
SB 608 Hernandez	Hospital Quality Assurance Fee (QAF): Would modify the hospital quality assurance fee to bring it into compliance with Mega-Reg requirements. The current language of the bill only reflects a portion of the California Hospital Association’s proposal to reform the QAF. The bill’s language is likely to be substantially amended in the current legislative session.	09/01/2017 Held under submission	Watch

The CalOptima Legislative Tracking Matrix includes information regarding legislation that directly impacts CalOptima and our members. These bills are closely followed and analyzed by CalOptima’s Government Affairs Department throughout the legislative session. All official “Support” and “Oppose” positions are approved by the CalOptima Board of Directors. Bills with a “Watch” position are monitored by staff to determine the level of impact.

2018 Federal Legislative Dates

January 3	Congress convenes 2nd session
March 26–April 9	Spring recess
July 27–September 3	Summer recess
November 6	General Election

2018 State Legislative Dates

January 3	Legislature reconvenes
February 16	Last day for legislation to be introduced
April 27	Last day for policy committees to hear and report bills to fiscal committees
May 11	Last day for policy committees to hear and report non-fiscal bills to the floor
May 25	Last day for fiscal committees to report fiscal bills to the floor
May 29–June 1	Floor session only
June 1	Last day to pass bills out of their house of origin
June 5	Statewide Primary Election
June 15	Budget bill must be passed by midnight
June 28	Last day for a legislative measure to qualify for the Nov. 6 General Election ballot
July 6–August 5	Summer recess
August 7	Special Election for CA Senate District 32
August 17	Last day for fiscal committees to report bills to the floor
August 20 – 31	Floor session only
August 31	Last day for bills to be passed. Final recess begins upon adjournment
September 30	Last day for Governor to sign or veto bills passed by the Legislature
November 6	General Election
November 30	Adjournment <i>Sine Die</i> at midnight
December 3	Convening of the 2019-20 session

Sources: 2018 State Legislative Deadlines, California State Assembly: <http://assembly.ca.gov/legislativedeadlines>

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

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**CalOptima Board of Directors'
Provider Advisory Committee**

GOALS AND OBJECTIVES FY 2017-2018

CalOptima Strategic Priority	CalOptima Goals	CalOptima Objectives	PAC Activities	1st Quarter (Jun - Sep 17/18)	2nd Quarter (Oct - Dec 17/18)	Results of PAC Activities for Period
I. Innovation	Pursue innovative programs and services to optimize member access to care	1. Delivery System Innovation - Utilize pay-for performance, creative partnerships, sponsored initiatives and technology to empower networks and providers to drive innovation and improve member access.	Increase overall outcome of HEDIS metrics for cancer screenings, diabetes care and preventive care by: 1) Obtaining and reviewing quarterly reports from CalOptima Management for HEDIS and CAHPS indicators blinded by Networks and Community Health Centers 2) PAC membership addressing their constituencies to set establish a goal to improve HEDIS performance metrics PAC Members to discuss ideas collected from their constituencies to develop a plan to reach the goal 3) Coordinating data from community and CalOptima using CalOptima's data warehouse 4) PAC will receive a presentation at the joint MAC/PAC/OCC MAC meeting on March 8, 2018	PAC received a comparison study of the Community Network and the delegated Health Networks at the June meeting The study included Performance Metrics for Adult & Child Med-Cal Clinical Measures; CAHPS outcomes PAC received Medi-Cal and OneCare HEDIS 2017 results for 2016 data at the August meeting OneCare Connect baseline results were also presented Next steps were discussed to implement strategies of low performing results	PAC received an update at the October 2017 meeting on the Data Collection workgroup that was created to help solve data issues related to the Pay for Value and HEDIS programs	The Health Networks and CalOptima created a work group to review data and identify gaps in data.
		2. Program Integration - Implement programs and services that create an integrated service experience for members, including an integrated physical and behavioral health service model.	1) Monitor access and coordination of behavioral health and medical services through regular updates from CalOptima and Magellan 2) Continue Whole Person Care Model updates 3) PAC continued to receive updates at every PAC meeting from CalOptima Executives regarding the transition of the behavioral health services	1) Regular updates have been presented at all PAC meetings At the Sept joint MAC/PAC meeting Michael Schrader provided us an update on the status to move the administrative services from Magellan to CalOptima effective 1/1/18 2) WPC update was presented to the PAC at the August meeting The start date was July 1st	PAC received an update on the Whole Child Care Model at the October 2017 meeting and a Palliative Care update at the at the November 2017 meeting	PAC members will provide feedback to CalOptima staff regarding the transition of behavioral health services for the Medi-Cal members (mild to moderate).
		3. Program Incubation - Incubate new programs and pursue service approaches to address unmet member needs by sponsoring program pilots addressing areas such as substance abuse, behavioral health services, childhood obesity and complex conditions.	PAC will provide input into IGT funding recommendations prior to board approval	At the August PAC meeting staff presented the status of the IGT the approved IGT funding categories for IGT 6&7 The PAC was also provided a status on IGT funding for 1-5		PAC members will solicit feedback from their constituents for potential future IGT projects. Discuss in Q3.

**CalOptima Board of Directors'
Provider Advisory Committee**

GOALS AND OBJECTIVES FY 2017-2018

CalOptima Strategic Priority	CalOptima Goals	CalOptima Objectives	PAC Activities	1st Quarter (Jun - Sep 17/18)	2nd Quarter (Oct - Dec 17/18)	Results of PAC Activities for Period
II. Value	Maximize the value of care for members by ensuring quality in a cost effective way	1. Data Analytics Infrastructure - Establish robust IT infrastructure and integrated data warehouse to enable predictive modeling, effective performance accountability and data-based decision making.	PAC Members to identify three (3) burdensome administrative pain points to improve efficiencies and work with CalOptima Staff to address these	1) CalOptima implemented EFT funds transfer for capitation payment for the health networks (Medi-Cal and the Medi-Cal payment for OneCare Connect) Future cap payments for OneCare and OneCare Connect will be implemented 2) Data exchange processes were simplified from excel file format to XLM This will allow CalOptima to pull data directly instead of asking the delegated health networks for the same data 3) Predictive modeling - presentation		Request Predictive modeling presentation in Q3.
		2. Pay for Value - Launch pay-for performance and quality incentive initiatives that encourage provider participation, facilitate accurate encounter data submissions, improved clinical quality and member experience outcomes, and the spread of best practices.	Increase overall outcome of HEDIS metrics for cancer screenings, diabetes care and preventive care by: 1) Obtaining and reviewing quarterly reports from CalOptima Management for HEDIS and CAHPS indicators blinded by Networks and Community Health Centers 2) PAC membership addressing their constituencies to set establish a goal to improve HEDIS performance metrics PAC Members to discuss ideas collected from their constituencies to develop a plan to reach 3) Coordinating data from community and CalOptima using CalOptima's data warehouse			CalOptima will continue to provide reports for discussion by PAC.
		3. Cost Effectiveness - Implement efficient systems and processes to facilitate better understanding of internal cost drivers, eliminate administrative redundancies, and promote effective and standardized internal practices.	1) Explore ideas to broaden access for hard to find providers 2) PAC members slated this as an agenda item at the upcoming MAC/PAC/OCC PAC meeting on March 8, 2018			Request agenda item in Q4.

**CalOptima Board of Directors'
Provider Advisory Committee**

GOALS AND OBJECTIVES FY 2017-2018

CalOptima Strategic Priority	CalOptima Goals	CalOptima Objectives	PAC Activities	1st Quarter (Jun - Sep 17/18)	2nd Quarter (Oct - Dec 17/18)	Results of PAC Activities for Period
III. Partnership and Engagement	Engage providers and community partners in improving the health status and experience of our members	1. Provider Collaboration - Enhance partnerships with networks, physicians and the Provider Advisory Committee to improve service to providers and members, expand access, and advance shared health priorities.	1) Provide timely input on key issues prior to Board decision 2) PAC members slated this as an agenda item at the upcoming MAC/PAC/OCC PAC meeting on March 8, 2018	This issue was identified to be discussed at the joint MAC/PAC September meeting, however we ran out of time. This will be discussed at a future joint meeting or a regular meeting of the PAC		CalOptima will continue to provide reports for discussion by PAC.
		2. Member Engagement - Seek input from the Member Advisory Committee and plan's diverse membership to better understand member needs, and ensure the implementation of services and programs that strengthen member choice and experience and improve health outcomes.	Hold a joint MAC/PAC Meeting once a year to share information if MAC is agreeable			
		3. Community Partnerships - Establish new organizational partnerships and collaborations to understand, measure and address social determinants of health that lead to health disparities among the plan's vulnerable populations.	Review quarterly reports from CalOptima Management for HEDIS and CAHPS indicators blinded by Networks and Community Health Centers	PAC received Medi-Cal and OneCare HEDIS 2017 results for 2016 data at the August meeting. OneCare Connect baseline results were also presented. Next steps were discussed to implement strategies of low performing results		CalOptima will continue to provide reports for discussion by PAC.

**CalOptima Board of Directors'
Provider Advisory Committee**

GOALS AND OBJECTIVES FY 2017-2018

CalOptima Strategic Priority	CalOptima Goals	CalOptima Objectives	PAC Activities	1st Quarter (Jun - Sep 17/18)	2nd Quarter (Oct - Dec 17/18)	Results of PAC Activities for Period
III. Partnership and Engagement (Cont.)	Engage providers and community partners in improving the health status and experience of our members (Cont.)	4. Shared Advocacy - Utilize provider and community relationships to educate stakeholders about health policy issues impacting the safety-net delivery system and community members, and promote the value of CalOptima to members, providers, and the broader population health of the Orange County Community.	Support Board and CalOptima to proactively respond to ACA, OCC and Cal MediConnect changes 1) PAC Chair shared information with CAPG/APG in the past	CalOptima informed members to utilize our associations (CAPG, HASC etc) to help develop awareness for the continuation of the SNP, Cal MediConnect and Medi-Cal programs with the State Discussions should include the Medi-Cal Expansion and Classic rates		Request agenda item in Q4.
<u>Charge of the Advisory Committees pursuant to Resolution No 2-14-95:</u>						
1 Provide advice and recommendations to the Board on issues concerning CalOptima as directed by the Board						
2 Engage in study, research and analysis on issues assigned by the Board or generated by the committees						
3 Serve as liaisons between interested parties and the Board						
4 Assist the Board in obtaining public opinion on issues related to CalOptima						
5 Initiate recommendations on issues of study to the Board for their approval and consideration						
6 Facilitate community outreach for CalOptima and the CalOptima Board						

Provider Medi-Cal Enrollment Now Required

Submit Your Application Now

The Department of Health Care Services (DHCS) requires all CalOptima contracted providers participating in Medi-Cal to enroll in the Medi-Cal program through DHCS no later than **December 31, 2018**. This includes those providers who may have been granted an exception in the past.

1

This is now a statewide requirement, effecting all contracted CalOptima providers.

2

Failure to enroll in the Medi-Cal program by the deadline will result in termination of your CalOptima provider contract and impact your payment.

3

Visit http://files.medi-cal.ca.gov/pubsdoco/prov_enroll.asp to begin the provider enrollment process directly with DHCS.

If you have proof of current Medi-Cal enrollment or would like more information, contact the CalOptima Provider Relations department at **714-246-8600** or email providerservicesinbox@caloptima.org.



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Medi-Cal
CalOptima

Better. Together.