NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS’
WHOLE-CHILD MODEL FAMILY ADVISORY COMMITTEE

TUESDAY, FEBRUARY 26, 2019
9:30 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. 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 Whole-Child Model Family Advisory Committee (WCM FAC). 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.

IV. APPROVE MINUTES
   A. Approve Minutes of the January 17, 2019 Special Meeting of the CalOptima Board of Directors’ Whole-Child Model Family Advisory Committee (WCM FAC).
V. REPORTS
   A. Consider Recommendation of Whole Child Model Family Advisory Committee Authorized Family Member Candidate

VI. CEO AND MANAGEMENT TEAM DISCUSSION
   A. Chief Operating Officer Report
   B. Chief Medical Officer Report
   C. Whole Child Model Update
   D. Network Operations Update

VII. INFORMATION ITEMS
   A. Whole-Child Model Pharmacy Information
   B. Update on FY 2019-20 Proposed State Budget
   C. Dental Initiative
   D. Whole-Child Model Family Advisory Committee Member Updates

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT
A Special Meeting of the CalOptima Board of Directors’ Whole Child Model Family Advisory Committee (WCM FAC) was held on January 17, 2019, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER
Chair Byron called the meeting to order at 11:45 a.m. and led the Pledge of Allegiance.

ESTABLISH QUORUM
Members: Maura Byron, Chair, Pamela Patterson, Vice Chair (at 12:15 p.m.); Sandra Cortez-Schultz; Melissa Hardaway; Diane Key; Grace Leroy-Loge; Kristen Rogers; Malissa Watson

All voting members were present.

Others Present: Michael Schrader, Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Dr. David Ramirez, Chief Medical Officer; Arif Shaikh, Government Affairs; Candice Gomez, Executive Director, Program Implementation; Emily Fonda, MD, Medical Director; Sesha Mudunuri, Executive Director, Operations; Betsy Ha, Executive Director Quality; Thanh-Tam Nguyen, M.D. Medical Director; Michelle Laughlin, Executive Director Network Operations; Belinda Abeyta, Director, Customer Service; Cheryl Simmons, Sr. Program Specialist; Samantha Fontenot, Program Specialist

PUBLIC COMMENT
There were no requests for Public Comment.

MINUTES

Approve the Minutes of the November 8, 2018 Special Meeting of the CalOptima Board of Directors’ Whole-Child Model Family Member Advisory Committee

Action: On motion of Member Sandra Cortez-Schultz, seconded and carried, the Committee approved the minutes of the November 8, 2018 meeting (Motion carried 7-0-0)
Minutes of the Special Meeting of the
CalOptima Board of Directors ‘Whole-Child Model
Family Advisory Committee
January 17, 2019
Page 2

REPORTS

Consider Approval of FY 2018-19 Whole-Child Model Family Advisory Committee (WCM FAC) Meeting Schedule.
Chair Byron presented the revised FY2018-2019 Whole-Child Model Family Advisory Committee Meeting Schedule.

Action: On motion of Member Malissa Watson, seconded and carried, the committee approved the revised FY 2018-19 Whole-Child Model Family Advisory Committee Meeting Schedule. (Motion Carried 7-0-0)

CHIEF EXECUTIVE OFFICER AND MANAGEMENT TEAM DISCUSSION

Chief Executive Officer Update
Michael Schrader, Chief Executive Officer, informed the WCM FAC members of the Department of Health Care Services (DHCS) California Children Services (CCS) Advisory Group (AG), which meets quarterly to discuss and improve the delivery of health care to CCS children and their families. Mr. Schrader recommended that Chair Byron represent CalOptima’s WCM FAC and attend CCS AG’s quarterly meetings in Sacramento. Mr. Schrader also requested a volunteer from the Committee to attend as an alternate if Chair Byron is unable to attend. Member Rogers volunteered to serve as alternate.

Chief Operating Officer Update
Ladan Khamseh, Chief Operating Officer, informed the Committee that CalOptima will participate in the Family Voices of California (FVCA) 17th Annual Summit and Legislative Day on March 10-12, 2019 in Sacramento. FVCA is a statewide collaborative of parent-run centers working to ensure quality health care for children with special health care needs. Sponsorship includes travel, lodging and meal expenses for a CalOptima representative to attend the summit. Ms. Khamseh asked interested Committee to contact the Staff to the Advisory Committees.

Chief Medical Officer Update
David Ramirez, M.D., Chief Medical Officer, introduced Thanh-Tam Nguyen, M.D., Medical Director. Dr. Nguyen will have responsibility for the Whole-Child Model program. He also noted that CalOptima was exploring the possibility of standardizing the navigation for the families at the Plan and Network levels.

Network Operations Update
Michelle Laughlin, Executive Director, Network Operations, provided an update on the status of the network adequacy for the Whole-Child Model Program and noted that all Health Networks had met the network adequacy for specialty coverage, which was reported to the Department of Health Care Services (DHC); DHCS feedback is anticipated in mid-March 2019. Ms. Laughlin also noted that Children’s Hospital Los Angeles has recently signed a contract with CalOptima for this program.
INFORMATION ITEMS

Whole-Child Model Status Update
Candice Gomez, Executive Director, Program Implementation, and Pallavi Patel, Director, Process Improvement, presented an update on CalOptima’s implementation of WCM.

Whole Child Model Family Advisory Committee Member Updates
Chair Byron announced that the next WCM FAC meeting is Tuesday, February 26, 2019 at 9:30 a.m. Chair Byron formed a nominations ad hoc committee to include herself, Vice Chair Patterson and Member Leroy-Loge, to review a new applicant for an Authorized Family Member seat and provide a recommendation at the February 26, 2019 meeting.

ADJOURNMENT
Hearing no further business, Chair Byron adjourned the meeting at 12:32 p.m.

/s/ Cheryl Simmons
Cheryl Simmons
Staff to the Advisory Committees

Approved: February 26, 2019
MEMORANDUM

DATE: February 7, 2019
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; and Whole-Child Model Family Advisory Committee

Whole-Child Model (WCM) Provider Network Gains Preliminary Approval
Great news! CalOptima received preliminary approval of our WCM provider network. This success is a testament to CalOptima staff and leaders at our delegated networks who responded quickly and effectively to comply with the revised network adequacy standards released by the Department of Health Care Services (DHCS) in November. CalOptima will be submitting contract signature pages by March 1, and DHCS has stated that it will provide final approval of the networks’ participation by March 15. To keep stakeholders informed about our ongoing progress toward WCM implementation on July 1, CalOptima held two special meetings with the Provider Advisory Committee and the WCM Family Advisory Committee.

CalOptima Featured in Be Well OC Regional Mental Health and Wellness Campus Debut
On January 29, Orange County learned about the public-private partnership focused on changing our community’s mental health system of care. The County of Orange approved a $16.6 million investment in the Be Well OC Regional Mental Health and Wellness Campus. This joins CalOptima’s commitment of $11.4 million for services in the new facility as well as $12 million from Kaiser and St. Joseph Hoag Health. The campus aspires to create a new approach to mental health care that brings together a range of services from prevention and early intervention to acute care and recovery. Construction of the 60,000-square-foot facility begins in the spring. CalOptima participated in the initial press conference announcing the campus, and we anticipate further coverage as news of this first-of-its-kind facility travels.

Supervisor Doug Chaffee Appointed as Alternate CalOptima Board Member
As the new supervisor for Orange County’s Fourth District, Doug Chaffee was appointed by Chairwoman Lisa Bartlett to serve as the alternate on CalOptima’s Board of Directors, effective January 29. Bartlett also reappointed Supervisors Andrew Do and Michelle Steel as CalOptima Board members. Prior to Supervisor Chaffee’s appointment, I met with him to share an overview of CalOptima, including our history, membership and programs. Supervisor Chaffee expressed his appreciation for CalOptima’s service to the 180,000 members in his district.

California Governor Sets Out Ambitious Health Care Platform
Gov. Gavin Newsom began his term on January 7, and right away, he made it clear that health care would be a central focus of his administration’s agenda. He announced a plan to expand Medi-Cal to cover undocumented young adults, proposed a statewide individual health insurance
mandate and issued an executive order to consolidate pharmacy purchasing to lower drug costs. As you know, he campaigned on a universal health care platform, so his proposals signal he intends to work diligently toward changes that address gaps in coverage, access and cost. Given the scope and significance of the governor’s early effort, CalOptima is planning on extensive advocacy work alongside our associations to ensure the interests of our members are considered.

Proposed State Budget Signals Changes in Health Care Landscape
On January 10, Gov. Newsom released his FY 2019–20 state budget proposal, which provides additional detail regarding his ambitious health policy agenda. One of the most impactful elements of this agenda is the carve-out of prescription drugs from Medi-Cal managed care and the return of this benefit to a fee-for-service model no sooner than January 1, 2021, as part of an overall plan to boost the state’s negotiating power with pharmaceutical companies. Despite the information in the budget proposal, many aspects of this transition are yet to be defined, and we plan to engage our associations to influence this potentially major change. Separately, regarding the proposed expansion of Medi-Cal to approximately 138,000 undocumented individuals ages 19 through 25, the budget includes the expected cost of $260 million in FY 2019–20. Further, the budget proposes to maintain existing Prop. 56 supplemental payments to providers and create new programs funded by these revenues, which total $3.2 billion for FY 2019–20. One new Prop. 56 program would establish incentives for providers to increase or improve services in high-impact areas, such as behavioral health, prenatal/postpartum care or chronic disease management. Both the expansion of Medi-Cal and the Prop. 56 changes would require legislation to implement. Further, these changes are predicated on the new administration’s expectation that the state’s economy will experience moderate growth in the next fiscal year. The governor’s May Revise could include adjustments based on an updated economic outlook or potential federal policy changes.

Texas Affordable Care Act (ACA) Ruling Raises Questions About Stability of the Law
As was widely reported, a federal judge in Texas issued a ruling in December that could impact the future of the ACA. Specifically, he found that the ACA is unconstitutional based on the removal of the individual mandate tax penalty. The ACA drove the expansion of Medi-Cal and thus CalOptima’s growth in membership since 2014. That said, the ruling is far from final, and government officials and legal experts expect an appeal will likely reach the U.S. Supreme Court. Until appeals are resolved, the Texas judge granted a stay, so the law is unchanged for our Medi-Cal expansion members. CalOptima will advocate through our state and national trade associations to ensure the stability of the ACA.

Homeless Health Is the Central Topic of Meetings With County Leaders
In January, CalOptima participated in key meetings addressing homeless health:
- **Judge David O. Carter:** Supervisor Andrew Do, Orange County Health Care Agency Director Richard Sanchez and I met with Judge Carter to discuss CalOptima’s activities in homeless health given Orange County’s ongoing homeless crisis.
- **County Agencies:** CalOptima and county leaders, including representatives from the Health Care Agency, Social Services Agency and Office of Care Coordination, met twice in January to tackle issues related to improving services for our community’s homeless population. The first meeting clarified the resources available from the county and CalOptima. The second meeting focused on how to deliver physical health to homeless individuals where they are.
As a result of the meetings with the county and the judge, staff are developing proposals in collaboration with stakeholders to address the gaps in the system that separate members who are homeless from the health care they need. While the current delivery system does not work for them, there is no single alternative solution. Thus, CalOptima is exploring a flexible, multipronged approach. Our proposals center on enhanced same-day transportation, increased use of mobile clinics at shelters and clinical field teams that deliver care on the street when necessary. An Information Item at your Board meeting this month will provide additional details.

**CalOptima Requests Flexibility in Start Date for Health Homes Program (HHP)**

HHP is designed to serve Medi-Cal members with multiple chronic conditions who may benefit from enhanced care management and coordination. At this time, CalOptima is slated to participate in the HHP starting July 1, 2019, which is the same go-live date as the WCM transition. Our regulatory team recently asked DHCS officials if there is any flexibility around that date due to the overlap and associated demands on staff and health networks. Additionally, DHCS provided guidance requiring modifications to our proposed approach to HHP using the delegated model. CalOptima expects feedback on the issue of timing and our HHP model during an upcoming conference call with the state.
Whole-Child Model
Pharmacy Information

Kris Gericke, Pharm.D.
Director, Clinical Pharmacy Management

February 26, 2019
CalOptima Pharmacy Benefit

- CalOptima contracts with a Pharmacy Benefit Manager (PBM), MedImpact for some delegated functions
  - Pharmacy network contracting and credentialing
  - Claims processing
  - Prior authorization (PA) intake, deferrals and some approvals

- CalOptima Pharmacy Management responsibilities:
  - Develops the medication formulary (Approved Drug List)
  - Creates PA criteria
  - Processes all PA denials and appeals
Whole-Child Model Pharmacy Goals

• Combine California Children’s Services (CCS) and Medi-Cal pharmacy services under one managed care plan
• Improve coordination and integration of pharmacy services
• Maintain existing patient-pharmacy relationships
• Retain CCS program standards
• Reduce administrative burden
• Improve access to care
WCM Services — Benefits

• Before WCM, CalOptima members enrolled in CCS:
  ➢ Receive medications for CCS conditions from the CCS program
  ➢ Receive carve out medications from state Medi-Cal
  ➢ Receive all other medications from CalOptima

• Under WCM, members receive medications for both CCS and non-CCS conditions through CalOptima’s pharmacy benefit:
  ➢ Receive carve out medications from state Medi-Cal
  ➢ Receive all other medications from CalOptima
WCM Pharmacy Prior Authorization

• Prior to WCM, CalOptima has to require PAs for a large number of medications to determine CCS coverage

• WCM preparation:
  ➢ CalOptima pharmacists outreached to CHOC Children’s specialists for input on formulary coverage and PA criteria
  ➢ CalOptima revised the formulary to remove PA requirements and revise quantity limits for over 100 medications commonly used for CCS members
WCM Pharmacy Prior Authorization

CalOptima Member < 21 years old brings Rx to network pharmacy

Pharmacist submits Rx claim to CalOptima’s PBM

Claim processes? Yes → Pharmacist fills Rx → Member receives medication

No → Pharmacist or prescriber submits PA

PA reviewed per criteria

Meets criteria? Yes → PA approved long-term

PA denied No → PA denied
Continuity of Care

- Members can continue receiving any current prescribed medications after CalOptima becomes responsible for member’s CCS care under WCM
- CalOptima is proactively entering authorizations for medications currently prescribed under the CCS program
- Standard Medi-Cal continuity of care requirements apply to CCS services for members newly enrolled to CalOptima
CalOptima’s Mission

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner
California State Budget: FY 2019–20 Proposal

Whole-Child Model Family Advisory Committee
February 26, 2019

Arif Shaikh
Director, Public Policy and Government Affairs
California Budget Overview

- Fiscal Year (FY) 2019–20
- Total Proposed Budget = $209 billion
- General Fund = $144 billion
- Budget Surplus = Approximately $20 billion
Proposed Medi-Cal Budget

- Estimated enrollment of 13.2 million members

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<tr>
<th>FY 2019–20 Proposed Medi-Cal Budget</th>
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<tr>
<td>General Fund</td>
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<tr>
<td>Federal Funds</td>
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<td>Other</td>
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<td>Total</td>
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Funding Shares

- Medi-Cal Classic = 50/50 federal/state

- Medi-Cal Expansion
  - 2019 = 93/7 federal/state
  - 2020 = 90/10 federal/state

- Children’s Health Insurance Program (CHIP) = 88/12 federal/state
Pharmacy Services Carve-Out

- Executive Order: Carve out pharmacy services from Medi-Cal managed care and return to fee-for-service
- No sooner than July 1, 2021
- Part of an effort to control drug costs
- Senate Budget Committee Informational Hearing on February 14, 2019
Additional Prop. 56 Funding

• Maintain existing Prop. 56 supplemental payments to providers

• Create new Prop. 56 programs
  ➢ Example: Incentives for providers to increase or improve services in high-impact areas, such as behavioral health integration, prenatal/postpartum care or chronic disease management
  ➢ Requires trailer bill language to implement
  ➢ Program details pending
MCO Tax Sunset

• Budget proposal assumes the Managed Care Organization (MCO) Tax sunset on June 30, 2019
  ➢ MCO Tax brought in approximately $1 billion/year for Medi-Cal

• Key legislators are interested in extending the MCO Tax
  ➢ Sen. Richard Pan, Chair, Senate Health
  ➢ Assemblyman Jim Wood, Chair, Assembly Health
Expanding Full-Scope Medi-Cal

• Expand full-scope Medi-Cal to undocumented individuals up to age 25
• No sooner than July 1, 2019
• DHCS estimates:
  ➢ 138,000 newly eligible individuals
  ➢ $194 million General Fund cost in FY 2019–20
• AB 4/SB 29: Expand full-scope Medi-Cal to all undocumented individuals
Next Steps

- Governor’s January budget proposal is just the first step
- Legislature will now begin holding budget hearings
- Governor will release the May Revise
- Legislature then has until June 15 to pass a final state budget
- Governor has until June 30 to sign
CalOptima’s Mission

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

On January 10, 2019, Governor Gavin Newsom released his 2019-20 state budget proposal. The total budget proposed is $209 billion, with General Fund spending at $144 billion, which is flat compared to current year spending. The budget anticipates that the state’s economy and associated revenues will grow at a modest rate, approximately 3.5 percent, which is lower than previous expectations, but still enough to drive an ambitious policy agenda.

Specific to health policy, Gov. Newsom put forward major changes soon after his inauguration on January 7. He announced a plan to expand Medi-Cal to cover undocumented young adults, proposed a statewide individual health insurance mandate and issued an Executive Order to consolidate pharmacy purchasing in order to lower drug costs. He also sent a letter to Congress and the Administration requesting that the Federal Government grant California the regulatory and statutory flexibility required to implement a single-payer system, stating that it does not have the latitude to do so under current law.1 The budget proposal provides additional detail regarding some of these potential changes.

The Medi-Cal Budget

The increase in General Fund dollars allocated to Medi-Cal funding (see table 1 below) is based on an estimated Medi-Cal enrollment of 13.2 million members in fiscal year (FY) 2019-20.2

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<th>FY 2019–20 Proposed Medi-Cal Budget3</th>
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<tr>
<td>General Fund</td>
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<tr>
<td>(10.6 percent increase from 2018-19)</td>
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<td>Federal Funds</td>
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<td>(includes $19.9 billion for MCE)4</td>
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<tr>
<td>Other</td>
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<tr>
<td>(includes $1.05 million in Prop. 56 funds)5</td>
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<td>Total</td>
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Please note that the federal portion of the Medi-Cal budget is funded through several avenues. For original Medi-Cal, also known as Medi-Cal classic, there is a 50/50 match. For the Medi-Cal expansion (MCE) population, there is an enhanced federal match (93/7 for calendar year 2019 and 90/10 for calendar year 2020).6 For the Children’s Health Insurance Program (CHIP) population, there is currently an 88/12 match.

Additional Proposition 56 Medi-Cal Funding

The “other” portion of the Medi-Cal budget, by and large, accounts for state dollars that are drawn from the special funds pool, which includes, for instance, tobacco tax revenue designated for Medi-Cal. A large portion of the revenue raised by Prop. 56’s expansion of the tobacco tax, approved by California voters in November 2016, is designated for augmenting the state’s Medi-Cal budget through supplemental payments for physicians and dentists, among other health care related expenditures. The budget proposes to maintain existing Prop. 56 supplemental payments to providers and create new programs funded by these revenues, which, including federal matching dollars, totals $3.2 billion for FY 2019–20. One new Prop. 56 program would establish incentives for providers to increase or improve services in high-impact areas, such as behavioral health integration, prenatal/postpartum care or chronic disease management.

Pharmacy Services Carve-Out

One of the most impactful elements of Gov. Newsom’s health policy agenda is the carve-out of prescription drugs from Medi-Cal managed care and the return of this benefit to fee-for-service (FFS), no sooner than January 1, 2021.7 While some additional information about this transition was in the budget proposal, many aspects are yet to be defined. The governor’s Executive Order (N-01-19), announced immediately after his inauguration, requires the Department of Health Care Services (DHCS) to begin planning for the transition to FFS in order to boost the state’s negotiating power with pharmaceutical companies. This is part of the governor’s effort to address the rapidly rising cost of prescription drugs. However, numerous questions remain, including whether the state can strengthen its ability to negotiate more effectively with drug companies without a total carve-out of the pharmacy benefit. Carving pharmacy services out of Medi-Cal managed care is likely to result in serious unintended consequences, such as reduced care coordination,
inefficient drug utilization and a far greater administrative burden on the state. Given these considerable concerns, health plans are working with the Newsom Administration on this issue to point out potential challenges as well as suggest alternate solutions, while still supporting his overall goal of controlling pharmaceutical costs and increasing health care affordability.

Expanding Full-Scope Medi-Cal
The Budget proposal includes a provision to expand full-scope Medi-Cal to undocumented individuals between the ages of 19 to 25, no sooner than July 1, 2019. According to DHCS, by the end of the first year of implementation, this expansion would result in an estimated 138,000 newly eligible individuals receiving full-scope benefits at a cost of $194 million to the state’s General Fund ($260 million total). Of note, two companion bills were recently introduced in the legislature – Assembly Bill (AB) 4 and Senate Bill (SB) 29 – that would expand full-scope Medi-Cal to cover undocumented individuals regardless of age. Analyses of AB 4/SB 29’s enrollment and fiscal impacts are not currently available, but are likely to be produced as these bills proceed through the legislative process.

Managed Care Organizations (MCO) Tax
Also of note, the budget proposal assumes the sunset of the MCO Tax. The MCO Tax is one of the financing mechanisms that the State of California utilizes to obtain increased federal funding to support the Medi-Cal program. The current iteration of the MCO tax, which became effective in July 2016 via a Centers for Medicare & Medicaid Services (CMS) waiver process, will sunset on June 30, 2019. Extending it would require reauthorization from the State Legislature and approval from CMS. The health insurance industry in California has supported participation in the MCO tax, as it has resulted in substantial revenue streams for health care programs. Specifically, the MCO tax results in more than $1 billion in annual funding for the Medi-Cal program, as well as $300 million in funding to support services for people with developmental disabilities. Notably, there were complexities associated with enacting the current MCO tax, as CMS required that it must meet new criteria, based on Medicaid financing provisions in the Social Security Act. Our state trade associations, California Association of Health Plans (CAHP), and Local Health Plans of California (LHPC) have begun discussions with key stakeholders, including legislators and state officials, to look at options for a potential renewal of the MCO tax, taking into account the criteria that was used to ensure the passage of its current iteration. Of note, Senator Richard Pan, Chair of the Senate Health Committee, Assembly Member Jim Wood, Chair of the Assembly Committee on Health, and officials from the state Department of Finance have all recently indicated their willingness to consider a MCO tax extension.

Next Steps
Many of these policy changes are predicated on the new administration’s expectation that the state’s economy will experience moderate growth in the next fiscal year. The Governor’s May Revise of the budget proposal could include adjustments based on a revised economic outlook or potential federal policy changes. We will continue to follow these proposals closely as they move through the budget process. Also, both the expansion of full-scope Medi-Cal and the Prop. 56 changes would require legislation to implement. Specific to the expansion, DHCS will propose trailer bill language to implement this change and it is likely to be dependent on systems changes and network readiness approvals being in place prior to implementation.

It is important to remember that the Governor’s January budget proposal is just the first step in the state’s budget process. The Legislature will now begin holding budget hearings in an effort to build consensus. After the Governor releases the May Revise, the Legislature will have until June 15 to submit a final state budget for the Governor’s approval. CalOptima will continue to closely follow these ongoing budget discussions and provide updates regarding any issues that have a significant impact on the Agency.
About CalOptima

CalOptima is a county organized health system that administers health insurance programs for low-income children, adults, seniors and people with disabilities in Orange County. Our mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner. 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).

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

Silver Ho  
*Compliance Officer, Office of Compliance*  
657-235-6997; sho@caloptima.org

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

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

Jackie Mark  
*Senior Policy Analyst, Government Affairs*  
657-900-1157; jackie.mark@caloptima.org

**Endnotes**


2 Governor’s Budget Summary 2019-20, p. 62

3 Department of Health Care Services, “2019-20 Governor’s Budget Highlights,” p. 14

4 Governor’s Budget Summary 2019-20, p. 67

5 Ibid


7 Department of Health Care Services, “2019-20 Governor’s Budget Highlights,” p. 6

8 Governor’s Budget Summary 2019-20, p. 65

9 Ibid, p. 70


Denti-Cal Initiative

Whole Child Model Family Advisory Committee
February 26, 2019

Arif Shaikh
Director, Public Policy and Government Affairs

Candice Gomez
Executive Director, Program Implementation
Agenda

• Background
• Opportunity
• Exploration
• Next Steps
Background

- The Department of Health Care Services (DHCS) is responsible for administrating dental benefits for Medi-Cal beneficiaries through a system separate (“carved out”) from medical benefits.

- Dental benefits are administered by Denti-Cal using two different models:
  - Fee-for-Service (FFS): Beneficiaries receive dental services from any licensed Denti-Cal-enrolled provider who accepts Denti-Cal payments and agrees to see them.
  - Dental Managed Care (DMC): Medi-Cal pays dental plans a set amount per member per month, and members are only allowed to receive services from providers within the plan’s network.
• The Little Hoover Commission issued a scathing 2016 report about FFS Denti-Cal
  ➢ Denti-Cal is “broken, bureaucratically rigid and unable to deliver the quality of dental care most other Californians enjoy.”
  ➢ Utilization of dental benefits for Medi-Cal members is low, due primarily to a shortage of dental providers who participate in Denti-Cal
Background (Cont.)

• Currently, two California counties have DMC
  ➢ Sacramento County: DMC model is mandatory, and Medi-Cal beneficiaries are mandatorily enrolled in a DMC plan. Beneficiaries, however, may opt out of a DMC plan and move to a FFS Denti-Cal plan.
  ➢ Los Angeles County: Beneficiaries are automatically enrolled in FFS Denti-Cal and must opt in to participate in a DMC plan.

• San Mateo County scheduled to launch DMC in July 2019
  ➢ Pilot is designed to test the impact on access, quality, utilization and cost when dental care is a managed care benefit.
Opportunity

• CalOptima is committed to ensuring the health and well-being of our community
  ➢ Track record of collaborating with providers, regulators and other stakeholders to improve the local delivery system
  ➢ Ample experience at integrating programs and realizing better access and improved care coordination for members

• On November 1, 2018, CalOptima’s Board of Directors authorized staff to explore policy opportunities to carve in dental benefits for Orange County Medi-Cal members
Exploration

- CalOptima staff will take a three-pronged approach to exploring the policy opportunity to carve in dental benefits
  1. Engage local stakeholders, including the Orange County Dental Society, to discuss opportunities for CalOptima to develop a dental provider network that increases access to dental care for Medi-Cal members
  2. Engage regulators and statewide advocacy organizations, including DHCS and the California Dental Association, to determine their level of support for policy solutions that integrate dental benefits into Medi-Cal managed care in Orange County
  3. Engage members of the Orange County delegation to identify opportunities through the state legislative process
Engage Local Stakeholders

• CalOptima is now working to gather feedback from local stakeholders who understand the needs of the community

• CalOptima will be seeking letters of support from organizations that share our interest in integration
  ➢ Response is requested by March 1, so CalOptima can further discussions with regulators and state advocacy groups
CalOptima’s Mission

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