



# CalOptima Health

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**FOR IMMEDIATE RELEASE**

## **CALOPTIMA HEALTH ALLOCATES \$107.5 MILLION TO SUPPORT PROVIDER RATES AND MEMBER CARE DURING THE TRANSITION OUT OF THE PUBLIC HEALTH EMERGENCY**

*Rate increases for Medi-Cal health networks, community clinics and fee-for-service providers offered from July 2023 to August 2024*

**ORANGE, Calif. (June 28, 2023)** — Reflecting CalOptima Health’s commitment to member and provider needs as the Public Health Emergency (PHE) ends and Medi-Cal renewals begin again after a three-year hiatus, the Board of Directors approved supplemental funding totaling up to \$107.5 million. This reflects an across-the-board 7.5% rate increase to support contracted health care providers while all current Medi-Cal recipients complete renewal forms to determine continued health insurance eligibility. The major concern is that up to 20% of those currently covered by Medi-Cal could lose coverage. Current CalOptima Health members are encouraged to look for their renewal forms 60 days before they must complete and return them to the County of Orange Social Services Agency.

“Since 2020 and throughout the pandemic, CalOptima Health has provided \$138 million in supplemental payments to providers as they dealt with the challenges of COVID-19,” said Michael Hunn, CalOptima Health Chief Executive Officer. “The transition out of the PHE and the Medi-Cal renewal process will further burden the health care delivery system. This new funding of \$107.5 million from our reserves will help alleviate some of that financial strain.”

The increase will be available to qualifying health networks, community clinics and fee-for-service providers, including hospitals and primary care, specialist, ancillary and behavioral health providers. Medically necessary covered services delivered July 1, 2023, through August 31, 2024, qualify for the temporary rate increase.

“CalOptima Health’s continued support is greatly appreciated and reflects the organization’s commitment to the health of patients at the local level,” said Toan Tran, M.D., an internal medicine physician with Family Choice Health Network, which serves approximately 51,103 CalOptima Health members. “The Medi-Cal renewal process was on hold for three years, but it just started again, so the impact is unknown. This funding is substantial and will be important as we navigate this period.”

Emergency medicine physician Timothy Korber, M.D., has been on the frontlines of the pandemic since the beginning. “I am grateful for this extra funding as doctors navigate this transition and continue to provide the best care possible to our patients.”

Peter Baronoff, CEO and Managing Director of KPC Global, representing CalOptima Health-contracted hospitals in Orange County, said: “If a Medi-Cal member finds themselves in a hospital bed, the last thing they need to worry about are changes happening in the broader world of health care. This funding enables them, and us, to focus on what’s truly important — their health.”

Some services are excluded from the rate increase, including pharmacy and non-pharmacy administered drugs, long-term care services, durable medical equipment and other medical devices, and crossover claims.

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**About CalOptima Health**

A county-organized health system, CalOptima Health provides publicly funded health care coverage for low-income children, adults, seniors, and people with disabilities in Orange County, California. CalOptima Health’s mission is to serve member health with excellence and dignity, respecting the value and needs of each person. CalOptima Health serves more than 990,000 members with a network of nearly 9,600 primary care doctors and specialists and 45 acute and rehab hospitals.