

**NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS**

**MARCH 17, 2022
2:00 P.M.**

**505 CITY PARKWAY WEST, SUITE 108
ORANGE, CALIFORNIA 92868**

BOARD OF DIRECTORS

Supervisor Andrew Do, Chair	Clayton Corwin, Vice Chair
Isabel Becerra	Supervisor Doug Chaffee
Clayton Chau, M.D.	Blair Contratto
José Mayorga, M.D.	J. Scott Schoeffel
Nancy Shivers, R.N.	Trieu Tran, M.D.

Supervisor Katrina Foley, Alternate

CHIEF EXECUTIVE OFFICER
Michael Hunn

OUTSIDE GENERAL COUNSEL
James Novello
Kennaday Leavitt

CLERK OF THE BOARD
Sharon Dwiers

This agenda contains a brief description of each item to be considered. Except as provided by law, no action shall be taken on any item not appearing on the agenda. To speak on an item, complete a Public Comment Request Form identifying the item and submit to the Clerk of the Board. To speak on a matter not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors, you may do so during Public Comments. Public Comment Request Forms must be submitted prior to the beginning of the Consent Calendar and/or the beginning of Public Comments. When addressing the Board, it is requested that you state your name for the record. Address the Board as a whole through the Chair. Comments to individual Board Members or staff are not permitted. Speakers are limited to three (3) minutes per item.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the Clerk of the Board's Office at (714) 246-8806, at least 72 hours prior to the meeting.

The Board Meeting Agenda and supporting materials are available for review at CalOptima, 505 City Parkway West, Orange, CA 92868, Monday-Friday, 8:00 a.m. – 5:00 p.m. These materials are also available online at www.caloptima.org. Board meeting audio is streamed live on the CalOptima website at www.caloptima.org.

To ensure public safety and compliance with emergency declarations and orders related to the COVID-19 pandemic, individuals are encouraged not to attend the meeting in person. As an alternative, members of the public may:

1.) Participate via Zoom Webinar at:

https://zoom.us/webinar/register/WN_1EcvCHs3T9yv7Qq9k6Kv9A and Join the Meeting.

Webinar ID: 918 0222 5978

Passcode: 723276 -- Webinar instructions are provided below.

CALL TO ORDER

Pledge of Allegiance
Establish Quorum

PRESENTATIONS/INTRODUCTIONS

PUBLIC COMMENTS

At this time, members of the public may address the Board of Directors on matters not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors. Speakers will be limited to three (3) minutes.

REPORTS/DISCUSSION ITEMS

1. Resolution to Adopt New Mission and Vision Statement for CalOptima
2. Authorize Digital Transformation and Workplace Modernization Strategy
3. Consider Approval of Actions Related to Homeless Health Care Initiative for Street Medicine
4. Consider Approval of an Employment Agreement and Agreement Terms for the Chief Executive Officer

CLOSED SESSION

- CS-1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8
Property: 500 City Parkway West, Orange, CA 92868.
Agency Negotiators: David Kluth, Justin Hodgdon, and Mai Hu, Newmark Knight Frank
Negotiating Parties: CGGL CITY PARKWAY LLC
Under Negotiation: Price and Terms of Payment
- CS-2. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(b)

BOARD MEMBER COMMENTS AND BOARD COMMITTEE REPORTS

ADJOURNMENT

TO JOIN THE MEETING

Please register for the Regular Meeting of the CalOptima Board of Directors on March 17, 2022 at 2:00 p.m. (PST)

https://zoom.us/webinar/register/WN_1EcvCHs3T9yv7Qg9k6Kv9A

Or One tap mobile:

+16699009128,,91802225978#,,,,*723276# US (San Jose)

+12532158782,,91802225978#,,,,*723276# US (Tacoma)

Or join by phone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592

Webinar ID: 918 0222 5978

Passcode: 723276

International numbers available: <https://zoom.us/j/91802225978>

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken March 17, 2022 Regular Meeting of the CalOptima Board of Directors

Report Item

1. Resolution to Adopt New Mission and Vision Statement for CalOptima

Contacts

Michael Hunn, Chief Executive Officer, (657) 900-1481

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

Recommended Action(s)

1. Adopt Resolution of an updated Mission and Vision Statement for CalOptima.
2. Direct the Chief Executive Officer to revise CalOptima Policy AA.1201 to reflect CalOptima's updated Mission and Vision Statement.

Background and Discussion

CalOptima was created by the Orange County Board of Supervisors in 1993 as a County Organized Health System (COHS) to meet the needs of Orange County residents and providers in the Medicaid system.

In July of 1994, the CalOptima Board of Directors (Board) adopted the Mission, Goals, and Objective Statement for O.P.T.I.M.A as developed by the Provider Advisory Committee and the Consumer/Beneficiary Advisory Committee.

At that time, the Board wanted to ensure that the statement regarding the inclusion of the County-responsible indigent population in O.P.T.I.M.A was linked to the availability of adequate funding for services provided to this population.

The following mission was adopted and defined in Policy #AA. 1201:

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

CalOptima also adopted the following vision statement:

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

In 2013, during a strategic planning session conducted by the Board updating the mission was considered. Ultimately, it was agreed upon that the original mission statement did not require any changes.

Today, CalOptima is the single largest health insurer in Orange County, providing coverage for one in four residents through four programs:

- Medi-Cal
- OneCare

- OneCare Connect
- PACE

As of January 31, 2022, CalOptima membership totaled 879,635 individuals. Given the evolution CalOptima has undergone since 1994 and future growth and implementation of programs, CalOptima is recommending the mission and vision statement be changed for the first time in the agency's history. The new mission and vision statements, upon approval, will be as follows:

- Mission-To serve member health with excellence and dignity, respecting the value and needs of each person.
- Vision-By 2027, remove barriers to healthcare access for our members, implement same day treatment authorizations and real-time claims payments for our providers, and annually assess members' social determinants of health.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

CalOptima's mission has not been updated since 1994, the new mission and vision statement represent the agency's strategic plan over the next five years.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. Policy#AA.1201
2. Resolution No. 22-0317-01 Adopt New Mission and Vision Statement for CalOptima

/s/ Michael Hunn
Authorized Signature

03/11/2022
Date



Policy #: AA.1201
Title: **CalOptima Mission**
Dept.: Administration
Section: Not Applicable
Board of Directors/CEO: Richard Chambers *RC*
Effective Date: 10/95 Revised: 6/1/07

I. PURPOSE

To define CalOptima's mission.

II. POLICY

- A. CalOptima is a community partnership dedicated to providing access and quality health care services to Members.
- B. CalOptima's mission is to provide Members with access to high quality health services delivered in a cost effective and compassionate manner.
- C. In carrying out its mission, CalOptima shall ensure:
 - 1. Accountability for the highest degree of public trust and confidence in CalOptima's integrity, fairness, and efficiency;
 - 2. Member understanding and use of health services;
 - 3. Member choice of, and improved access to, appropriate health services;
 - 4. Timely and cost-effective delivery of appropriate, quality health services to Members;
 - 5. Improved Member health status through health education, wellness and health promotions, and early detection and intervention.

III. PROCEDURE

Not Applicable

IV. FORMS

Not Applicable

V. REFERENCE

CalOptima Mission Statement as approved by the CalOptima Board of Directors, July 19, 1994

MINUTES

O.P.T.I.M.A. of ORANGE COUNTY

BOARD OF DIRECTORS MEETING

JULY 19, 1994

BOARD HEARING ROOM, FIRST FLOOR

10 Civic Center Plaza

Santa Ana, California

PRESENT:

John R. Cochran, III, Chair; Arthur Birtcher, Vice-Chair; Peter Anderson, M.D.; Mary K. Dewane, Chief Executive Officer; Richard Frankenstein, M.D.; Joyce M. Munsell, M.P.A.; R. Michael Scarano, Jr., Legal Counsel; and Harriett M. Wieder, Second District Supervisor. Claire P. Heaney, R.N., was absent from the meeting.

The meeting was called to order at 3:05 PM by Chairman Cochran.

APPROVAL OF MINUTES:

Dr. Anderson moved that the minutes from the June 21st meeting be approved. Dr. Frankenstein seconded the motion, and the minutes were approved.

Ms. Munsell arrived at 3:14 PM. Supervisor Wieder arrived at 3:20 PM.

CEO'S REPORT:

Ms. Dewane informed the Board that O.P.T.I.M.A. would be holding an educational conference on September 22nd, from 7:30 AM to 4:30 PM at the Anaheim Hilton.

She also informed the Board that O.P.T.I.M.A. would be moving to new office space at noon on Friday, July 22, 1994. She noted that the new street address would be: 401 Civic Center Drive West. She stated that the mailing address would remain the same. Chairman Cochran asked that O.P.T.I.M.A. staff inform those on its mailing list of the new address.

Ms. Dewane introduced Mr. Victor Gonzalez as new Chief Financial Officer of O.P.T.I.M.A. Mr. Gonzalez made a few brief welcoming remarks to the Board.

Ms. Dewane updated the Board on the status of the Medical Director search, and noted that resumes were being accepted for the position. Supervisor Wieder asked whether O.P.T.I.M.A. would be using the services of an executive search firm. Ms. Dewane stated that all options, including the use of a search firm, are currently under consideration.

Ms. Munsell moved, and Dr. Frankenstein seconded, a motion to receive and file the comments made by the O.P.T.I.M.A. CEO and include them in the record of this meeting. MOTION CARRIED UNANIMOUSLY.

STATEMENT OF MISSION, GOALS, AND OBJECTIVES:

Ms. Dewane stated that the Provider Advisory Committee and the Consumer/Beneficiary Advisory Committee had developed the Mission, Goals and Objective Statement for O.P.T.I.M.A. Ms. Dewane thanked the respective chairs of each Advisory Committee for spearheading this effort, and called on each chair to present a report to the Board regarding the Statement. Ms. Ellen Severoni made the presentation on behalf of the Consumer/Beneficiary Advisory Committee, and Dr. Dennis Clark on behalf of the Provider Advisory Committee. Both Advisory Committees recommended that the Board adopt the Mission, Goals, and Objectives Statement.

Supervisor Wieder expressed her appreciation for these reports from the Committees, and Chairman Cochran acknowledged the efforts of both committees. Chairman Cochran opened the floor for public comment. No comments from the public were received.

Supervisor Wieder moved, and Ms. Munsell seconded, a motion to approve the final Mission, Goals and Objectives Statement as recommended by the O.P.T.I.M.A. Advisory Committees. MOTION CARRIED UNANIMOUSLY.

Chairman Cochran wanted to clarify for the record that the second point of the Mission statement regarding the inclusion of the County-responsible indigent population in O.P.T.I.M.A. is linked to the availability of adequate funding for services provided to this population.

PROCESS FOR COMMUNITY OUTREACH:

Ms. Dewane stated that staff had developed a process to have the Advisory Committees begin to reach out to community groups to seek their input on O.P.T.I.M.A. Ms. Dewane noted that staff had

prepared a community questionnaire which would be used to gather input from interested parties.

Supervisor Wieder asked whether this effort would be conducted with in-house staff. Ms. Dewane stated that two Advisory Committee Liaisons would be hired soon, and that they would help staff this effort. Supervisor Wieder said that the intent of the effort was good, but cited limited resources in terms of staffing. Supervisor Wieder suggested that staff explore the idea of hiring a consultant to do public outreach, and also suggested that staff look to OCTA for examples of what effective public outreach efforts. Chairman Cochran suggested that staff work with the Advisory Committees to develop appropriate ways to do public outreach and to return with recommendations. Chairman Cochran also added that this would provide a beginning for following up on Supervisor Wieder's suggestion from the June 21st meeting to have an organized way to solicit input from the public.

Supervisor Wieder moved, and Dr. Frankenstein seconded, a motion to approve the recommended formats for soliciting input from the community. MOTION CARRIED UNANIMOUSLY.

**SELECTION OF
DESIGN OPTIONS FOR
FURTHER STUDY:**

Ms. Dewane asked Cindy Johnson, of The Pacific Health Policy Group, to make a presentation on the range of possible design options, as well as the implications of such options.

Ms. Johnson presented five options, as well as an evaluation of each option (Ms. Johnson presented the attached slides during her presentation).

During the discussion of Option 3 (partially capitated group model), Chairman Cochran asked whether Option 3 would be limited to existing physician groups. Ms. Johnson clarified that the option could include new groups. Vice-Chairman Birtcher asked whether the new groups would have the ability to meet requirements of participating groups. Ms. Johnson stated that requirements on new groups would be an issue for Option 3. Dr. Anderson stated that traditional providers would have a tough time under Option 3, and that they needed to be kept in the system.

During the discussion of Option 5 (state-licensed HMO model), Supervisor Wieder asked whether this model would exclude

private physicians. Ms. Johnson noted that private physicians could be excluded.

Dr. Frankenstein asked Ms. Johnson to compare the complexity of state licensure requirements for HMOs in Arizona and California. Ms. Johnson stated that Arizona's state licensure requirements and procedures are much less complex than California's. Ms. Johnson added that California's requirements are among the most complicated and difficult.

Vice Chairman Birtcher asked about the State's expectations regarding O.P.T.I.M.A., and suggested that this question be revisited at a later date. Ms. Johnson concurred, noting that any consideration of options should look at where O.P.T.I.M.A. can add value.

Chairman Cochran noted that the options had an acute care focus, but did not directly address mental health, long term care, and case managed services such as California Children's Service. Ms. Dewane stated that she had asked Ms. Johnson to focus her presentation on acute care. Ms. Dewane noted that the mental health services are being handled at the County level, and the long term care and CCS services would be addressed at a later date.

With respect to Option 3, Ms. Munsell asked how O.P.T.I.M.A. would deal with solo practitioners. Ms. Johnson stated that O.P.T.I.M.A. could help to facilitate solo practitioners joining groups by helping to make linkages. Chairman Cochran added that in other health care markets, providers are being encouraged to join together to form groups.

Dr. Anderson noted that Orange County does not have a safety net such as a county hospital. Therefore, O.P.T.I.M.A. has a higher obligation to include traditional providers to maintain the safety net.

Chairman Cochran asked whether there would be a transitional role for safety net/traditional providers under Option 4. Ms. Johnson stated that O.P.T.I.M.A. could require the Fully Integrated Networks (FINS) to include traditional/safety net providers as a condition of participation. Ms. Johnson noted that smart plans would be looking for traditional providers to join their groups and that O.P.T.I.M.A. could have a role in encouraging this.

Dr. Anderson expressed concern that if traditional providers join larger medical groups, they might no longer provide care for the IMS population. Dr. Anderson stressed the need to weigh the options against the entire patient population.

At this time, Chairman Cochran opened the floor to comments from the public on the options presented.

Mr. Jim Ringrose, representing several Orange County hospitals, stated that Option 5 would be least advantageous because O.P.T.I.M.A. would be highly exposed financially. He also stated that Options 4 and 5 would be difficult because of prohibitions in state and Federal law against organizations like O.P.T.I.M.A. assuming full risk and contracting with non-licensed HMOs. He argued in favor of a blend of Options 2, 3 and 4 which would limit O.P.T.I.M.A.'s financial exposure.

Mr. Frank Palkoffer, President of the California Association of Prepaid Dental Plans, recommended that the Board consider separating contracting for dental services from medical services. Mr. Palkoffer argued that most HMOs contract separately for dental services. Ms. Dewane pointed out that O.P.T.I.M.A. will assure the participation of the traditional and safety net providers, and that dental care would be coordinated with acute care particularly with respect to the CHDP program.

Dr. Bart Henderson, representing himself, stated that the Board should be careful of risk shifting, and that reinsurance could protect against risk shifting. Dr. Henderson also stated that Orange County has a large number of specialists and warned against accommodating them. Dr. Henderson added that O.P.T.I.M.A. might not necessarily want to include all of the traditional providers, and instead should consider ways to reward selected providers based upon quality.

Dr. Frankenstein, and Vice-Chairman Birtcher seconded, a motion to direct the O.P.T.I.M.A. CEO to examine the impact and implications of Options 2, 3 and 4. Dr. Frankenstein added that, in performing this examination, the Board should be mindful of Supervisor Wieder's comments regarding public input, and that the examination should seek public input. Chairman Cochran asked whether the State would object to elimination of either Option 1 or 5 from consideration. Ms. Dewane responded that the

State would not object. A call for a vote on the original motion, as seconded, was approved. **MOTION CARRIED UNANIMOUSLY.**

Dr. Frankenstein added that staff should begin drawing up a timeline for the receipt of more information on Options 2, 3 and 4, and for more input from Advisory Committees.

PUBLIC COMMENTS: No public comments were received.

ADJOURNMENT: The meeting was adjourned at 6:00 p.m.

AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
O.P.T.I.M.A. OF ORANGE COUNTY
ORANGE COUNTY, CALIFORNIA
TUESDAY, July 19, 1994

3 p.m. - 6 p.m.

BOARD HEARING ROOM, FIRST FLOOR
10 Civic Center Plaza
Santa Ana, California

John R. Cochran, III
Chairman

Peter Anderson, M.D.

Arthur Birtcher
Vice-Chairman

Richard Frankenstein, M.D.

Claire P. Heaney, R.N.

Joyce M. Munsell, M.P.A.

Harriett M. Wieder
Supervisor

Gaddi H. Vasquez, Supervisor
(Alternate)

AGENDA: This agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda.

At this time, members of the public may ask the Board to be heard on the following items as those items are called.

ITEM

A: **APPROVAL OF MINUTES FROM JUNE 21 BOARD MEETING.**

B: **CEO's REPORT.**

- Upcoming conference on O.P.T.I.M.A.
- O.P.T.I.M.A. Office Space Update
- Status of hires for key O.P.T.I.M.A. staff
- Medical Director Search Update

C: **O.P.T.I.M.A. MISSION, GOALS AND OBJECTIVES STATEMENT.** The O.P.T.I.M.A. Advisory Committees submit a final Mission, Goals and Objectives Statement for the Board's consideration.

RECOMMENDED ACTION: Approve the final Mission, Goals and Objectives Statement as submitted to the Board.

D: **O.P.T.I.M.A. ADVISORY COMMITTEES.** Development of a process to obtain input from community groups and organizations about their positions and concerns regarding the O.P.T.I.M.A. program.

RECOMMENDED ACTION: Direct the O.P.T.I.M.A. Advisory Committees to solicit information from community groups and organizations on their positions and concerns regarding the O.P.T.I.M.A. program.

E: **O.P.T.I.M.A. DESIGN OPTIONS.** Consideration of options for the design on the O.P.T.I.M.A. program.

RECOMMENDED ACTION: Direct the O.P.T.I.M.A. CEO to examine the impact and implications of option(s) selected by the Board on members.

PUBLIC COMMENTS:

At this time, members of the public may address the Board regarding any issues as they relate to O.P.T.I.M.A. The Chair may set time limits on comments, if necessary, subject to the approval of the Board.

BOARD COMMENTS:

At this time, members of the Board may comment on the agenda items or any other matters as they relate to O.P.T.I.M.A.

ADJOURNMENT:



Policy: AA.1201
Title: **CalOptima Mission, Vision, and Values**
Department: CalOptima Administrative
Section: Strategic Development

CEO Approval: /s/ Richard Sanchez 03/24/2021

Effective Date: 10/01/1995

Revised Date: 03/01/2021

Applicable to: Medi-Cal
 OneCare
 OneCare Connect
 PACE
 Administrative

I. PURPOSE

This policy defines CalOptima's mission, vision, and values.

II. POLICY

A. CalOptima was created as a public agency, operates like a private sector health plan, and is accountable to stakeholders to build public trust.

1. In short, CalOptima is a community partnership dedicated to providing access and quality health care services to Members.

B. CalOptima's mission statement: To provide members with access to quality health care services delivered in a cost-effective and compassionate manner.

1. Our mission statement has been fundamental since CalOptima was founded.

2. In carrying out its mission, CalOptima shall ensure:

a. Accountability for the highest degree of public trust and confidence in CalOptima's integrity, fairness, and efficiency;

b. Member understanding and use of health services;

c. Member choice of, and improved access to, appropriate health services;

d. Timely and cost-effective delivery of appropriate, quality health services to Members; and

e. Improved Member health status through health education, wellness and health promotions, and early detection and intervention.

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

1. In achieving its vision, CalOptima shall:

- a. Collaborate with Providers, Community Health Centers, county agencies, Regulatory Agencies, and other community stakeholders;
- b. Develop innovative solutions to meet the diverse Members’ health needs;
- c. Consider Providers’ capacity in determining what new programs to implement; and
- d. Ensure that CalOptima governance procedures are transparent.

D. CalOptima’s values: CalOptima CARES about our Members and Providers:

- 1. Collaboration;
- 2. Accountability;
- 3. Respect;
- 4. Excellence; and
- 5. Stewardship.

III. PROCEDURE

Not Applicable

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

Not Applicable

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
07/19/1994	Regular Meeting of the CalOptima Board of Directors
09/05/2013	Regular Meeting of the CalOptima Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	10/01/1995	AA.1201	CalOptima Mission	Administrative
Revised	06/01/2007	AA.1201	CalOptima Mission	Administrative
Revised	11/01/2016	AA.1201	CalOptima Mission	Administrative
Revised	05/01/2017	AA.1201	CalOptima Mission	Administrative
Revised	02/01/2019	AA.1201	CalOptima Mission	Administrative

Action	Date	Policy	Policy Title	Program(s)
Revised	03/01/2020	AA.1201	CalOptima Mission	Administrative
Revised	03/01/2021	AA.1201	CalOptima Mission	Administrative

IX. GLOSSARY

Term	Definition
Community Health Center	Also known as Community Clinic—a health center that meets all of the following criteria: <ol style="list-style-type: none">1. Recognized by the Department of Public Health as a licensed Community Clinic or is a Federally Qualified Health Center (FQHC) or FQHC Look-Alike;2. Affiliated with a Health Network or CalOptima Direct; and3. Ability to function as a Primary Care Provider (PCP).
Member	A beneficiary enrolled in a CalOptima program.
Provider	For the purposes of this policy, all contracted Providers including physicians, Non-physician Medical Practitioners, ancillary providers, and facilities or institutions who furnish Covered Services.
Regulatory Agencies	For the purposes of this policy, regulatory agencies include, but are not limited to: Centers for Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), and Department of Managed Health Care (DMHC).

RESOLUTION NO. 22-0317-01

**RESOLUTION OF THE BOARD OF DIRECTORS
ORANGE COUNTY HEALTH AUTHORITY
d.b.a. CalOptima**

RESOLUTION FOR MISSION AND VISION STATEMENT

WHEREAS, the governing body of the Orange County Health Authority, dba CalOptima, (“CalOptima”) adopted Mission, Goals, and Objective Statement O.P.T.I.M.A in July of 1994;

WHEREAS, this mission statement adopted in 1994 stated, the mission is to provide members with access to quality health care services delivered in a cost-effective and compassionate manner;

WHEREAS, the adoption of the mission statement was reflected in Policy #AA. 1201;

WHEREAS, the governing body of CalOptima has adopted a new mission and vision statement on March 17, 2022 and will be reflected in Policy #AA. 1201;

WHEREAS, the governing body adopted CalOptima’s new mission and vision statement as follows;

- Mission: To serve member health with excellence and dignity, respecting the value and needs of each person.
- Vision: By 2027, remove barriers to healthcare access for our members, implement same day treatment authorizations and real-time claims payments for our providers, and annually assess members’ social determinants of health.

NOW, THEREFORE, BE IT RESOLVED that the governing body of CalOptima adopts a new mission and vision statement.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this 17th day of March 2022.

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

/s/ _____

Title: Chair, Board of Directors

Printed Name and Title: Andrew Do, Chair, CalOptima Board of Directors

Attest:

/s/ _____

Sharon Dwiars, Clerk of the Board

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken March 17, 2022 **Regular Meeting of the CalOptima Board of Directors**

Report Item

2. Authorize Digital Transformation and Workplace Modernization Strategy

Contacts

Wael Younan, Chief Information Officer/Chief Information Security Officer, (657) 900-1154

Yunkyung Kim, Chief Operations Officer, (714) 246-8405

Recommended Action(s)

1. Authorize Digital Transformation and Workplace Modernization Strategy
2. Approve the Creation of a Restricted Digital Transformation and Workplace Modernization Reserve in the amount of \$100 million from Existing Reserves
3. Authorize Additional Staffing to Support the Digital Transformation Requirements

Background

Technology is an essential part of delivering optimized healthcare to CalOptima members. Information Technology Services has not been appropriately funded to keep up with modernization of delivery services to better suit the needs of the members. To provide high quality care and remain competitive in providing an enhanced model of care for members, a restructure of existing infrastructure is required.

Discussion

Information Technology (IT) advancements enhance productivity and data backed decision making in healthcare to provide better outcomes for members. The healthcare industry is now able to introduce automation for manual efforts, the potential for artificial intelligence and machine learning to assist with predictive analysis and prevention of negative health outcomes.

CalOptima's existing infrastructure prevents the Agency from being agile and pivoting and scaling to meet these needs. CalOptima will require an infrastructure overhaul to meet expedited turnaround times, claims and process automation, data sharing with partners, expedited treatment authorizations, and development of a Health Information Exchange (HIE) program to improve care for 879,635 current members and potential members moving forward.

This investment will allow CalOptima to:

- Upgrade the legacy technology, improving our effectiveness, efficiency, and resiliency as an organization
- Leverage new platforms to deploy services faster and with better quality
- Assist the organization to become data driven, especially in our decision making for members and providers; and
- Ensure appropriate oversight and reporting of the entire program through alignment of organization structure with qualified talent, content experts and technical solutions.

This critical investment will support changing healthcare requirements and needs of providers and members. Below are investment priorities for our FY2022-2025 Digital Transformation Roadmap and estimated allocations:

Information Technology Services	
Infrastructure and Operations	\$49M
Cyber Security Technology and Infrastructure Upgrades Engineering & Architecture 24x7 Continual Monitoring Disaster Recovery/Continuity of Operations Workplace Modernization Staffing Investment and Training	
Application Development	\$30M
Cloud Migration Professional Services Develop Member and Provider Cloud Portal Member Phone App for Easy Access Implement Predictive Analytics-SDOH/CalAIM Improve Member and Provider Experience Optimize Manual work process with Automation Staffing Investment and Training	
Application Management	\$21M
Health Information Exchange (HIE) development Fax Migration to Cloud Member/Provider Self Service (Chatbots) Care Management System Replacement Telehealth Optimization Staffing Investment and Training	

Staff will return to the Board to seek approval of contracts and appropriation of funds for operating and capital expenditures in accordance with CalOptima Policies GA.5002: Purchasing Policy and GA.5003: Budget and Operations Forecasting.

Fiscal Impact

The recommended action is unbudgeted. An allocation of \$100 million from existing reserves will fund this action

Rationale for Recommendation

Investment in technology is a critical component to success and patient delivery efforts. CalOptima will benefit from revenue growth, member outcomes, real-time claims processing, and improvement in treatment authorizations. The implementation of a “cloud-first” strategy, will include a migration of on-premise environments and a heavy investment in cyber-security controls, to maintain regulatory compliance with HIPAA and prevent attacks. This investment will also provide us protection for disaster recovery efforts and allow for continuity of operations for operational resiliency, to not impact our services to members. It will also eliminate most associated costs for data center operations, along with costs around software, hardware, and maintenance. Finally, it will include discovery and implementation for automation in lieu of labor-intensive manual process for speed, accuracy and improved member care and turnaround times.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

None

Board Action(s)

NA

/s/ Michael Hunn
Authorized Signature

03/11/2022
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken March 17, 2022 Regular Meeting of the CalOptima Board of Directors

Report Item

3. Consider Approval of Actions Related to Homeless Health Care Initiative for Street Medicine

Contacts

Michael Hunn, Chief Executive Officer, (657) 900-1481

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

Recommended Action(s)

1. Direct the Chief Executive Officer, or designees, to commit \$8 million in Homeless Health Initiative Funding for purposes of Street Medicine.
2. Direct the Chief Executive Officer, or designees, to develop a Scope of Work for the Street Medicine Request for Proposals and return to the Board in May for approval.

Background and Discussion

In April of 2019, CalOptima Board of Directors appropriated \$100 million in funding for response, coordination and other new initiatives benefitting Medi-Cal members who are homeless, known as the Homeless Health Initiatives (Initiatives). At that time, the Initiatives involved medically necessary covered services including \$11.4 million for mental health services, \$11 million for recuperative care services, and \$2.8 million for clinical field and response teams. Currently, there is \$56,798,913 remaining to be spent from the Homeless Health Initiatives funds. As of March 2022, CalOptima has identified upwards of 10,000 eligible members that may potentially be experiencing homelessness.

The needs of Orange County's community health have grown. In December 2021, a collaboration of public agencies, the Orange County Interagency Council on Homeless Health Care (OCICHHC), was formed for the purpose of creating a Street Medicine Program. Street Medicine includes health and social services developed specifically to address the unique needs and circumstances of unsheltered individuals. The fundamental approach of Street Medicine is to engage people experiencing homelessness where they are and on their own terms to maximally reduce or eliminate barriers to care access and follow-through services. The Street Medicine provider will work with current Clinical Field Teams, outreach workers, and mobile teams to address the needs of the population. The ultimate goal of Street Medicine is to link individuals to the appropriately assigned medical home in order to prevent inappropriate emergency room utilization as well as prevent progression of untreated health conditions that resulted in high mortality rate among those unhoused

In collaboration with the OCICHHC, CalOptima will develop a draft scope of work and return to the Board of Directors for approval of the scope at the May meeting. A request for proposals will be issued upon approval.

Fiscal Impact

The recommended action to commit \$8 million to Street Medicine will be funded from the \$10 million allocation to "Authorize mobile health team to respond to all homeless providers" category approved by the Board on June 27, 2019.

Rationale for Recommendation

In response to the growing health needs of Orange County, CalOptima and other public agencies joined to form the OCICHHC to create a Street Medicine Program. A Street Medicine Program RFP will be developed to specifically address the needs and circumstances of unsheltered individuals.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. [Board Action dated June 27, 2019, Consider Funding Allocations Related to Supervisor Do's Homeless Healthcare Proposal](#)

/s/ Michael Hunn
Authorized Signature

03/11/2022
Date

SUPPLEMENTAL BOARD ACTION AGENDA REFERRAL

Action To Be Taken June 27, 2019
Special Meeting of the CalOptima Board of Directors

Supplemental Report Item

S17a. Consider Funding Allocations Related to Supervisor Do's Homeless Healthcare Proposal

Recommended Actions

Authorize the \$60 million identified for new homeless health initiatives as follows:

1. Clinic health care services in all homeless shelters – \$10 million
2. Authorize mobile health team to respond to all homeless providers – \$10 million
3. Residential support services and housing navigation – \$20 million
4. Extend recuperative care for homeless individuals with chronic physical health issue – \$20 million

Background

Supervisor Do is requesting consideration to allocate the \$60 million identified at the February 22, 2019 Special Board of Directors meeting as follows:

1. Clinic health care services in all homeless shelters – \$10 million
2. Authorize mobile health team to respond to all homeless providers – \$10 million
3. Residential support services and housing navigation – \$20 million
4. Extend recuperative care for homeless individuals with chronic physical health issue – \$20 million

Attachments

1. May 29, 2019 Letter from Supervisor Do
2. June 5, 2019 Letter from Michael Schrader and the CalOptima Board Ad Hoc Committee on Homeless Health
3. June 6, 2019 Letter from Supervisor Do



ANDREW DO
SUPERVISOR, FIRST DISTRICT

ORANGE COUNTY BOARD OF SUPERVISORS
333 W. SANTA ANA BLVD., P.O. BOX 687, SANTA ANA, CALIFORNIA 92702-0687
PHONE (714) 834-3110 FAX (714) 834-5754 andrew.do@ocgov.com

May 29, 2019

Mr. Michael Schrader
CalOptima
505 City Pkwy
Orange, CA 92868

SUBJECT: Request for June 14 Special Meeting on CalOptima's Response to Deaths of Homeless Members

Dear Mr. Schrader,

Given the information my office recently received from CalOptima, I am writing to reiterate my profound concerns regarding the agency's slow rate of progress for homeless services, particularly in light of the Board's Directives to establish homeless services since February 2019. I am also frustrated that out of the 210 homeless deaths last year, 153 were CalOptima members, despite my repeated requests for such services through all of last year. If ever, the time for action is now. We have had 25 more homeless deaths in the first two months of 2019 alone. To assist you and the Homeless Ad Hoc Committee, I am submitting four programs that CalOptima can implement immediately to provide care to our members who are living on the street.

A staggering 73 percent of those who died were enrolled in CalOptima services but were not provided adequate services. In the four months since the Board of Directors authorized my proposed Mobile Health Team, CalOptima has only served 47 individuals out of a population of almost 6,860 homeless residents countywide. Of those 47 patients, 36 were our members. While these feeble numbers should concern you as to the effectiveness of our outreach efforts, they clearly answer your question whether homeless individuals are CalOptima members. CalOptima is permitted to provide services to them using Medicaid funds.

Given such clear mandates, I don't understand your refusal to take referrals from providers other than the Orange County Health Care Agency's Outreach and Engagement Team. Many providers throughout the county interact with our county's homeless population. Such a restriction will necessarily limit the number of cases referred to CalOptima. It also flies in the face of the Board's repeated pledge that we are looking at every way legally possible to provide services.

Additionally, CalOptima's refusal to provide regularly scheduled clinics that led to the flawed decision to provide services solely on an on-call basis places the burden on the County to identify patients and wait with them in the field until CalOptima's contracted clinics show up. Not only is this a wasteful and inefficient model; but given that the wait is sometimes up to two hours, it's no wonder why so few homeless residents have taken up our services.

Finally, I don't understand why CalOptima refuses to provide and the Homeless Ad Hoc Committee has not recommended services at any of the multiple homeless shelters run by the County and Cities. Has CalOptima even done a cursory survey to see if the shelters, in fact, do not have CalOptima members? If you have not done so and nevertheless, refuse to provide services, your

choice is, at a minimum, harmful and negligent. With the data cited above showing actual CalOptima membership among the homeless, I would submit that CalOptima's continuing refusal is in wanton disregard of public health.

For two years, I have experienced consistent pushback to my demands for enhanced homeless health care from you, counsel and other Directors at CalOptima. I have been told repeatedly by CalOptima staff and counsel that CalOptima can only fund core health care services for CalOptima members, and these homeless individuals were not CalOptima members, therefore the agency was limited in what it can do.

Even after we were confronted in February in federal court with the number of homeless deaths, our Board's and CalOptima's staff response continued to be one of denial. After all this time we still needed research to confirm if any of these homeless who died were actually members of CalOptima. Now that the facts are overwhelmingly clear, the public will not wait for more feasibility studies or meetings to discuss what can be done.

In addition, \$60 million for new unnamed homeless health initiatives has already been allocated by the Board. To date, no proposals are forthcoming for the June board meeting. Since the Board does not meet in July, it will be August, at the earliest, before any plans can be discussed by the Board.

Such a delay is unconscionable. Therefore, I am requesting a Special Board of Directors meeting to convene on June 14, where I will propose the following plan to immediately spend the \$60 million allocated:

- Clinic health care services in all homeless shelters - \$10 million
- Authorize mobile health team to respond to all homeless providers - \$10 million
- Residential support services and housing navigation - \$20 million
- Extend recuperative care for homeless individuals with chronic physical health issue-\$20 million

The way I see things is our homeless residents are, by definition, indigent. They should receive the health care they need. This is especially true if they have gone through the process to enroll. It is CalOptima's responsibility to find ways to bring health care to them. If one CalOptima member is experiencing homelessness, that should be enough for this agency to spring into action. We can adopt, as a Board, a philosophy of finding a way to say yes, or we can continue to say no, while people are suffering and dying on the street.

My hope is that my request for a Special Board meeting will be met.

Sincerely,



ANDREW DO
Orange County Board of Supervisors
Supervisor, First District

AD/vc

cc: Members, CalOptima Board of Directors
Members, Orange County Board of Supervisors

June 5, 2019

Supervisor Andrew Do
Orange County Board of Supervisors
333 W. Santa Ana Blvd., P.O. Box 687
Santa Ana, CA 92702

Dear Supervisor Do:

Thank you for your May 29 letter expressing concern about CalOptima members experiencing homelessness. We certainly share your interest in changing the course of the current homeless crisis in Orange County. CalOptima has demonstrated our significant commitment to having an impact on the health of this population through the investment of \$100 million in financial resources and valuable, focused leadership from staff, executives and the Board.

It is unfortunate you will not be able to attend the June 6 meeting given the urgency you ascribe to this situation. Know that homeless health is a priority issue and that the CalOptima Board ad hoc committee formed to address this topic is actively discussing it on a weekly if not more frequent basis. An update on the homeless health initiatives is planned for the June 6 Board meeting, where you will hear that we are working diligently to find ways to improve the system of care for this population.

Removing yourself from that ad hoc committee may have distanced you from observing the progress that CalOptima is making. Please allow us to clarify a number of points from your letter to facilitate future collaboration, which is essential in addressing the challenges of homelessness. As we have stated before, homeless individuals who have Medi-Cal coverage are the mutual responsibility of CalOptima, and two County agencies, Health Care Agency (HCA) and Social Services Administration (SSA). CalOptima provides access to medical care, HCA provides access to moderate to severe mental health care and substance abuse services, and SSA determines eligibility and enrolls individuals into the Medi-Cal program. It's clear that medical care is only one dimension of the complex homelessness issue that extends to needs for housing, social services and economic support, all of which are overseen by the County. Again, because homeless individuals have needs of our organizations, optimal results can be achieved only if CalOptima and the County work together and are accountable for their respective responsibilities.

While we all are deeply saddened and frustrated by the high rate of homeless deaths in 2018, the incidence of CalOptima membership among this group has been widely discussed since the February 22, 2019, Special Meeting of the CalOptima Board. CalOptima staff is studying the causes of these deaths and considering your assertion that these members died because of a lack

of access to health care. However, whether an individual is a CalOptima member or not, the person can obtain primary care at a clinic, and if the person's need is urgent, obtain emergency care at any hospital emergency room (ER). Overall, approximately \$100 million was spent on care for homeless CalOptima members in calendar year 2018. CalOptima data comparing homeless members with the general population CalOptima serves shows that homeless members average more than seven times as many hospital bed days, visit the ER five times more often, visit a specialist almost twice as often and see a primary care doctor 25 percent less. These statistics are telling and will inform the design of a model of care for the homeless that considers their specific challenges. Our goal is to remove barriers and deliver care more appropriately and cost-effectively, which is the reason we launched clinical field teams. Such teams are not intended to replace the care delivery system available to all CalOptima members but to make urgent care available in unique situations when a homeless individual with an urgent care need is unwilling or unable to access the system.

Your comments about the slow rate of progress are out of sync with the experience of the clinical field team launch. Our first team was in the field less than two months from Board approval, and CalOptima quickly ramped up to 48 hours/six days a week of coverage in the month after that. We now have five partner clinics dedicated to providing on-call care anywhere in the county. The totals served are higher than those in your letter. From April 10–May 30, 84 individuals received care, and 70 of them were CalOptima members. We appreciate and celebrate the mammoth effort of the clinics in launching this one-of-a-kind program that Orange County has never seen before. In fact, the genesis of our street medicine teams and how they are deployed was the result of a series of collaborative meetings in January and February between more than a dozen CalOptima and County leaders. This is why the County Outreach & Engagement Team is an essential component of the process in making referrals, building trust in CalOptima's services and ensuring a safe environment for the medical professionals providing the services. Calling the process into question as your letter does conflicts with the intentional design developed collaboratively by County, clinics and CalOptima representatives. At this initial stage, we are honoring the group's direction to coordinate deployment through the County. But we intend to refine the program over time and plan to eventually take referrals from other organizations.

Contrary to your assertion that CalOptima is refusing to offer clinic services at shelters, we are working to bring shelter operators and clinical field team leaders together to forge collaborative relationships that make sense for their facilities and teams. A meeting had been scheduled for May 31, but it was cancelled at the County's request due to County staff vacations. Still, these groups are excited about the prospects of working together, and there has been no "refusal" on our part to do this. We intend to encourage new mutually beneficial partnerships and continue to work to foster collaboration with our County and community partners.

The CalOptima Board homeless health ad hoc is keenly focused on homeless program development for the remaining Board-approved \$60 million, seeking uses that are flexible and responsive. To meet that goal, the work of the ad hoc is increasingly inclusive, with the

committee prioritizing meetings with key stakeholders who have invaluable experience working directly with the homeless population. Your suggested CARE programs largely duplicate work already in progress or reflect a request that is outside of CalOptima's scope. We would like to detail this as follows:

- *Clinic health care services in all homeless shelters - \$10 million*
As stated above, we are encouraging clinics to work with shelters. They can choose to do this now and some are. When we are able to meet with clinics, County staff and shelters as a group, we can assess whether additional funding is needed and establish schedules and coverage to meet the health care needs.
- *Authorize mobile health team to respond to all homeless providers - \$10 million*
Your suggestion highlights a process change rather than a funding issue. CalOptima and our clinical field team partners can decide to revise the referral process, and services delivered to the member would be reimbursed regardless of the origin of the referral. CalOptima's homeless response team plans to expand its referral base and has budgeted sufficiently to accommodate growth. Further, there are reasons to keep the County Outreach & Engagement Team involved because oftentimes a member's need may be related to a County-covered services.
- *Residential support services and housing navigation - \$20 million*
The services that you suggest here are key elements of the Whole-Person Care (WPC) pilot, for which the County is the lead. CalOptima respectfully suggests that the County consider working with the state to add a housing pool to the WPC pilot program and also consider requesting additional money as part of its submission to the state for a portion of the governor's increased housing funds for WPC in the FY 2019–20 budget. If the County creates a housing pool under the WPC program, CalOptima could contribute money to the housing pool for housing supportive services. CalOptima staff looks forward to the possibility of partnering with the County on these initiatives within the parameters for which the use of CalOptima Medi-Cal funding is permissible.
- *Extend recuperative care for homeless individuals with chronic physical health issue - \$20 million*
CalOptima has twice allocated funds for recuperative care, bringing the total to \$11 million. As you may recall, the CalOptima Board acted at its April meeting to lengthen the duration for recuperative care services beyond 90 days when medically indicated, and adequate funding remains available for these services.

Separately, the Board's ad hoc committee for IGT 6/7 on which you serve has an opportunity to approve grants that may positively impact the homeless community, such as the grants targeted for mental health and medication-assisted treatment. This adds yet another dimension to CalOptima's significant investment in responding to the homeless crisis.

Supervisor Andrew Do
June 5, 2019
Page 4

In closing, please know that the homeless health ad hoc committee has received your program ideas for consideration. As indicated, the homeless health ad hoc and the CalOptima Board have already acted to address the “urgent” elements of your proposal. Collaboration and accountability are key CalOptima values that we share with stakeholders so that together we can authentically pursue our goal of better homeless health care services.

Sincerely,



Michael Schrader
CEO, CalOptima

CalOptima Board Ad Hoc Committee on Homeless Health
Paul Yost, M.D.
Lee Penrose
Ron DiLuigi
Alex Nguyen, M.D.

cc: Members, CalOptima Board of Directors
Members, Orange County Board of Supervisors



ANDREW DO

SUPERVISOR, FIRST DISTRICT

ORANGE COUNTY BOARD OF SUPERVISORS

333 W. SANTA ANA BLVD., P.O. BOX 687, SANTA ANA, CALIFORNIA 92702-0687

PHONE (714) 834-3110 FAX (714) 834-5754 andrew.do@ocgov.com

June 6, 2019

Mr. Michael Schrader
CalOptima
505 City Pkwy
Orange, CA 92868

Dear Mr. Schrader and CalOptima Board Ad Hoc Committee on Homeless Health:

I am in receipt of your letter dated June 5 in response to my May 29 letter. Your response letter demonstrates a clear lack of focus and concern for the issues I raised regarding the alarming number of deaths occurring among CalOptima members experiencing homelessness—a number I understand based on your letter, that the Ad hoc and CalOptima staff were aware of months ago and yet never shared with the Board until I posed the question on April 9. At that time I was informed related analysis is in the works in preparation for the upcoming Quality Assurance Committee meeting in May, which was cancelled. Subsequently, I followed up on May 21 and received the answer. If the Ad hoc has known this information for months, I am further concerned over the lack of transparency in sharing information with the Board of Directors on a crisis-level issue. I am also aware that CalOptima staff conducted analyses into the number of deaths and again, no results or informed recommendations were provided to the CalOptima Board.

As stated previously, there are no recommended actions on the June 6 agenda regarding the \$60 million for new homeless health initiatives already allocated by the CalOptima Board. Whether I attend this meeting or not does not change this fact. An update on existing initiatives without recommendations for new actions to utilize the \$60 million will not produce new results.

On the topic of homeless initiatives, it has come to my attention that a Board Action taken at the April 4 CalOptima Board meeting, Item 18 was portrayed and captured as part of CalOptima's homeless health initiatives to the tune of \$10 million. At this same Board meeting, Item 4 described this pending action as part of CalOptima's current homeless health response contribution and yet I'm told there may not be is no reference to requiring homeless coordination as part of the hospital contracts attached to the approved Item 18. I want a copy of the contract to confirm these services are in fact directly related to the homeless initiatives as portrayed. The continued lack of transparency from CalOptima is alarming.

The statistics quoted in my letter were provided by CalOptima staff just last week, so if there are inconsistencies between those figures and the figures in your letter of June 5, I am unclear as to why that is. Even if 84 individuals were served between April 10 – May 30, that is fewer than two people per day over the 50-day period. It seems that five clinical field teams operating with

the frequency you state are capable of handling significantly more service requests—why aren't they? The need is obvious.

There are nearly 3,000 homeless individuals in shelters in Orange County, and providing services “eventually” will not help them quickly enough. Referrals to the clinical field teams should be accepted from the shelters immediately. Again, this delayed response will not produce new results. County staff who have been working diligently on this issue continue to attempt to provide guidance to CalOptima staff on best practices and make connections; however, it seems to be taken for granted. In the meeting cancellation referenced in your letter, CalOptima staff were fully aware of County staff's availability in advance of the May 31 meeting date, yet the meeting was scheduled despite this knowledge.

I chose to remove myself from the ad hoc committee because my suggestions for improved services provided at the February 22 Special Board meeting were disregarded in favor of conducting more studies. We don't need studies to tell us that more services are needed on the streets and in the shelters. My CARE proposal was done in conjunction with the Health Care Agency. Your letter states the County Outreach and Engagement team is an essential component. I agree, which is why the team was consulted in my proposal.

We need a plan now, and I have provided a plan. The CalOptima Board of Directors must take action now, which is why I requested the June 14 special meeting. This ad hoc has been meeting, exploring, and fact gathering without a single recommendation to the Board for over 100 days. Waiting another two months to take action is simply unacceptable.

Sincerely,

A handwritten signature in blue ink that reads "Andrew Do". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

ANDREW DO
Orange County Board of Supervisors
Supervisor, First District

AD/vc

cc: Members, CalOptima Board of Directors
Members, Orange County Board of Supervisors

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken March 17, 2022 **Regular Meeting of the CalOptima Board of Directors**

Report Item

4. Consider Approval of an Employment Agreement and Agreement Terms for the Chief Executive Officer

Contact

Brigette Hoey, Executive Director, Human Resources, (714) 246-8405

Recommended Action

Approve an Employment Agreement for the Chief Executive Officer.

Background

After a September 9, 2021 resignation notice provided to the Board of Directors, then Chief Executive Officer (CEO) Richard Sanchez separated service with CalOptima on November 7, 2021. At the November 4, 2021, meeting, the Board of Directors appointed Michael Hunn as Temporary (Interim) Chief Executive Officer and authorized the Chair to execute the Employment Agreement.

Discussion

Michael Hunn has been serving as CalOptima's Temporary (Interim) CEO since November 8, 2021. At the March 3, 2022 meeting, the Board of Directors appointed Hunn as the permanent CEO, with no change in the terms and conditions stipulated in his (Interim) Employment Agreement of November 8, 2021.

The new Employment Agreement will set the terms and conditions of employment for Michael Hunn as the permanent CEO. No changes to compensation at this time.

Fiscal Impact

The recommended action to approve the Employment Agreement for the CEO is budget neutral. Budgeted funds for salaries and benefits under the CalOptima Fiscal Year (FY) 2021-22 Operating Budget are sufficient to cover projected expenses associated with the agreement through June 30, 2022. Staff will include updated administrative expenses in the FY 2022-23 Operating Budget.

Rationale for Recommendation

Approval of the CEO Employment Agreement is recommended to meet regulatory requirements and ensure the continued smooth operations of CalOptima and coverage for CEO responsibilities.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt

Attachments

1. Employment Agreement (Interim CEO)
2. Employment Agreement (Permanent CEO)

/s/ Michael Hunn
Authorized Signature

03/11/2022
Date

INTERIM EXECUTIVE EMPLOYMENT AGREEMENT

THIS INTERIM EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is made and entered into effective November 8, 2021 ("Effective Date") by and between, the Orange County Health Authority, dba Orange Prevention and Treatment Integrated Medical Assistance, dba CalOptima ("Employer" or "CalOptima") and Michael Hunn ("Employee"). Employer and Employee are collectively referred to herein as the "Parties" or singularly as a "Party."

RECITALS

WHEREAS, Employer is a Health Authority and local public agency responsible for administering a county operated health system for the provision of health care services to individuals qualifying for various government-funded health care programs; and

WHEREAS, Employee has executive health care and other relevant experience, and the Board of Directors ("Board") believes that it is in the best interest of CalOptima that Employee be named the Interim Chief Executive Officer; and

WHEREAS, Employee is willing to accept such employment on the terms and conditions set forth in this Agreement below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, it is hereby agreed as follows:

AGREEMENT

1. Employment:

- a. Subject to CalOptima's satisfactory completion of background and reference checks, Employee shall serve as the Interim Chief Executive Officer ("CEO") of CalOptima during the term of this Agreement. Employee will perform such duties as are customarily performed by CEOs of like organizations and as may be assigned from time to time by the Board. These duties shall include working closely with the Board to establish internal policies, structures and procedures and to promote cooperative relationships with local, state and federal officials and agencies in support of CalOptima programs. In performing his duties, Employee will abide by all applicable federal, state, and local laws as well as CalOptima's bylaws, rules, regulations and policies as may be amended from time to time.
- b. Employee shall devote during normal business hours, at a minimum, his full time, ability and attention to Employer's business during the term of this Agreement and use his best efforts to promote CalOptima's interests. Employee is expected to engage in the hours of work to the business of Employer that are necessary to fulfill the obligations of the position, be available at all times, and devote time in excess of the regularly established workday or in excess of a forty (40) hour work period which may include time outside normal office hours. Employee will generally be expected to keep office hours at CalOptima Monday through Friday during normal business hours. Employee shall not directly or indirectly acquire, hold, or retain any interest in any business competing with or similar in nature to the business of

Employer or which in any other way creates a conflict of interest. During the term of this Agreement, Employee shall not in any way engage or participate in any business that is in competition with Employer. Employee will comply with all provisions of CalOptima Policy GA.8012: Conflicts of Interest.

- c. Employee acknowledges that in the course of his employment contemplated herein, Employee will be given or will have access to confidential and proprietary documents and information relating to CalOptima, its operations, employees, providers, and members (“Confidential Information”). Employee acknowledges and agrees that the sale, unauthorized use or disclosure of any of Employer's Confidential Information or trade secrets constitutes unfair competition and a violation of applicable laws or CalOptima policies, and that Employee will not engage in any unauthorized disclosure of Confidential Information or unfair competition with Employer, either during the term of this Agreement or thereafter. Employee further acknowledges and agrees that for one year following separation from CalOptima, Employee will not actively recruit, solicit, or offer employment to any then current CalOptima employee on behalf of Employee, or any other employer, agency, or organization.
- d. Employer may fix other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or applicable law.

2. Term:

- a. CalOptima agrees to employ Employee and Employee accepts employment with CalOptima on an interim basis from the effective date of this Agreement through June 30, 2022, continuing thereafter on a month-to-month basis, subject to the termination provisions in accordance with this Agreement.

3. Salary and Benefits:

- a. **Salary:** Beginning on the effective date of this Agreement, Employee will receive a Base Annual Salary of five hundred sixty thousand dollars (\$560,000) payable in equal installments according to the Employer's regular payroll schedule, less any applicable taxes and withholding. Employer shall also deduct sums Employee is obligated to pay because of participation in plans or programs described in Paragraph 3.c. of this Agreement. Base compensation is subject to annual review by the Board. Merit increases, if any, will be determined by the Board at a future date(s).
- b. **Car Allowance:** Employer will provide Employee with \$550 per month to be used as an automobile allowance. Employee will be responsible for all operating expenses of his automobile as well as for procuring and maintaining automobile liability insurance.
- c. **Benefits:** Employee is entitled to participate in all employee benefit programs and plans established by CalOptima from time to time for the benefit of its employees generally, and for which Employee is eligible. Employee shall also receive the following:

- i. To the extent permitted under applicable law, (a) Employer will pay for Employee's portion of contributions to his CalPERS ("PERS") retirement plan under the applicable PERS formula and legal limitations, if applicable; and (b) Employer will make supplemental Public Agency Retirement System ("PARS") retirement contributions based on the same percentage applicable to all employees, subject to wage and other limits under applicable laws.
- ii. At Employee's option, Employer will (a) provide term life insurance in the amount of the Employee's annual salary, or (b) pay Employee an amount equal to the premium for such life insurance.
- iii. Employee shall accrue PTO at a rate of twenty-eight (28) days per year (prorated on a bi-weekly basis).

d. Expenses:

- i. Employee will be reimbursed for the cost of all reasonable expenses incurred by Employee for CalOptima business, so long as the expenses are incurred and submitted according to Employer's expense reimbursement policies and procedures and supported by documentation meeting the Employer's standard requirements.

4. Termination of Employment:

- a. Employee is an at-will employee appointed by and serving at the pleasure of the Board of Directors. CalOptima, acting through the Board, may terminate this Agreement and Employee's employment at any time with or without Cause. Nothing herein, however, shall be construed to create a property interest, where one does not exist by rule of law, in the position of Interim Chief Executive Officer. CalOptima shall have no obligation to pay for the remaining days and/or months left on the unexpired Term of this Agreement, and Employee expressly agrees that he shall not be entitled to any severance pay as a result of the termination of this Agreement.
- b. Employee may terminate this Agreement and Employee's employment at any time upon sixty (60) days advance written notice. Such advance written notice may be waived by the Board and the termination by the Employee may be accepted immediately.
- c. In the event CalOptima appoints a permanent CEO to commence employment prior to the expiration of this Agreement, CalOptima will provide thirty (30) days advance written notice in accordance with Section 4.a.
- d. Notwithstanding the foregoing, Government Code section 53260 provides that all contracts of employment with a local agency must include a provision limiting the maximum cash settlement for the termination of the contract to the monthly salary (excluding benefits) multiplied by the number of months left on the unexpired term, but not more than eighteen (18) months if the unexpired term exceeds eighteen (18) months. Accordingly, should severance payment subsequently be provided, it shall not exceed the amount authorized to be paid under Government Code section 53260.

5. Indemnification. Consistent with the California Government Code, Employer shall defend and indemnify Employee, using legal counsel of Employer's choosing, against expense or legal liability for acts or omissions by Employee occurring within the course and scope of Employee's employment under this Agreement. In the event there is a conflict of interest between Employer and Employee in such a case so that independent counsel is required for Employee, Employer may select the independent counsel after having considered the input of Employee and shall pay the reasonable fees of such independent counsel. If Employee is convicted of a crime involving abuse of his position as defined in Government Code section 53243.4, Employee shall reimburse Employer for all legal defense fees and costs.

6. Withholding of Taxes: CalOptima will withhold from any monies payable pursuant to this Agreement all federal, state, city or other taxes as may be required by any law, governmental regulation or ruling.

7. Notices: Notices and all other communications under this Agreement shall be in writing and shall be deemed given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested, postage prepaid, addressed as follows
 If to the Employer:
 CalOptima
 505 City Parkway West
 Orange, California 92868
 Attention: Chair, Board of Directors

 If to the Employee:

 Michael Hunn

8. Waiver of Breach: The waiver by either Party, or the failure of either Party to claim a breach of any provision of this Agreement, shall not operate or be construed as a waiver of any subsequent breach.

9. Assignment: The rights and obligations of the respective Parties hereto under this Agreement shall inure to the benefit of and shall be binding upon the heirs, legal representatives, successors and assigns of the Parties hereto; provided, however, that this Agreement shall not be assignable by either Party without prior written consent of the other Party.

10. AB 1344: Assembly Bill 1344, which was subsequently enacted as Government Code sections 53243 - 53243. 4, instituted certain limitations on compensation paid to local government executives. These statutes require that contracts between local agencies and its employees include provisions requiring an employee who is convicted of a crime involving an abuse of his office or position to provide reimbursement to the local agency for the following forms of payment: (i) paid leave salary; (ii) criminal defense costs; (iii) cash settlement payments; and (iv) any non-contractual settlement payments. Accordingly, the Parties agree that it is their mutual intent to fully comply with these Government Code sections and all other applicable law, as may be amended from time to time. Specifically, the

following Government Code sections are called out and hereby incorporated by this

Agreement: (1) 53243 - Reimbursement of paid leave salary required upon conviction of crime involving office or position; (2) 53243. 1 - Reimbursement of legal criminal defense upon conviction of crime involving office or position; (3) 53243. 2 - Reimbursement of cash settlement upon conviction of crime involving office or position; (4) 53243. 3 - Reimbursement of noncontractual payments upon conviction or crime involving office or position; and (5) 53243. 4 - "Abuse of office or position" defined. Employee has reviewed, is familiar with, and agrees to comply fully with each of these provisions if any of these provisions are applicable to Employee, including that Employee agrees that any cash settlement or severance related to the termination that Employee may receive from CalOptima shall be fully reimbursed to CalOptima if Employee is convicted of a crime involving an abuse of his or her office or position.

11. Entire Agreement: This Agreement sets forth the final, complete and exclusive agreement between the Parties relating to the employment of Employee by Employer, and supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the Parties with respect to said subject matter in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing and signed by both Employee and the Board Chairman of the CalOptima. The foregoing notwithstanding, Employee acknowledges that, except as expressly provided in this Agreement, his employment is subject to the Employer's generally applicable rules and policies pertaining to employment matters, such as those addressing equal employment opportunity, harassment and violence in the workplace, as they currently or may in the future exist, and his employment is, and will continue to be, at the will of the Board.
12. No Liability of the County of Orange: As required under Ordinance No. 3896 of the County of Orange, State of California, as amended, the Parties hereto acknowledge and agree that the obligations of CalOptima under this Agreement are solely the obligations of CalOptima, and the County of Orange, State of California, shall have no obligation or liability hereunder.
13. Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California. The Parties consent to the jurisdiction of the California Courts, with venue in Orange County.
14. Partial Invalidity: If any provision of this Agreement is found to be invalid or unenforceable by any court, the remaining provisions hereof shall remain in effect unless such partial invalidity or unenforceability would defeat an essential business purpose of this Agreement.
15. Independent Review. Employee acknowledges that he has had the opportunity and has conducted an independent review of the financial and legal effects of this Agreement. Employee acknowledges that he has made an independent judgment upon the financial and legal effects of this Agreement and has not relied upon any representation of CalOptima, its officers, agents or employees other than those expressly set forth in this Agreement. Employee acknowledges that he has been advised to obtain, and has available himself of, legal advice with respect to the terms and provisions of this Agreement.

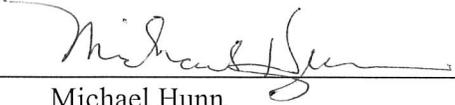
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered on the 4th day of November 2021, at Orange County, California.

ORANGE COUNTY HEALTH AUTHORITY

Employer:

By: 
Andrew Do, Chairman

Employee:

By: 
Michael Hunn

EMPLOYMENT AGREEMENT

FOR

CHIEF EXECUTIVE OFFICER

BETWEEN

**ORANGE COUNTY HEALTH AUTHORITY, DBA ORANGE
PREVENTION AND TREATMENT INTEGRATED MEDICAL
ASSISTANCE, DBA CALOPTIMA**

AND

MICHAEL HUNN

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is entered into by and between the Orange County Health Authority, dba Orange Prevention and Treatment Integrated Medical Assistance, dba CalOptima (“Employer” or “CalOptima”), and Michael Hunn (“Employee”) (collectively, “the Parties”). This agreement is effective at 12:00 a.m., **March 3, 2022**.

WHEREAS, CalOptima is authorized to employ and requires the services of a Chief Executive Officer (“CEO”); and,

WHEREAS, the Employee will supply the necessary skills and expertise in the area of managed health care plan management;

NOW, THEREFORE, in consideration of the above referenced recitals which are incorporated herein by reference, and the terms, conditions, covenants and promises set forth below, the Parties agree as follows:

SECTION 1. NATURE AND SCOPE OF EMPLOYMENT

Employee expressly acknowledges and agrees that he is an exempt management employee who serves at the will and pleasure of the Board of Directors of CalOptima (“Board”), that he has no property interest in his CalOptima employment, and that he may be terminated with or without cause at any time.

Employee shall function as CalOptima’s CEO. His duties shall include those duties and responsibilities: (A) in the job description maintained by CalOptima’s Human Resources Department; (B) as provided in the CalOptima bylaws; and (C) necessary to implement CalOptima policies, Board directives, and other duties as the Board may, from time to time, assign to Employee. The Board may use any or all such duties and responsibilities in evaluating Employee’s performance. Further, at all times during his employment, Employee shall devote his full-time time, energies and loyalty to CalOptima, and comply with all policies, procedures and directives of CalOptima and the Board.

SECTION 2. TERM OF AGREEMENT; DATE OF EMPLOYMENT BEGINS

The term of this Agreement shall become effective at 12:00 a.m. on March 3, 2022 and remain in effect for an initial term of three (3) years, unless earlier terminated as set forth in Section 7 below. Thereafter, this Agreement shall renew automatically on the same terms and subject to the same conditions herein.

SECTION 3. COMPENSATION

- (A) Salary. Commencing on the effective date of this Agreement, CalOptima shall pay to Employee an annual base salary of Five Hundred and Sixty Thousand Dollars (\$560,000.00), which shall be subject to all applicable payroll taxes and withholdings.
- (B) Payment of Salary. Salary shall be paid to Employee on a pro rata basis according to the same pay periods utilized for other CalOptima employees.
- (C) Modification of Contract Terms. At any time during the term of this Agreement, either party may request, and the parties shall then discuss (with no obligation on the parties, however, to reach mutual agreement) proposed modification of the terms and conditions herein, including but not limited to compensation adjustment as provided for in the 2018 Grant Thornton compensation study.
- (D) Reimbursement of Job-Related Expenses. CalOptima shall reimburse Employee for ordinary and necessary job-related expenses incurred on behalf of CalOptima in accordance with CalOptima policy and applicable law. Employee shall not receive mileage for travel to and from CalOptima's office and Employee's residence. Consistent with CalOptima's travel policy, CalOptima shall pay or otherwise reimburse Employee for the cost of necessary meetings and functions Employee attends on CalOptima's behalf, including transportation, registration, meals and hotel accommodations. Employee shall provide appropriate receipts to CalOptima for any expense reimbursements.
- (E) Car Allowance. CalOptima will provide Employee with \$550 per month to be used as an automobile allowance. Employee will be responsible for all operating expenses of his automobile as well as for procuring and maintaining automobile liability insurance.
- (F) Benefits. Employee is entitled to participate in all employee benefit programs and plans established by CalOptima from time to time for the benefit of its employees generally, and for which Employee is eligible. Employee shall also receive the following:
- i. To the extent permitted under applicable law, (a) Employer will pay for Employee's portion of contributions to his CalPERS ("PERS") retirement plan under the applicable PERS formula and legal limitations, if applicable; and (b) Employer will make supplemental Public Agency Retirement System ("PARS") retirement contributions based on the same percentage applicable to all employees, subject to wage and other limits under applicable laws.
 - ii. At Employee's option, Employer will (a) provide term life insurance in the amount of the Employee's annual base salary, or (b) pay Employee an amount equal to the premium for such life insurance.
 - iii. In addition to the Paid Time Off (PTO) accrued as of the Effective Date of this Agreement, Employee shall accrue PTO at a rate of twenty-eight (28) days per year (prorated on a bi-weekly basis).

Rev.
3/17/2022

SECTION 4. HOURS OF WORK; CONFLICTS OF INTEREST

During the term of the Agreement, Employee shall devote appropriate and sufficient ability and attention to the services he is to perform for CalOptima. It is generally intended that Employee shall perform services on behalf of CalOptima during regular business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.), evening meetings, and at other times as necessary in the performance of his duties. The parties acknowledge and agree that some services to be performed for CalOptima may necessitate Employee being away from CalOptima's facilities, e.g., representing CalOptima in meetings with other health plans, with local, state and federal agencies, and with professional organizations and associations. To avoid any actual or potential conflicts of interest, Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, that competes with the business of CalOptima or interferes with the performance of his duties hereunder while employed by CalOptima. Employee shall comply with all Federal and State laws and CalOptima policies governing conflicts of interest, including those concerning the acceptance and reporting of gifts and business transactions. Employee shall adhere to the highest ethical standards and avoid even the appearance of impropriety in the conduct of CalOptima business, including his dealings with contractors, vendors and customers of CalOptima, as well as in his private life to the extent his activities may reflect on CalOptima.

Employee will be required to uphold CalOptima's Conflict of Interest Code and file a Form 700 – Statement of Economic Interest for Designated Employees.

SECTION 5. EMPLOYEE BENEFITS

Employee shall be entitled to participate in and receive benefits in accordance with the Chief Executive Officer level benefits summarized in **Attachment A**. Such benefits shall be administered in accordance with CalOptima policy and procedure and as approved by the Board.

SECTION 6. PERFORMANCE EVALUATION; MERIT INCREASE

The Board shall evaluate and review Employee's job performance on an annual basis. Evaluations of Employee's performance may be conducted at any time and more often than on an annual basis, at the discretion of the Board. The evaluations shall be based upon Employee's job description and the mutually agreed-upon performance goals, objectives and standards set by the Board and Employee. At evaluation sessions, the Board may discuss any performance goals, objectives and standards which Employee is not meeting, and the Board may establish other new reasonable performance goals, objectives and standards that Employee may be required to meet by Employee's next evaluation date. Failure to meet such performance goals, objectives or standards shall be a basis for the Board to consider termination for cause. The judgment of Employee's job performance shall be at the sole discretion of the Board and shall be final. It shall be the Employee's responsibility to place performance evaluation sessions, on an annual basis, on the Board's agenda.

Employee shall be eligible for a merit increase in salary or other compensation at the conclusion of each twelve (12) month period, not to exceed five percent (5%) of the current base salary, such increase to be based on recognition of Employee's job performance, and/or increased job duties. Employee's salary may be adjusted at any time to bring the salary into compliance with Cal Optima's salary schedule and guidelines. Any merit increase in salary shall be effective upon action by the Board with subsequent written amendment to this Agreement duly executed by the Parties.

In addition to Employee's annual review, Employee will meet with the Board on a periodic basis (as determined by the Board) to provide an update and review of Employee's goals.

SECTION 7. TERMINATION OF EMPLOYMENT

- (A) This Agreement shall terminate automatically and immediately upon Employee's death. Further, CalOptima may in its discretion, and as authorized by law, terminate this Agreement if Employee is permanently disabled. Employee shall be considered to be permanently disabled under this paragraph if he is unable to perform his duties as set forth in this Agreement or as established by CalOptima from time to time by reason of illness or disability for a continuous period of ninety (90) days.
- (B) This Agreement may be terminated at any time by CalOptima in its sole discretion for cause by giving written notice of termination to Employee. The phrase "for cause" shall include, but is not limited to, conduct whereby the Employee: (1) willfully breaches or habitually neglects the duties that he is required to perform under the terms of this Agreement; or (2) inadequately performs his assigned duties, i.e., fails to meet performance goals, objectives or standards, or otherwise is evaluated as unsatisfactory pursuant to Section 6; or (3) is convicted of a felony; or (4) commits acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude.

SECTION 8. PAYMENT UPON TERMINATION

- (A) If this Agreement terminates for any reason, Employee shall receive no further compensation or benefits after the date of termination, other than such compensation as may be accrued but unpaid as of such date, or as otherwise required by law.
- (B) For purposes of this Section 8, the "date of termination" shall mean the date CalOptima communicates notice of employment termination to Employee, unless otherwise specified in such notice.
- (C) Notwithstanding the foregoing, Government Code section 53260 provides that all contracts of employment with a local agency include a provision limiting the maximum cash settlement for termination of the contract to the monthly salary (excluding benefits) multiplied by the number of months left on the unexpired term, but not more than

eighteen (18) months if the unexpired term exceeds eighteen (18) months. Should severance pay be provided, it shall not exceed the amount authorized to be paid under Government Code section 53260.

SECTION 9. OWNERSHIP OF MATERIALS, CONFIDENTIALITY

Upon termination of this Agreement, Employee agrees to deliver to CalOptima all equipment, materials, documents and other property belonging to CalOptima. Employee also agrees to maintain the confidentiality of information related to CalOptima obtained during the term of his employment and thereafter, to the extent permitted by law.

SECTION 10. INDEMNIFICATION

CalOptima shall indemnify Employee in accordance with the provisions of the California Labor Code and the California Government Claims Act (Gov. Code §§ 810, *et seq.*)

SECTION 11. NOTICES

(A) Any notices to be given under this Agreement by either party to the other shall be in writing and may be transmitted by personal delivery or mailed by overnight delivery service (e.g., FedEx, UPS, etc.) that is subject to tracking and delivery confirmation. Mailed notices shall be addressed as follows:

If to CalOptima: CalOptima
505 City Parkway West Orange, California 92868
Attention: Chair, Board of Directors

With a Copy to: Kennaday Leavitt PC
Attention: Kelli Kennaday
621 Capitol Mall, Suite 2500
Sacramento, CA 95814

If to Employee: Michael Hunn

(B) Each party may change that party’s address by written notice delivered in accordance with this paragraph.

(C) Notices delivered personally shall be deemed communicated as of the date of actual receipt; mailed notices shall be deemed communicated as of the date of mailing.

SECTION 12. MODIFICATION

This Agreement may not be modified or amended in any way unless such modification or amendment is in writing and signed by Employee and CalOptima.

SECTION 13. ENTIRE AGREEMENT

This Agreement supersedes any and all other agreements, either orally or in writing, and including any prior employment contracts or offer letters, between the parties hereto with respect to the employment of Employee by CalOptima, and contains all of the covenants and agreements between the parties with respect to that employment in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding on either party.

SECTION 14. PARTIAL INVALIDITY

If any provision of the Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

SECTION 15. GOVERNING LAW AND VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any dispute arising out of this Agreement shall be venued in the Superior Court of California in Orange County, California.

As required under Ordinance No. 3896 of the County of Orange, as amended, the parties hereto acknowledge and agree that the obligations of CalOptima under this Agreement are solely the obligations of CalOptima, and the County of Orange shall have no obligation or liability hereunder.

SECTION 16. DEATH OF EMPLOYEE

If Employee dies prior to the expiration of the term of his employment, any sums that may be due him by CalOptima under this Agreement as of the date of death shall be paid to Employee's executors, administrators, heirs, or legal representatives.

SECTION 17. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, legatees, representatives and successors.

SECTION 18. RECITALS

The recitals are incorporated herein as if set forth in full.

SECTION 19. ACKNOWLEDGMENT

Employee acknowledges that he has carefully read this Agreement and understands its contents; that he has been given the opportunity to consult with an attorney of his choice regarding this Agreement; that he has had sufficient time to review this Agreement; that he is executing this Agreement knowingly and voluntarily, without any coercion or duress; and that he has not relied on any representations or promises of any kind made to him in connection with his decision to execute this Agreement, except for those set forth herein.

SECTION 20. COMPLIANCE WITH GOVERNMENT CODE SECTIONS 53243, *ET SEQ.*

If Employee is convicted of a crime involving an abuse of his office or position, all of the following shall apply:

- (A) If Employee is provided with administrative leave pay pending an investigation, Employee shall be required to fully reimburse CalOptima for such amounts paid;
- (B) If CalOptima pays for the criminal legal defense of Employee (which would be in its sole discretion, as it is not generally required to pay for a criminal defense), Employee shall be required to fully reimburse CalOptima such amounts paid; and
- (C) If this Agreement is terminated, any cash settlement related to the termination that Employee may receive from CalOptima shall be fully reimbursed to CalOptima or void if not yet paid to Employee.

For this subsection, “abuse of office or position” means either (1) an abuse of public authority including, but not limited to, waste, fraud, and violation of the law under color of authority; or (2) a crime against public justice including, but not limited to, a crime, described in Title 5 (commencing with Section 67), Title 6 (commencing with Section 85), or Title 7 (commencing with Section 92) of Part 1 of the Penal Code, as these statutes may, from time to time, be amended.

SECTION 21. ATTORNEY’S FEES

Except as provided elsewhere in this Agreement, if any legal action or proceeding is brought to enforce or interpret this Agreement, the prevailing party, as determined by the court, shall be entitled to recover from the other party all reasonable costs and attorney's fees, including such fees and costs as may be incurred in enforcing any judgment or order entered in any such action.

SECTION 22. NON-ASSIGNMENT

This is an agreement for personal services and may not be assigned by Employee to any third party.

SECTION 23. COUNTERPARTS

The Agreement may be executed in two (2) or more counterparts, including via facsimile or electronically-transmitted signature, each of which shall be deemed an original, but all of which together shall constitute one-in-the-same document.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto certify that the individuals signing below have authority to execute this Agreement on behalf of their respective organizations, and may legally bind them to the terms and conditions of this Agreement, and any attachments hereto. The parties have signed this Professional Services Agreement as set forth below.

MICHEAL HUNN:

CALOPTIMA:

By: _____
Michael Hunn

By: _____
Chair, CalOptima Governing Board

Date: _____

Date: _____

Attest: _____
Secretary, CalOptima Governing Board

Date: _____

ATTACHMENT A

**CHIEF EXECUTIVE OFFICER
SUMMARY OF COMPENSATION AND BENEFITS**